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**F. No. 6/36/2020-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi – 110001**

Dated: 17th December 2020

INITIATION NOTIFICATION

Case No- AD (OI) - 30/2020

Subject: Initiation of anti-dumping investigation concerning imports of Caustic Soda originating in or exported from Japan, Iran, Qatar and Oman.

1. M/s Alkali Manufacturers Association of India (AMAI) (hereinafter also referred to as the “Applicant”) has filed an application (hereinafter also referred to as the “Petition” or “Application”) before the Designated Authority (hereinafter also referred to as the “Authority”), on behalf of the domestic producers namely, DCW Limited, Grasim Industries Limited, Gujarat Alkalies and Chemicals Limited, SIEL Chemical Complex in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to 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 to as the “Rules”), for imposition of Anti-Dumping duty on imports of Caustic Soda originating in or exported from Japan, Iran, Oman and Qatar (hereinafter also referred to as the “subject countries”). The domestic producers namely, DCW Limited, Grasim Industries Limited, Gujarat Alkalies and Chemicals Limited, SIEL Chemical Complex (hereinafter referred to as “Participating Companies”) have provided the prescribed information in the Application.
2. The Applicant has alleged that material injury to the Domestic industry is being caused due to dumped imports from Japan, Iran, Qatar and Oman, and has requested for imposition of anti-dumping duty on the imports of Caustic Soda from Japan, Iran, Qatar and Oman.

PRODUCT UNDER CONSIDERATION (PUC)

3. The product under consideration in the petition is Caustic Soda or Sodium Hydroxide, in all forms. Caustic Soda is chemically known as NaOH or Sodium Hydroxide. It is a soapy, strongly alkaline odorless liquid widely used in diverse industrial sectors, either as a raw material or as an auxiliary chemical. Caustic Soda is produced in two forms, lye and solids. Solids can be in the form of flakes, prills, granules or any other form.
4. Caustic Soda is produced in two forms, i.e. lye and solids by three technology processes, i.e. mercury cell process, diaphragm process and membrane process. Liquid form can be converted into solid and the solid form can be reconverted in liquid with ease and without any change in the chemical properties of the product. The solid form has ease of

storage and transportation whereas the liquid form has easy solubility. For end use both the forms are substitutable and interchangeable.

5. Caustic Soda is classified under Chapter 28 of the Customs Tariff Act, 1975 under Customs head 2815.11 and 2815.12. As per ITC 8-digit classification, the product is classified under the Custom Heading 28151101, 28151102 and 28151200. The customs classification is indicative only and is not binding on the scope of the product under consideration

LIKE ARTICLE

6. 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;

7. The Applicant has claimed that there is no known difference in the subject goods produced by the Indian industry and product under consideration exported from subject countries. Subject goods produced by the domestic producers and imported from the subject countries are comparable in terms of physical & technical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The subject goods are technically and commercially substitutable with imported subject goods. The consumers are using the subject goods interchangeably. Therefore, subject goods produced by the domestic producers are being treated as “like article” to that being imported from the subject countries for the purpose of the present review investigation.

DOMESTIC INDUSTRY

8. The application has been filed by Alkali Manufacturers Association of India (AMAI). DCW Limited, Gujarat Alkalies and Chemicals Limited, SEIL Chemical Complex and Grasim Industries Limited (also referred to as “participating companies”) have provided injury information. As per the available information, the “participating companies” have neither imported the subject goods from the subject countries nor are they related to any other producer/exporter of subject goods in the subject countries or any importer in India. The production of the participating companies constitutes a major proportion in Indian production, and these participating companies have provided relevant injury information.
9. Further, the application is supported by the following producers of the subject goods i.e. Chemfab Alkalies Limited, Chemplast Sanmar Limited, DCM Shriram Limited, Gujarat Fluorochemicals Limited, Lords Chloro Alkali Limited, Meghmani Finechem Limited, Nirma Limited, Orient Paper Mills, Punjab Alkalies & Chemicals Limited, Tamilnadu Petroproducts Limited, Tata Chemicals Limited, TGV SRAAC Limited, The Andhra Sugars Limited, The Travancore-Cochin Chemicals Limited, Chemfab Alkalies Limited, Chemplast Sanmar Limited, DCM Shriram Limited, Gujarat Fluorochemicals Limited, Lords Chloro Alkali Limited, Meghmani Finechem Limited, Nirma Limited, Orient Paper

Mills, Punjab Alkalies & Chemicals Limited, Tamilnadu Petroproducts Limited, Tata Chemicals Limited, TGV SRAAC Limited, The Andhra Sugars Limited, The Travancore-Cochin Chemicals Limited

10. It is noted that the participating companies, along with the supporters, account for more than 50% of the total domestic production. In view of the above and after due examination, the Authority notes that the participating companies constitute eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3), of the Rules supra.

BASIS OF ALLEGED DUMPING

Normal value

Normal value for Japan

11. The Applicant has claimed that there was no evidence of domestic selling price in the subject country, so, the Applicant has adopted the price published by the market research agency, IHS Markit, in its periodic publication Global Chlor-Alkali Report, for imports from Japan. Accordingly, the Applicant has considered such prices for determining the normal value for the subject country.

Normal value for Iran

12. The Applicant has claimed that it did not have access to any evidence of domestic selling price in Iran. Thus, the Applicant has adopted price of exports to an appropriate third country, i.e., Georgia, derived through Trade Map data for the determination of normal value, considering that volume of exports to Georgia represents highest volume of exports from Iran to Georgia. Further, the Applicant has adjusted for ocean freight, marine insurance, port expenses and inland freight to determine ex-factory normal value. There is sufficient prima facie evidence of normal value claimed for Iran.

Normal value for Oman

13. The Applicant has claimed that it did not have access to any evidence of domestic selling price in Oman. Thus, the Applicant has adopted price of exports to an appropriate third country, UAE, derived through Trade Map data for the determination of normal value, considering that volume of exports to UAE represents highest volume of exports from Oman to UAE. Further, the Applicant has adjusted for ocean freight, marine insurance, port expenses and inland freight to determine ex-factory normal value. There is sufficient prima facie evidence of normal value claimed for Oman.

Normal value for Qatar

14. The Applicant has claimed that it did not have access to any evidence of domestic selling price in Qatar. Thus, the Applicant has adopted price of exports to an appropriate third country, Italy, derived through Trade Map data for the determination of normal value, considering that volume of exports to Italy represents highest volume of exports from

Qatar to Italy. Further, the Applicant has adjusted for ocean freight, marine insurance, port expenses and inland freight to determine ex-factory normal value. There is sufficient prima facie evidence of normal value claimed for Qatar.

Export Price

15. The export price for the subject countries has been computed based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Adjustments have been made for ocean freight, marine insurance, port expenses, bank charges, commission, credit cost and handling charges. There is sufficient evidence of export prices claimed for subject countries.

a. Dumping margin

16. The normal value and the export price have been compared at ex-factory level, which prima facie shows dumping margin is above the *de-minimis* level and is significant in respect of the product under consideration from Japan, Iran, Qatar and Oman. There is sufficient prima facie evidence that the product under consideration from the subject countries is being dumped into the Indian market by the exporters from Japan, Iran, Qatar and Oman.

INJURY AND CAUSAL LINK

17. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished prima facie evidence regarding the injury having taken place as a result of the alleged dumping, resulting in price undercutting, and price suppressing and depressing effect on the domestic industry. The Applicant has claimed that their performance has been adversely impacted in respect of production, sales, inventories and decline in profits, return on capital employed, and cash profits. There is sufficient prima facie evidence of material injury being caused to the domestic industry by dumped imports from subject countries to justify initiation of anti-dumping investigation.

INITIATION OF ANTI-DUMPING INVESTIGATION

18. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, substantiating dumping of the product under consideration originating in or exported from the subject countries, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the product under consideration originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

SUBJECT COUNTRIES

19. The subject countries in the present investigation are Japan, Iran, Qatar and Oman.

PERIOD OF INVESTIGATION

20. The Applicant has proposed period of investigation (POI) as October 2019 to June 2020 (9 months), with the injury investigation period as 2016-17, 2017-18, April 2018 – September 2019 and the period of investigation. The Authority however considers it appropriate, having regard to Rule 2(da), and explanation to rule 22, to fix the period 1st October 2019 to 30th September 2020, as period of investigation (POI) and the period 1st April 2017 – 31st March 2018, 1st April 2018 – 31st March 2019, 1st April 2019 – 31st March 2020, and the period of investigation (POI) i.e. 1st October 2019 to 30th September, 2020 as the injury investigation period.

PROCEDURE

21. Principles as given in Rule 6 of the Rules will be followed for the present investigation

SUBMISSION OF INFORMATION

22. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address adg13-dgtr@gov.in, adv12-dgtr@gov.in, dir16-dgtr@gov.in and dd13-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/ MS Word format and data files are in MS Excel format.
23. The known producers/exporters in the subject countries, Government of the subject countries through their Embassies in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
24. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below.
25. 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.
26. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation

TIME LIMIT

27. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in , adv12-dgtr@gov.in, dir16-dgtr@gov.in and dd13-dgtr@gov.in within 30 days from the date of the receipt of the notice as per the Rule 6(4) of the Rules. 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 Rules.
28. 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 within the above time limit.

SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

29. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules. Failure to adhere to the above may lead to rejection of the response / submissions.
30. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
31. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
32. The confidential version shall contain all information which is by nature confidential and/or other information which the supplier of such information claims as confidential. For information which is claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, 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.
33. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and 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, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
34. 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 if 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.
35. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.

36. 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

37. In terms of rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidences submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

NON-COOPERATION

38. 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.



(B. B. Swain)

Special Secretary & Designated Authority