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**Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi -110001**

Dated the 18th June, 2015

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping investigation concerning imports of Purified Terephthalic Acid (PTA), originating in or exported from China PR, Iran, Indonesia, Malaysia & Taiwan.

No.14/8/2015-DGAD: Whereas M/s MCC PTA India Corp. Pvt. Ltd., and M/s Reliance Industries Limited jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also 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 also referred to as the Rules) for initiation of anti-dumping investigation concerning imports of Purified Terephthalic Acid (hereinafter also referred to as the subject goods or PTA), originating in or exported from China PR, Iran, Indonesia, Malaysia & Taiwan (hereinafter also referred to as the subject countries).

2. And whereas, the Authority finds existence of prima facie evidence of dumping of the subject goods, originating in or exported from the subject countries, 'injury' to the domestic industry and causal link between the alleged dumping and 'injury' to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the 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

3. The Application has been filed by M/s MCC PTA India Corp. Pvt. Ltd and M/s Reliance Industries Limited on behalf of the domestic industry. Apart from the above domestic producers there is one more producer of PTA in India, namely Indian Oil Corporation Limited (IOCL). M/s IOCL has supported the present application. M/s MCC PTA India Corp. Private Limited has furnished a declaration stating that they have not imported the PUC from the subject countries. They have further declared that they are not related either to any exporter or producer of the PUC in the subject countries or any importer of the PUC in India. However, the co-applicant i.e. Reliance Industries Ltd furnished a declaration stating that they have imported insignificant volume of subject goods from Malaysia through an unrelated Malaysian trader under Advance Authorization Scheme. They further declared that they have an associate company in Malaysia as the sole producer of the subject goods in Malaysia and also a subsidiary company in Malaysia who exported the subject goods to India during the POI.

4. And whereas, on the basis of examination of the information furnished by M/s MCC PTA India Corp. Pvt. Ltd., and M/s Reliance Industries Limited, the Authority notes that M/s Reliance Industries Ltd has a subsidiary company in Malaysia which has exported significant volume of subject goods to India during the POI. In view of the above position, the Authority does not consider it appropriate to accept Reliance Industries Ltd as an eligible domestic industry in terms of Rule 2(b) of the Anti-dumping Rules. Further, the Authority holds that M/s MCC PTA India Corp. Pvt. Ltd (hereinafter also referred to as the applicant) constitutes domestic industry within the meaning of Rule 2 (b) of the Anti-dumping Rules as eligible domestic industry and the application, after excluding M/s Reliance Industries Ltd, satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra. In view of this position, the Authority has made the required prima facie injury analysis by taking the data/information furnished in respect of M/s MCC PTA India Corp. Pvt. Ltd., only.

Product under Consideration

5. The Product under Consideration (PUC) in the present investigation is Purified Terephthalic Acid (PTA), including its variants - Medium Quality Terephthalic Acid (MTA) and Qualified Terephthalic Acid (QTA). The PUC is a white, free flowing crystalline powder, free from any visual

contamination. Terephthalic Acid is an organic compound whose chemical formula is $C_6H_4(COOH)_2$. It sublimes at $402^\circ C$ and is poorly soluble in water and alcohol. PTA is primary raw material in the manufacture of polyester chips which in turn is used in a number of applications in textile, packaging, furnishings, consumer goods, resins and coatings. Since QTA, MTA and PTA are chemically the same product and further since they are interchangeably used, the scope of the product under consideration covers QTA and MTA as well. The applicant has further claimed that Di-Methyl Terephthalate (DMT) is chemically a different product and therefore not covered in the scope of the product under consideration. The product under consideration is classified under subheading 29173600 of the Customs Tariff Act. However, the customs classification is indicative only and in no way it is binding on the scope of the present investigation.

Like Article

6. The applicant has claimed that there is no known difference between the subject goods exported from subject countries and that produced by the applicants. As submitted by the applicant, the Purified Terephthalic Acid (PTA) produced by the domestic industry and imported from 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. Consumers can use and are using the two interchangeably. The applicant has further claimed that two are technically and commercially substitutable and, hence, should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the Authority treats the subject goods produced by the applicant in India as 'Like Article' to the subject goods being imported from the subject countries/territories.

Subject Countries

7. The countries involved in the present investigation are China PR, Iran, Indonesia, Malaysia & Taiwan. These are being referred to as the subject countries in the present investigation.

Normal value

8. The applicant has claimed that China PR should be treated as a non-market economy and determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. The applicant has claimed normal value

for China PR on the basis of cost of production in India, duly adjusted. In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non-market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from china PR, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules. As regards Iran, Indonesia, Malaysia & Taiwan the Applicant has submitted that best possible efforts were made to procure evidences of domestic price in these countries, but however they were unable to get any documentary evidence or reliable information with regard to the domestic prices of the subject goods in these countries. The applicant has claimed the normal value in respect of Iran, Indonesia, Malaysia & Taiwan on the basis of cost of production in India after due adjustments for the international price of the major raw materials.

Export Price

9. The export price has been claimed by the applicants as the weighted average import price from subject countries based on the import data obtained from the DGCIS. Price adjustments have been made on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to arrive at the net export price.

Dumping Margin

10. The normal value has been compared with the export price at ex-factory level. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries are higher than the ex-factory export price, indicating, that the subject goods are being dumped into the Indian market by the exporters from the subject countries. The dumping margins are estimated to be above de minimis.

Injury and Causal Link

11. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption in India, price suppression, price underselling and consequent significant adverse impact in terms of profits, return on capital employed, and cash flow to the

domestic industry. There is sufficient prima facie evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

Period of Investigation (POI)

12. The Period of Investigation for the purpose of the present investigation is from 1st April 2014 to 31st March 2015 (12 Months). The injury investigation period has however, been considered as the period from April 2011 - March 2012, April 2012 - March 2013, April 2013 - March 2014 and the POI.

RETROSPECTIVE IMPOSITION OF DUTIES

13. The applicant has requested for retrospective imposition of duty as the injury is claimed to be caused to the domestic industry by a history of massive dumping of subject product. They have further submitted that considering the huge volume of such imports and injury to the domestic industry, unless duty is recommended retrospectively, the desired remedial measures of anti-dumping duties may not be accomplished. The interested parties may make their submissions in this regard.

Submission of Information

14. The known exporters in the subject countries, the Government of the subject countries through their embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

**The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry, Department of Commerce
4th Floor, Jeevan Tara Building, 5 Parliament Street,
New Delhi -110001.**

15. 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.

Time Limit

16. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (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 its findings on the basis of the facts available on record in accordance with the Anti-dumping 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 continue or otherwise the Anti-dumping measures within 40 days from the date of initiation of this investigation.

Submission of information on 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 confidential marking 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 of the confidential version and five (05) copies of the non-confidential version must be submitted by all the interested parties.
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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; 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 may not be taken on record by the Authority. 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

24. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

Non-cooperation

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

(J. K. Dadoo)
Designated Authority