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F.No.6/37/2017-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 22.1.2018

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping investigation concerning imports of ‘Di Methyl Formamide’ (DMF) originating in or exported from China PR, Germany and Saudi Arabia.

File No. 6/37/2017-DGAD: M/s Balaji Amines Ltd (hereinafter referred to as the petitioner/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 ‘Di Methyl Formamide’ (DMF) (hereinafter referred to as the “subject goods”) originating in or exported from China PR, Germany and Saudi Arabia (hereinafter referred to 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.

Product under consideration

3. The product under consideration for the purpose of present investigation is “Di Methyl Formamide (DMF)”. It is a colorless, high boiling polar aprotic solvent with a characteristic odor. It is stable on heating and under its distillation temperature range and is freely miscible with water, alcohols, ethers, ketones, ester, carbon disulfide and chlorinated and aromatic hydrocarbons.

4. The PUC is used as a solvent in pharmaceuticals manufacturing, Acrylic Polymers manufacturer and pesticides formulations. It is used as a feedstock for synthesis of derivatives of DMF.

5. The product under consideration is classified under Chapter 29 of the Customs Tariff Act. The PUC has a specific HS code 2921 1110 under Chapter 29 of Customs Tariff Act, 1975. It is clarified that the HS codes are only indicative and the product description shall prevail in all circumstances.

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. Petitioner has claimed that there is no known difference in the subject goods produced by the Indian industry and the product under consideration produced and exported from the subject countries. The two products 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 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 subject goods produced by the petitioner in India are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry & Standing

8. The Application has been filed by M/s Balaji Amines Ltd., who is presently the only producer of subject goods in India. As per the information available on record, there were 2 producers in India namely M/s Rashtriya Chemical & Fertilizers Ltd. and M/s Balaji Amines, however, M/s RCF has closed their production. M/s Balaji Amines Ltd. have not imported the PUC from the subject countries and are not related either to any exporter or producer of the PUC in the subject countries or any importer of the PUC in India.

9. The Authority, therefore, determines that the petitioner who presently holds 100% share of total domestic production, 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.

Countries involved

10. The present investigation is in respect of alleged dumping of the product under consideration from China PR, Germany and Saudi Arabia (referred to as the “subject countries”).

Normal Value

11. Petitioner has claimed that China should be treated as a non-market economy and normal value in case of China should be determined in accordance with para-7 of Annexure I of the Rules. The petitioner has claimed normal value on the basis of cost of production in India, duly adjusted; stating that consideration of cost or price in a market economy third countries is not available at this stage.

12. Further, the Petitioner has also constructed the normal value for Germany and Saudi Arabia on the basis of cost of production in India, duly adjusted on the grounds as they were neither able to get any documentary evidence from published sources, nor reliable information with regard to domestic prices of the subject goods in the said countries.

13. The Authority has, therefore, constructed the normal value for all exporters/producers from subject countries based on raw material prices and consumption norms of the domestic industry, estimates of conversion costs, selling, general and administrative expenses and reasonable profit margin for the purpose of this initiation.

Export Price

14. The petitioner has determined export price using import data from secondary source, i.e Export Genius, to assess the volume and value of imports of subject goods in India. Price adjustments have been claimed on account of Ocean freight, Marine insurance, Inland freight, D/O Charges, Handling & clearing charges, which has been accepted for the purpose of initiation. The Authority will call or the data from DGCI&S during the course of investigation. Also the Authority would like to rely on data of exporter in case the same are furnished and verified.

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 countries are higher than the ex-factory export price, indicating, prima facie, 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 deminimus for all the subject countries.

Injury and Causal Link

16. 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. 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.

Initiation of anti-dumping investigations

17. And whereas, 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 Para 5 of the 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.

Period of Investigation (POI)

18. The period of investigation (POI) is from 1st October 2016 to 30th September 2017. However, for the purpose of analyzing injury, the data of previous three years, i.e. Apr'14-Mar'15, Apr'15-Mar'16, Apr'16-Mar'17 and the period of investigation will be considered.

Submission of Information

19. The known exporters in the subject countries, the Government of the subject countries through its 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.

20. 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 submit a non-confidential version of the same to be made available to the other parties.

Time Limit

21. 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.

22. 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

23. 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 and accompanied with soft copies.

24. 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 5 such non-confidential information. Two (2) copies of the confidential version and two (02) copies of the non-confidential version must be submitted by all the interested parties.

25. 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.

26. 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.

27. 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.

28. 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

29. 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.

Non-cooperation

30. 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.

(Sunil Kumar)
Additional Secretary & Designated Authority