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F.No.14/26/2016-DGAD
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Anti-Dumping & Allied Duties
Jeevan Tara Building, New Delhi-110001

Dated the 9.02.2017

INITIATION NOTIFICATION

Case No. OI- 06/2017

(Original Investigation)

Subject: Initiation of Antidumping investigation concerning imports of “Methyl Ethyl Ketone or MEK” originating in or exported from China, Japan, South Africa and Taiwan.

F.No. 14/26/2016-DGAD: M/s Cetex Petrochemicals Ltd (hereinafter referred to as the petitioner) has 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 and imposition of anti-dumping duty concerning imports of Methyl Ethyl Ketone (hereinafter also referred to as either “MEK” or the subject goods), originating in or exported from China, Japan, South Africa and Taiwan (hereinafter also referred to as the subject countries).

2. And whereas, on finding prima facie that sufficient 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 exist to justify initiation of anti-dumping investigation; the Authority hereby initiates investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Anti-Dumping Rules, to determine the existence, degree and effect of 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 Cetex Petrochemicals Ltd., (hereinafter referred to as the domestic industry or the applicant), as producer of the subject goods in India. The petitioner company is the sole producer of the subject goods in India. The petitioner has imported small quantities of subject goods from some of the subject countries but imports made by the petitioner are negligible in terms of total demand in India, total imports into India and its total production during the period of investigation. The petitioner has declared that it is not related either to any exporter or producer of the subject goods in the subject countries or any importer of the subject goods in India. The Authority, therefore, determines that the applicant constitutes domestic industry within the meaning of the Rule 2 (b) and that the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

Product under consideration

4 The product under consideration in the present petition is Methyl Ethyl Ketone(MEK). MEK, is an organic compound with the formula $\text{CH}_3\text{C}(\text{O})\text{CH}_2\text{CH}_3$ and is a water white, highly volatile liquid having Acetone-like odour with no cumulative toxicological properties. Methyl Ethyl Ketone is one of the most versatile solvents, capable of dissolving a wide range of substances. This colorless liquid ketone has a sharp, sweet odor reminiscent of butterscotch and acetone. It is produced industrially on a large scale, and also occurs in trace amounts in nature. It is soluble in water and is commonly used as an industrial solvent

5. The product under consideration is classified under Chapter 29 of the Customs Tariff Act. The PUC has a specific HS code 29141200 under Chapter 29 of Customs Tariff Act, 1975. The customs classification is indicative only and in no way it is binding upon the product scope.

Like Articles

6. The petitioner has claimed that there is no known difference between the subject goods exported from subject countries and that produced by the petitioner. As submitted by the petitioner, Methyl Ethyl Ketone 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 petitioner 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 petitioner in India as 'Like Article' to the subject goods being imported from the subject countries

Subject Countries

7. The countries involved in the present investigation are China, Japan, South Africa and Taiwan (referred to as the "subject countries").

Normal Value

8. The petitioners have submitted that in the absence of availability of reliable information in the public domain on domestic prices of the subject goods in the subject countries the Normal values in the subject countries have been estimated on the basis of cost of production; taking into account prevailing international prices of raw materials and cost of utilities in subject countries, conversion costs of the domestic industry, duly adjusted on account of selling, general & administration expenses, plus reasonable profit.

Export Price

9. The petitioner has claimed export price for the subject goods on the basis of DGCIS published data. Adjustments have been claimed on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to arrive at net export price at ex-factory level. There is sufficient prima facie evidence with regard to the export price claimed by the petitioner.

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 margin is estimated to be above de minimis.

Injury and Causal Link

11. Information furnished by the petitioner has been considered for assessment of injury to the domestic industry. The petitioner 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 of 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 proposed period of investigation (POI) is July 2015 – September 2016 (15 Months). However, the injury investigation period has been considered and proposed to cover the periods April 13-March 14, April 14-March 15, April 15-March 16 and the proposed period of investigation.

Submission of information

13. 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.**

14. 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

15. 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.

16. 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 Non-Confidential basis

17. In case confidentiality is claimed on any part of the questionnaire's 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.

18. 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.

19. 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.

20. 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.

21. 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.

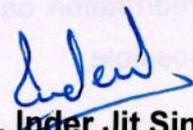
22. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

Inspection of Public File

23. 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

24. 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.



Dr. Inder Jit Singh

Additional Secretary & Designated Authority