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**No. 14/37/2016-DGAD
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Jeevan Tara Building, 4th Floor 5- Parliament Street , New Delhi**

Dated 13th October, 2016

INITIATION NOTIFICATION

Subject: Anti Dumping investigation concerning imports of resorcinol originating in or exported from China PR and Japan.

No. 14/37/2016-DGAD: M/s Atul Ltd. (hereinafter referred to as the applicant) 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 resorcinol (hereinafter also referred to as the subject goods), originating in or exported from China PR and Japan (hereinafter also referred to as the subject countries).

2. And whereas, the Authority prima facie finds 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 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 alleged dumping and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

Domestic Industry & Standing

3. The petition has been filed by M/s Atul Limited, who is the only manufacturer of the product under consideration in India. The petitioner has certified that there are no imports of the product under consideration by the petitioner or any of its related party from the subject

countries during the period of investigation. . Further, petitioner declared that they are not related to either any exporter or producer or any importer of the subject goods from the subject countries

4. The Authority holds that the petitioner constitutes an eligible domestic industry in terms of Rule 2 (b) and also satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

Product under consideration

5. The product under consideration for the purpose of present investigation is "Resorcinol". It is also known as Resorcin Meta-dihydroxybenzene, 1, 3 dihydroxybenzene or 1, 3 benzenediol. It is a crystalline, aromatic, hygroscopic, and white solid product that is water soluble and very conducive to derivatisation.

6. The subject goods are used in various industries like it is used as a adhesion promoter between the reinforcing material and rubber in the rubber industry, antiseptic agents in cosmetics preparations, specialized thermosetting wood-adhesive resins, starting material for a number of hydroxy benzophenone type ultraviolet stabilizers used in various plastic materials etc. The domestic industry has claimed that as per their market intelligence more than 60% of Resorcinol demand is in adhesive resins for rubber products, including tyres.

7. The subject goods are classified under chapter heading 29072100. However, it has been claimed by the petitioner that the subject goods are also being imported under other tariff headings The HS codes are only indicative and the product description shall prevail in all circumstances.

Like Article

8. Rule 2(d) with regard to like article provides as under: -

"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;

9. The petitioner has submitted that subject goods produced by the petitioner company and the subject goods imported from the subject countries are like articles. There is no known difference between the subject goods exported from subject countries and that produced by the petitioner. Resorcinol 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 the two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules.

10. 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.

Country/(ies) involved

11. The present investigation is in respect of alleged dumping of the product under consideration from China PR and Japan (referred to as the subject countries).

Normal Value

12. The Petitioner has claimed that China PR should be treated as a non-market economy and the normal value should be determined in accordance with Para 7 of Annexure-I to the Rules. The petitioner has claimed normal value on the basis of cost of production in India considering international prices of raw material, duly adjusted; stating that information on cost or price in a market economy third countries is not publically available and India is the most appropriate comparable market for the purpose.

13. Further, the Petitioner has also constructed the normal value in Japan on the basis of cost of production in India considering the international price of the raw material, duly adjusted with selling, general and administrative expenses and reasonable profit. The Authority has *prima-facie* considered the normal value of subject goods in subject countries on the basis of constructed values as made available by the applicants for the purpose of this initiation.

Export Price

14. The applicant has determined export price using import data from secondary source, i.e., M/s Allinfo.com., to assess the volume and value of imports of subject goods in India. Price adjustments have been claimed on account of commission, ocean freight, port expenses, inland freight, marine insurance, and bank charges and Vat adjustment (where applicable) to arrive at the net export price.

Dumping Margin

15. 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 country 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

16. 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 country to justify initiation of an antidumping investigation.

Period of Investigation (POI)

17. Petitioner has proposed the period from 1st April 2015 to 31st March 2016 (12 months) as the period of investigation. However, for the purpose of analyzing injury, the data of previous three years, i.e. i.e. April 2012 to March 2013, April 2013 to March 2014, April 2014 to March-2015 and the proposed period of investigation has been considered.

Submission of information

18. The known exporters in the subject country, the Government of the subject country 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.

19. 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

20. 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.

21. 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 Antidumping measures within 40 days from the date of initiation of this investigation.

Submission of Information on Non-Confidential basis

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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

28. 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

29. 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.

(A.K. Bhalla)
Additional Secretary & Designated Authority