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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, Parliament Street, New Delhi 110001

Dated, the 7th April, 2015

NOTIFICATION

Initiation
(Sunset Review Investigation)

Subject: Initiation of Sunset Review of the antidumping duty in force on imports of Acetone originating in or exported from Japan and Thailand.

F. No. 15/29/2014-DGAD – Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and thereafter (hereinafter referred as the Act) and the 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 as the Rules), the Designated Authority (hereinafter referred to as the Authority) initiated an antidumping investigation against import of Acetone originating in or exported from Japan and Thailand on 03.09.2009 and preliminary findings were issued by the Authority on 16.2.2010. Provisional duties were imposed on 09.04.2010. The Authority issued its final findings on 19.1.2011 recommending imposition of definitive duties and duties were imposed vide customs notification dated 18.4.2011 for a period of 5 years from 09.04.2010. The duties shall expire on 08.04.2015.

A. Request for initiation of Sunset Review

2. WHEREAS in terms of the Customs Tariff (Amendment) Act 1995 and the Rules made there under, the antidumping duty imposed shall unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition. The Rules supra require the Authority to review from time to time, the need for continued imposition of anti dumping duty and if it is satisfied, on the basis of information received by it that there is no justification for continued imposition of such duty, the Authority may recommend to the Central Government for its withdrawal. Notwithstanding the above provision the authority is required to review, on the basis

of a duly substantial request made by or on behalf of the domestic industry, within a reasonable period of time prior to the date of the expiry of the measure, whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

3. And Whereas a petition has been filed by the domestic producers of Acetone, i.e., M/s Hindustan Organic Chemicals Limited and M/s SI Group India Ltd. (hereinafter referred to as petitioners) in accordance with the Act and the Rules, alleging likelihood of continuation or recurrence of dumping of the above goods, originating in or exported from the above countries and consequent injury to the domestic industry and requesting for initiating a sunset review investigation for continuation and enhancement of the quantum of anti-dumping duty in force on imports of Acetone (hereinafter referred to as the subject goods), originating in or exported from Japan and Thailand (hereinafter referred to as the subject countries).

B. Grounds for review

4. The request is for continuation of the antidumping duties in force based on the grounds that dumping of the subject goods has continued from Thailand and the expiry of the measure would be likely to result in continuation and intensification of dumping from that country and consequent injury to the domestic industry. The applicants have, inter-alia, claimed that in spite of the fact that antidumping duty is in force, the exporters from Thailand have continued to dump the subject goods in the Indian market, though the volume has declined in view of the antidumping duty in force. Therefore, dumping would be intensified if the present antidumping duty be revoked.

5. Though there is no current import of the subject goods from Japan, the petitioner has submitted that there is a likelihood of recurrence of dumping from that country, considering the volume of export of the subject goods and price at which they are exported to the third countries, and that would intensify the injury to the domestic industry, if the duties are revoked against that country.

C. Product under consideration and like Article

6. The product under consideration in the Final Findings of the original investigation of Acetone dated 19th January, 2011 was described as follows:

“The product under consideration is ‘Acetone’. The Acetone is organic chemical also known as Dimethyl Ketone and used in manufacture of bulk pharmaceuticals, agro chemicals, dye stuffs, certain explosives and downstream chemicals. Acetone is classified under Chapter 29 of Custom Tariff Act under sub-heading 29141100. It is a basic organic chemical produced in single grade. It is a colourless liquid. It is used in numerous organic syntheses either as a solvent or as an intermediate. Acetone is specifically used in manufacture of Isophoron, Diacetone, Alcohol, Methyl Methacrylate and Bisphenol A. Besides this it is used in manufacture of certain

rubber chemicals or Oxy Acetylene Cellulose Acetate and also a solvent in the manufacture of Paints/Coatings. It is marketed in two forms- loose bulk and packed.”

7. Present investigation being a sunset review investigation, the product under consideration would remain the same as has been defined in the original investigation.

8. Petitioners have submitted that the Acetone produced by them are like article to Acetone imported from the subject countries in terms of physical and technical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the goods. The imported products and the domestically produced goods are technically and commercially substitutable, and consumers use them interchangeably.

9. The product under consideration is classified under Chapter 29 of the Custom Tariff Act under the subheadings 2914 11 00.

D. Domestic industry

10. The petition for the sunset review has been filed by M/s Hindustan Organic Chemicals Limited and M/s SI Group India Ltd. It is noted that M/s SI Group has imported the subject goods from countries other than the subject countries under duty exemption scheme for captive consumption. The Authority has, therefore, considered SI Group India Ltd. as eligible to be a constituent of the domestic industry.

E. Countries involved

11. The duties are in force against Japan and Thailand. In view of the prima facie evidence of continuation or recurrence of dumping from both the countries and consequent injury provided by the petitioners, the sunset review will cover both Thailand and Japan.

F. Initiation of Sunset Review

12. Having satisfied itself on the basis of the positive evidence submitted by the domestic industry, substantiating the need for a review, the Authority hereby initiates a review in accordance with Section 9 a (5) of the Act, read with Rule 23 of Antidumping Rules, to review whether revocation of the duty, imposed Customs Notification No. 36/2011- Customs dated 18.04.2011 on Acetone, shall lead to continuation or recurrence of dumping of the subject goods from Thailand and Japan and continuation or recurrence of injury to the domestic industry and need for continued imposition of the definitive duty in force against the subject goods.

G. Procedure

13. The investigation will determine whether the expiry of the measure would be likely to lead to a continuation or recurrence of dumping and injury. The Authority will

examine whether the continued imposition of the duties is necessary to offset dumping and whether the injury would be likely to continue or recur if the duty were removed or varied, or both.

- (i) The review will cover all aspects of Final Finding Notification dated 19.01.2011 for Acetone originating in or exported from Thailand and Japan;
- (ii) The period of investigation for the purpose of the present review is from April 2013 – September, 2014 as the period of investigation (POI). However, for the purpose of analyzing injury, the data of 2010-11, 2011-12, 2012-13 and the POI shall be considered;
- (iii) The provisions of Rules 6,7,8,9,10,11,16,17,18,19 and 20 of the Rule supra shall be mutatis mutandis applicable in this review.

H. Submission of Information

14. The known exporters in the subject countries, the Government of the subject countries through their embassies 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 and Allied Duties
Ministry of Commerce and Industry
Department of Commerce
Room No. 15, 4th Floor Jeevan Tara Building, 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. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

I. Time Limits

16. Any information relating to the present review 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.

J. 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.

K. 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.

L. 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