

**(To be published in Part-I Section of Gazette of India, Extra ordinary)**

File No 14/40/2016  
Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Anti Dumping & Allied Duties)  
4th Floor, Jeevan Tara Building, Parliament Street

Dated 16<sup>th</sup> Sept.,2016

### **INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping Duty investigation concerning imports of “Polybutadiene Rubber or PBR” originating in or exported from Korea PR, Russia, South Africa, Iran and Singapore.**

F. No.14/40/2016 DGAD : M/s Reliance Industries Limited(hereinafter referred to as ‘petitioner’ or “the applicant” ) has filed an application (also referred to as petition) before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of anti dumping investigation concerning imports of “Polybutadiene Rubber or Butadiene Rubber” (hereinafter referred to as PBR or subject goods or product under consideration) originating in or exported from Korea PR, Russia, South Africa,Iran and Singapore (hereinafter referred to as subject countries).

1. AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject goods originating in or exported from Korea PR, Russia, South Africa, Iran and Singapore, ‘injury’ to the domestic industry and causal link between the dumping and ‘injury’ exists to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping of the product under consideration originating in or exported from Korea PR, Russia, South Africa, Iran and Singapore, and consequent injury to the domestic industry in terms of Rule 5 of the AD Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which, if levied, would be adequate to remove the ‘injury’ to the domestic industry.

### **Domestic Industry & Standing**

2. The petition has been filed by M/s Reliance Industries Limited (hereinafter referred to as the domestic industry or the applicant), as producers of the subject goods in India. Petitioner Company is the sole producer of the subject goods. Petitioner has neither imported the product under consideration, nor are they related to an importer or exporter of the product under consideration. The Authority, therefore, determines that the applicants constitute domestic industry within the meaning of the Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

### **Product under consideration**

3. The product under consideration is "Polybutadiene Rubber" or "Butadiene Rubber" also known as "PBR" in the market parlance. Polybutadiene is a synthetic rubber that is a polymer formed from the polymerization of the monomer 1,3-butadiene. Polybutadiene has a high resistance to wear and is used especially in the manufacture of tyres, which consumes about 70%-80% of the PBR produced in India. Another 20% is used as an additive to improve the mechanical strength of plastics such as polystyrene and acrylonitrile butadiene styrene (ABS). It is also used to manufacture golf balls, various elastic objects and to coat or encapsulate electronic assemblies, offering high electrical resistivity.
4. "BR" or "PBR" can be classified in terms of grades and quality. There are five different categories of PBR - Titanium, Lithium, Cobalt, Nickel and Neodymium. This classification of PBR into different categories is based on the type of catalyst used during the polymerization process. Based on the catalyst used in the process, the polymerization will result in the stereo-regularity of the chain (measured by the cis-content) or linearity of the chain. Generally grades of BR are differentiated based on their cis-content. The catalyst used and their corresponding cis-contents are Nickel Grade, Cobalt Grade and Neodymium Grade. The petitioner is producing only Cobalt, Nickel and Neodymium grades of the product. Petitioner has submitted that the other two grades Titanium, Lithium are not produced by the petitioner because of lack of technology. Since the petitioner does not have the technology to produce Titanium and Lithium grades, therefore, these two grades have been excluded from the scope of product under consideration. Thus, product under consideration is "Polybutadiene Rubber" excluding Titanium, Lithium grades of PBR.

5. 1,3-Butadiene is an organic compound that is a simple conjugated diene hydrocarbon (dienes have two carbon-carbon double bonds). Polybutadiene forms by linking many 1,3-butadiene monomers to make a much longer polymer chain molecule. In terms of the connectivity of the polymer chain, butadiene can be polymerized in three different ways, called *cis*, *Trans* and *vinyl*.
6. The prescribed unit of measurement for the product under consideration is kilograms/MT and it is universally sold in the same. Subject goods are classified under Chapter 40 of Customs Tariff Act, 1975 under the subheading 40022000. The customs classification is indicative only and is in no way binding on the scope of the proposed investigations.

### **Like Articles**

7. The petitioner has claimed that the product manufactured by the domestic industry and the subject goods imported into India from the subject countries are like articles within the meaning of the Anti-dumping Rules. There is no known difference between the subject goods imported from the subject countries and that produced by the domestic industry. The subject goods produced by the domestic industry and imported from the subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The consumers can use and are using the two interchangeably and are technically and commercially substitutable. After examination, the Authority concludes that the subject goods produced by the domestic industry are like article to that imported from the subject countries. Therefore, for the purpose of present investigation the subject goods produced by the applicant in India are being treated as like article to the subject goods being imported from subject countries.

### **Subject Countries**

8. The countries involved in the present investigation are Korea PR, Russia, South Africa, Iran and Singapore. Petitioner has claimed that the subject goods are being transhipped from Iran via UAE and entering into India. UAE is not the producer of the subject goods but a considerable quantity of the subject goods are being imported from UAE. The subject goods are produced in Iran and being dispatched to India via UAE.

### **Normal value**

9. The petitioner has claimed determination of normal value of the subject goods in Korea PR, Russia, South Africa, Iran and Singapore by considering the constructed Normal value. Petitioner has claimed that raw material accounts for 65 -70% of total cost of production. Further, price of Butadiene are well established internationally. The petitioner has claimed normal value on the basis of Butadiene price as per trade journals, consumption factor, conversion cost of domestic industry and profit.
10. The Authority has examined the claim of the petitioner and finds that there is sufficient prima facie evidence of normal value of the subject goods in the subject countries.

### **Export Price**

11. The petitioner has claimed export price for product under consideration based on IBIS data. Adjustments have been claimed on account of ocean freight, marine insurance, commission, inland freight, port expenses, and bank charges to arrive at net export price at ex-factory level. There is sufficient prima facie evidence with regard to the export price claimed by the petitioner.

### **Dumping Margin**

12. There is sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the export price, prima-facie establishing that the subject goods originating in or exported from each of the subject countries are being exported a price below normal value, thus resulting in dumping of the subject goods in the Indian market. Normal value and export price have been compared at ex-factory level which shows significant dumping margin in respect of subject countries.

### **Injury and Causal Link**

13. The petitioner has claimed that domestic industry has suffered material injury and has furnished evidence regarding injury having taken place as a result of the alleged dumping from subject countries in terms of deterioration in profits, return on capital employed, cash profit and deterioration in price parameters. The petitioner has also claimed adverse price effects as evidenced by price

depression and price underselling. The Authority considers that there is sufficient evidence of 'injury' being suffered by the domestic industry and the same is being caused by dumped imports of subject goods from the subject countries.

### **Period of Investigation**

14. The period of investigation for the present investigation is from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. However, for the purpose of injury investigation, the period will cover the data of previous three years, i.e. April 2012 to March 2013, April 2013 to March 2014, April 2014 to March 2015 and the Period of Investigation (POI).

### **Submission of information**

15. The known exporters in the subject countries and their Governments through their Embassies in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority,  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Anti Dumping & Allied Duties  
4th Floor, Jeevan Tara Building, Parliament Street  
New Delhi - 110001**

### **Time limit**

16. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the AD Rules.

17. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses and offer their comments to the domestic industry's application regarding the need to impose anti-dumping measures within 40 days from the date of initiation of this investigation.

### **Submission of Information on Non-Confidential basis**

18. In case confidentiality is claimed on any part of the questionnaire response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

19. Information supplied without any mark shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.

20. For information claimed as confidential; the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed and/or why summarization of such information is not possible.

21. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible of summary; a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

22. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

23. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Authority.
24. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

### **Inspection of Public File**

25. 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.

### **Non-cooperation**

26. 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.

**(A. K Bhalla)**  
**Additional Secretary & Designated Authority**