

No.14/3/2007-DGAD
Government of India
Ministry of Commerce & Industry
(Department of Commerce)

New Delhi, the 23rd February 2007

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping Investigations concerning import of Maleic Anhydride (MAN) originating in or exported from China PR, Indonesia and Chinese Taipei.

No.14/3/2007-DGAD. M/s Thirumalai Chemicals Ltd. Ranipet, Tamil Nadu has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 alleging dumping of Maleic Anhydride (MAN) originating in or exported from China PR, Indonesia and Chinese Taipei and have requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1. PRODUCT UNDER CONSIDERATION

The product under consideration in the present investigation is Maleic Anhydride (MAN) (also referred to as subject goods). The subject goods is an organic acid anhydride (C₂H₄O₃), generally available in pillow shaped briquette form or in molten form. Both the forms are included within the scope of product under consideration in this investigation. MAN is used in the manufacture of wide range of products like unsaturated polyester resins, alkyd resins, paper sizing chemicals, insecticides and fine chemicals. The subject goods is classified under ITC (HS) subheading 29171400. However, the Customs classification is indicative only and is in no way binding on the scope of the present investigation.

2. DOMESTIC INDUSTRY STANDING

There are two producers of Maleic Anhydride in India i.e. Thirumalai Chemicals Ltd. and M/s. Mysore Petrochemicals Ltd. The petition has been filed by M/sThirumalai Chemicals Ltd. Ranipet, Tamil Nadu. The production of the applicant company constitutes more than 50 % of total Indian production.

The Authority after examining the above, determines that the petitioner constitutes domestic Industry within the meaning of the rule 2(b) read with 2(d) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

3. COUNTRIES INVOLVED

The countries involved in the present investigation are China PR, Indonesia and Chinese Taipei (hereinafter also referred to as subject countries).

4. LIKE GOODS

The petitioner has claimed that goods produced by it are like articles to the goods originating in or exported from subject countries. There is no significant difference in the subject goods produced by the petitioner and those exported from subject countries. Petitioner claims that the two are technically and commercially substitutable. Petitioner has provided transaction wise information on imports as compiled by IBIS (International Business Information System) and has claimed that the subject goods and goods produced and supplied by the petitioner company are being interchangeably used. For the purpose of present investigation, the goods produced by the petitioner company is being treated as Like Articles to the product imported from the subject countries within the meaning of the Rules supra.

5. NORMAL VALUE

The petitioner has claimed that China PR should be treated as non-market economy and has determined normal value in accordance with Para 7 and 8 of Annexure I of the Anti Dumping Rules. The petitioner has determined the normal value for China PR considering costs of production including selling, general and administrative overheads (SGA) and reasonable profit in Chinese Taipei treating Chinese Taipei as appropriate market economy third country.

In accordance with Para 7 to Annexure-I of the Rules, it is envisaged to choose Chinese Taipei as an appropriate market economy third country for the purpose of establishing normal value in respect of the People's Republic of China. Interested parties are hereby invited to comment on the appropriateness of this choice within the specific time limit laid down in this notification. With regard to other subject countries, petitioner has claimed normal values for the subject goods in Indonesia and Chinese Taipei considering constructed cost of production including selling, general

and administrative overheads and reasonable profit for subject countries. There is sufficient evidence of the Normal value claimed for the subject goods from subject countries

6. EXPORT PRICE

The petitioner has claimed export price of the subject goods from the subject countries as the weighted average import price in the proposed period, based on transaction wise import data provided by the IBIS. Adjustments have been claimed on account of ocean freight, marine insurance and inland transportation in the country of exports, port handling and port charges to arrive at ex-factory export price. There is sufficient evidence of the export price for the subject goods from the subject countries.

7. DUMPING MARGIN

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of each of the subject countries. . It is considered that there is, prima facie, evidence that the normal value of the subject goods in the subject countries is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from the subject countries.

8. INJURY AND CAUSAL LINK

The Petitioner has furnished information on various parameters relating to material injury to the domestic industry. Parameters such as increase in the absolute volume of imports from the subject countries, increase in the market share of imports from the subject countries in total imports, significant decline in the market share of the domestic industry, significant deterioration in profits, return on investment and capacity utilisation, price undercutting and price suppression, prima facie, indicate collectively and cumulatively that the domestic industry has suffered material injury on account of dumping of subject goods from subject countries.

9. INITIATION OF ANTI DUMPING INVESTIGATIONS

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

10. PERIOD OF INVESTIGATION (POI)

The Period of Investigation for the purpose of the present investigation is 1st October 2005 to 30th September 2006 (12 months). However, the period for injury examination would cover periods from 1st April 2003 to the end of the POI.

11. SUBMISSION OF INFORMATION

The exporters in the subject countries and the importers in India known to be concerned with this investigation 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

Directorate General of Anti Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce,
Government of India,
Room No. 240,
Udyog Bhavan, New Delhi – 1100 11.

As per Rule 6(5) of 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 which is 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.

12. TIME LIMIT

a) General Time Limits

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. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

b) Specific time limit for selection of market economy country

Interested parties to the investigation may wish to comment on the appropriateness of the Chinese Taipei which, as mentioned in the Para 5 of this initiation notification, is envisaged as a market economy third country for the purpose of establishing normal value in respect of the China PR. These comments must be submitted within two weeks from the date of publication of this notification.

13. INSPECTION OF PUBLIC FILE

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

14. NON -COOPERATION

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.

(Christy L. Fernandez)
Designated Authority