

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

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Dated the 20<sup>th</sup> December, 2010

**Initiation Notification**

**Sub: Initiation of anti-dumping investigation concerning imports of Aniline originating in or exported from European Union.**

**No. 14/39/2010-DGAD** - Whereas M/S Gujarat Narmada Valley Fertilizers Company Limited. (herein after referred to as applicant) have 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 (herein after 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 (herein after referred to as the Rules), alleging dumping of Aniline, (hereinafter referred to as subject goods), originating in or exported from European Union, (herein after referred to as "Subject Territory") and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods. The request is supported by M/s Hindustan Organic Chemicals Ltd.

2. AND WHEREAS, the Authority finds sufficient prima facie evidence of dumping of the subject goods from the subject Territory, injury to the domestic industry and causal link between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the said 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.

**Product Under Consideration**

3. The product under consideration is '**Aniline**'. Aniline is also known as "**Aniline Oil**" (hereinafter also referred to as '**subject goods**'). Aniline is a transparent, oily liquid and is a primary amine compound. Its colour transforms to light pale yellow liquid when freshly distilled and darkens when exposed to light or air.

4. Subject goods are extensively used as a basic organic chemical essential for vital industries such as drugs, pharmaceuticals, dyes and dye intermediates. Aniline is also used in some other industries such as rubber chemicals, explosives, resins, etc. The subject goods are classified under Chapter 29 of the Customs Tariff Act, 1975, under custom sub-heading no. 2921.41.

## **Domestic Industry and Standing**

5. The application has been filed by M/s Gujarat Narmada Valley Fertilizers Company Limited and supported by M/s. Hindustan Organic Chemicals Limited. There are only three known producers of the subject goods in the Country. According to the information provided in the application, the production of Gujarat Narmada Valley Fertilizers Company Limited constitute 77% of Indian production during Apr'09-June'10 and along with the supporter, it constitutes about 90% of the Indian Production. Thus, the applicant shall constitute "domestic industry" for the purpose of the present investigations.

6. The Authority, after examining the above, 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.

## **Countries Involved**

7. The countries involved in the present investigation are all the countries situated within the territory of European Union.

## **Like Article**

8. Applicant has claimed that there is no significant difference in the Aniline produced by the applicant and the Aniline exported from subject Territories. Both products are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Both the products are technically and commercially substitutable and hold closely resembling characteristics. It is further claimed that the consumers have used the two interchangeably. Therefore, for the purpose of present investigation, subject goods produced by the applicant are being treated as "like Article" to the subject goods imported from subject territory within the meaning of the Anti Dumping Rules.

## **Normal Value**

9. In the absence of availability of data in respect of the domestic sales in European Union, the applicant has constructed normal value on the basis of constructed cost of production of subject goods in subject Territory. The Authority has prima-facie considered the normal value of subject goods in subject territory on the basis of constructed values as made available by the applicant, and the same has been considered by the Authority for the purpose of initiation.

## **Export Price**

10. The export price of the subject goods from the subject Countries has been claimed on the basis of data obtained from International Business Information Services (IBIS), Mumbai. Price Adjustments have been claimed on account of various factors but have been scaled down to reasonable limits by adjusting the components of Ocean Freight and Marine

Insurance alone, normally adopted by the Authority. There is sufficient evidence of export prices claimed by the applicant for the subject goods from the subject countries.

### **Dumping Margin**

11. Normal value and export price have been compared at ex-factory level in respect of the subject territory. There is sufficient evidence that the normal value of the subject goods in the territory of European Union, so arrived is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from subject countries into the Indian market.

### **Injury and Causal Link**

12. The applicant has claimed that injury to the domestic industry has not been caused due to the factors other than the dumped imports, as shown below:

- a. Nearly 50% of the total imports of the subject goods primarily take place from the subject territory and another 20% is imported from countries already attracting Anti-Dumping Duty. Volume and value of imports from other countries are either de-minimis, or the export price is higher or are attracting anti dumping duties.
- b. Demand of the product concerned has shown a positive trend except for the year 2008-09. This is claimed to be solely as a result of global recession.
- c. The technology adopted by the Domestic Industry is comparable to the technology adopted by other players across the world and the technology for producing the product concerned has not undergone any change.
- d. There has been no change in the pattern of consumption for the product concerned.
- e. There is no trade restrictive practice which could have contributed to the injury to the Domestic Industry.
- f. Domestic Industry is substantially involved in the domestic market and maintains very less export volumes. The injury to the Domestic Industry is contended solely on account of deterioration in domestic operations
- g. Imports are undercutting the prices of the Domestic Industry.
- h. Due to dumped imports from the subject territory, prices of the Domestic Industry are depressed and suppressed, and but for dumping the same would have increased in line with the increase in the cost of production of the subject goods.
- i. Production, sales and capacity utilization has shown decline as a result of increase in dumped imports, thus establishing adverse volume effect.
- j. Performance of the Domestic Industry in terms of profit, return on investment and cash flow has shown material deterioration.

13. There is sufficient prima-facie evidence that the dumped imports of subject goods from subject countries are, prima facie, causing material injury to the domestic industry.

### **Initiation of Antidumping Investigation**

14. The Designated Authority, in view of the foregoing paragraphs, initiates anti-dumping investigation into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject Territory.

### **Period Of Investigation**

15. The Period of Investigation for the purpose of the present investigation is 1<sup>st</sup> April 2009 to 30<sup>th</sup> June 2010 (15 months). The injury investigation period will, however, cover the period 2006-07, 2007-08, 2008-09 and the POI.

### **Submission of Information**

16. The exporters in the subject Countries, their Government through the Embassy, the 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. 243, Udyog Bhavan,  
New Delhi – 110107.

17. As per Rule 6(5) of the Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation and to representative consumer organizations, who can furnish information relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

### **Time Limit**

18. 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 the letter addressed to them separately.

### **Submission of Information**

19. 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.

### **Inspection of Public File**

20. 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  
The Designated Authority