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**Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Directorate General of Anti Dumping & Allied Duties)  
Udyog Bhawan, New Delhi**

Dated the 16<sup>th</sup> April, 2010

**Initiation Notification**

**Subject:** Initiation of anti-dumping investigation concerning imports of Azodicarbonamide (ADC) originating in or exported from China PR.

**No. 14/7/2010- DGAD** - Whereas M/s Demaco Polymers Ltd. New Delhi (hereinafter referred to as applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (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 (hereinafter referred to as the Rules), alleging dumping of Azodicarbonamide (ADC) (herein after referred to as subject goods) originating in or exported from China PR (hereinafter referred to as "subject country") and requested for initiation of Anti Dumping investigation for levy of the anti dumping duties on the subject goods.

**1. PRODUCT UNDER CONSIDERATION**

The product under consideration in the present application is Azodicarbonamide (ADC) which is also known as blowing agent or foaming agent. Modified blowing agent which contains 2 -5% of ADC is outside the purview of the product under consideration. The subject goods is used as a blowing and foaming agent in PVC industry, Rubber Industry etc.

The subject goods are being imported under Chapter 29 and 38 of the Customs Tariff Act under subheading 29270090, 29420090 and 381200890 under the Indian Trade Classification (based on Harmonized Commodity Description and Coding System).The petitioner has, however claimed that the product under consideration does not have any dedicated customs classification code and are being imported under various other Customs sub-headings . However , the customs classification is indicative only and in no way binding on the scope of this investigation.

**2. DOMESTIC INDUSTRY STANDING**

The application has been filed by M/s. Demaco Polymers Ltd., New Delhi. Further, the application has been supported by four other manufacturer namely, M/s. Sri Dwarka Dheesh (Pvt) Ltd., (formerly known as M/s. SAS Polymers Pvt. Ltd.), M/s. Sharma Brothers Pvt. Ltd., M/s. S.S. Blowchem Pvt. Ltd., and M/s. Haryana

Polymers Ltd. On the basis of information available the Authority notes that the applicant company constitutes a major proportion in the Indian production. The Authority, therefore, determines that the applicant constitutes domestic Industry within the meaning of the Rule 2 and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

3. **COUNTRY INVOLVED**

The country involved in the present investigation is People's Republic of China.

4. **LIKE ARTICLE**

The applicant has claimed that there are no known differences in the subject goods produced by the petitioner and exported from China PR. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The goods produced by the domestic industry are comparable to the imported goods from China PR in terms of essential product properties. The goods offered by the domestic industry are like article to the goods imported from China PR.

5. **NORMAL VALUE**

The applicant has claimed that China PR should be treated as Non Market Economy and therefore the Normal value should be determined in accordance with Para 7 and 8 of Annex-I of the AD Rules. The applicant has submitted that they have not been able to get the sufficient information regarding market economy third country for determination of Normal value in case of China PR. Thus, the applicant has claimed the Normal value on the basis of constructed cost of production, including selling general and administration expenses and profits. The Authority may however adopt an appropriate third country for the purpose of the above determination and notify the interested parties in due course. There is sufficient prima facie evidence with regard to normal value claimed by the petitioner.

6. **EXPORT PRICE**

Export price of the subject goods from the subject country has been estimated by considering transaction-wise import data from IBIS. Adjustments have been made on account of ocean freight, marine insurance, commission, and port expenses in the exporting country to arrive at ex-factory export price. There is sufficient prima facie evidence with regard to export price claimed by the petitioner.

7. **DUMPING MARGIN**

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject country. There is

sufficient prima facie evidence that the normal value of the subject goods in China PR is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by exporters from the subject country. The dumping margins are estimated to be above *de minimis*.

#### 8. **INJURY AND CAUSAL LINK**

The applicant has furnished information on various parameters relating to material injury. Analysis of the information shows that imports from subject country have increased in the period of investigation in absolute term as also in relation to production and consumption in India. Various economic parameters like the loss in market share, significant decline in the profitability of the domestic industry, significant deterioration in return on investment and cash profit, prima facie, indicate collectively that the domestic industry has suffered material injury on account of dumped imports of subject goods from China PR. In fact, various economic parameters relating to the domestic industry shows that loss in absolute term increased during the injury period

#### 9. **INITIATION OF ANTI DUMPING INVESTIGATIONS**

In view of the above the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject country , injury to the domestic industry and causal link between the dumping and injury exist and therefore the Authority , in terms of Rule 5 of the Anti Dumping Rules hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry, to determine the existence, degree and effect of any alleged dumping and recommend the amount of anti dumping duty , which, if levied, would be adequate to remove the injury to the domestic industry .

#### 10. **PERIOD OF INVESTIGATION (POI)**

The period of Investigation for the purpose of the present investigation is 1<sup>st</sup> October 2008 to 30<sup>th</sup> September 2009 (12 months). The injury investigation period will, however, cover the period 2006-07, 2007-08, 2008-09 and the POI.

#### 11. **SUBMISSION OF INFORMATION**

The producers/exporters in the subject country, Government through the Embassy, importers in India known to be concerned with this investigation and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:

**The Designated Authority  
Directorate General of Anti Dumping & Allied Duties,  
Ministry of Commerce & Industry,  
Department of Commerce,  
Government of India,  
Room No. 250A, Udyog Bhavan,**

**New Delhi – 110011.**

Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

**12. 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 40 (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 the letter addressed to them separately. If no information is received within the prescribed time limit or the submitted information is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the Rules. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

**13. SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS**

In terms of Rule 6(7) of the Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided. 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 Designated Authority may record findings on the basis of facts available and make such recommendations to the Central Government as deemed fit.

**14. INSPECTION OF PUBLIC FILE**

In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by the interested parties.

**P K Chaudhery  
Designated Authority**