

MINISTRY OF COMMERCE

NOTIFICATION

New Delhi, the 29th July, 1999

Subject : Initiation of anti-dumping investigation-concerning import into India of Metronidazole from People's Republic of China.

No. 17/1/99-DGAD.- M/s Aarti Drugs Ltd. and M/s Aarey Drugs and PharmaceuticaTs Ltd. have jointly filed a petition in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of Metronidazole from China and requested for anti-dumping investigation and levy of anti-dumping duties.

1. Product Involved : The product involved - in the present petition is Metronidazole (also referred as subject goods hereinafter) originating in or exported from China. Metronidazole is classified under custom sub-heading No. 29.33 of the Customs Tariff Act, 1975. It is further classified as Metronidazole and its salts at sub heading No. 2933.2902 under ITC(HS) classification. The classification is, however, only indicative and in no way binding on the present investigations.

2. Domestic Industry Standing : There are five manufacturers of the subject goods in India. The present petition is jointly filed by M/s Aarti Drugs Ltd. and M/s Aarey Drugs and Pharmaceuticals Ltd. with registered offices at Plot No. N-198, MIDC, Tarapur, Village Pamtembhi, Tal-Palghar Distt. Thane-401506 and 8 E-34, MIDC, Tarapur, Voisar Distt. Thane respectively. The petition is expressly supported by two manufacturers, namely, Ws Unichem Laboratories and M/s Unique Chemicals. However, out of these four manufacturers who have filed and supported the petition, three are importers of the subject goods, and, hence, are excluded from the purview of the Domestic Industry under the Rules. Thus, only M/s Aarey Drugs Pharmaceuticals Ltd. and M/s Advent qualify to be treated as domestic industry. Since the former's share constitutes more than 50% of the total production of the domestic industry after exclusion of ineligible manufacturers, they, i.e. Ws Aarey Drugs and Pharmaceuticals Ltd., have the requisite standing to file the petition and are treated as the only petitioner in this case.

3. Country involved : The country involved in the present investigation is People's Republic of China (also referred to as subject country hereinafter).

4. **Like Goods** : The petitioner have claimed that there is no significant difference in their product and the allegedly dumped product from the subject country. Further, it is claimed that Metronidazole produced by them and that imported from China have similar characteristics and specifications. Therefore, both are prima facie treated as like articles within the meaning of the Rules.

5. **Dumping and Dumping margin**

- a. Normal value: The petitioner have stated that no information is available with regard to the price of the subject goods in the domestic market of China nor are they able to get any evidence with regard to the prices for exports to other countries. Therefore, they have claimed Normal Value on the basis of constructed cost methodology. Since the technology adopted by the petitioner and their costs of production are claimed to be comparable with other producers of the subject goods in the world, the constructed cost, which is claimed to be based on the petitioner's own cost of production, constitutes a reasonable prima facie evidence of Normal Value.
- b. Export price: The export price has been claimed on the basis of CIF value as per the data of the DGCIS (Director General of Commercial Intelligence and Statistics), which is a Government of India organisation dealing with foreign trade statistics. The petitioner have claimed adjustments in respect of Ocean freight, marine insurance, commission, clearing and forwarding expenses and inland freight to arrive at the net export price at the ex-factory level.
- c. Dumping Margin: Considering the normal value and export price(both at ex-factory level) as detailed above, the dumping margin, which is arrived at, is significantly higher than the de-minimus limits.

This prima facie indicates that the subject goods are being dumped in India by the exporters.

6. **Injury and Causal Link** : The various economic indicators relating to domestic industry such as market share, profitability, price and production collectively and cumulatively, indicate that the domestic industry has suffered injury. There is sufficient prima facie evidence that the imports of the subject goods from the subject country have caused injury to the domestic industry.

7. **Initiation of Anti-Dumping Investigation** : The Designated Authority, in view of the foregoing paragraph, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject country.

8. The period of investigation for the purpose of present investigation is 1st April 1998 to 31st December, 1998.

9. **Submission of Information** : The exporters in the subject country and the importers in India known to be concerned are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority, Ministry of Commerce, Anti-Dumping Division, Udyog Bhawan, New Delhi- 110011. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

10. **Time Limit** : Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are, however, required to submit the information within forty days from the date of letter addressed to them separately.

11. **Inspection of Public File** : In terms of Rule 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

12. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

RATHI VINAY JHA...
Designated Authority.