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Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi – 110001

Dated: September 16, 2021

INITIATION NOTIFICATION
Case No. AD (SSR 19/2021)

Subject: Initiation of Sunset Review Investigation concerning imports of “Polytetrafluoroethylene (PTFE)” originating in or exported from China PR.

1. M/s Gujarat Fluorochemicals Ltd. (hereinafter referred to as the ‘Applicant’) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”) on behalf of the domestic industry, 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 initiation of sunset review investigation concerning imports of “Polytetrafluoroethylene (PTFE)” (hereinafter referred to as ‘product under consideration’ or ‘PUC’ or ‘subject goods’) originating in or exported from China PR (hereinafter referred to as the “subject country”).
2. The Applicant has alleged that dumping from the subject country has continued even after the imposition of anti-dumping duty and that there is likelihood of continuation or recurrence of dumping and injury in case of cessation of duties. The Applicant has requested for extension of duties on imports of subject goods, originating in, or exported from the subject country.

Background

3. The original anti-dumping investigation concerning imports of the subject goods from China PR was initiated by the Authority vide Notification No. 14/25/2003-DGAD, dated 27th July 2004. After a detailed investigation, the Designated Authority recommended imposition of Anti-dumping duties on imports of the subject goods from China PR vide Notification No. 14/25/2003-DGAD, dated 25th July 2005. The recommendation of the

Authority was implemented by the Ministry of Finance vide Custom Notification No. 91/2005-Customs (ADD) dated 17th October, 2005. Subsequently, a Mid-Term review of the said definitive antidumping duty was initiated by the Authority vide Notification No. 15/33/2008-DGAD, dated 27th February 2009 and the form of anti-dumping duty was modified vide the final findings issued dated 26th February 2010. The recommendation of the Authority was implemented by the Ministry of Finance vide Customs Notification No. 42/2010 dated 05th April 2010. The duties so revised and imposed were continued pursuant to first Sunset review vide Customs Notification No. 81/2011-Customs dated 24th August 2011. Thereafter, second Sunset review investigation was initiated vide Notification No. 15/11/2016-DGAD, dated 08th July 2016 and anti-dumping duties were extended vide final findings issued on 23rd June 2017, and imposed by Ministry of Finance vide Notification No. 36/2017-Customs (ADD), dated 28th July 2017. The current anti-dumping duty are in force till 27th July 2022.

4. The Designated Authority concluded anti-circumvention investigation vide Final Findings No. ADD-AC-03/2020, dated 27th January 2021 and extended duties on imports of processed PTFE components originating in or exported from China PR. Antidumping duties were extended on processed PTFE components from China by the Ministry of Finance vide Notification No. 25/2021-Customs (ADD) dated 26th April 2021. The said duty is co terminus with the duty levied on PTFE from China PR.

Produce Under Consideration

5. The product under consideration in the present investigation is "Polytetrafluoroethylene (PTFE)", this is same as same as defined by the Authority in the previous sunset review investigation, vide Final Findings No. 15/11/2016-DGAD dated 23rd June 2017.

The product under consideration in the present case is "Polytetrafluoroethylene (PTFE) originating in or exported from China PR" (also referred to as subject goods hereinafter). The subject goods are classified under subheading no 390461 under Customs tariff Act and at subheading no. 39046100 in the Indian Trade Classification (ITC) based on Harmonized System. Customs classifications are indicative only and, in no way, binding on the scope of the investigations. PTFE is produced in various grades like moulding grade, fine powder, aqueous dispersions compound grades and filled grades. All grades are within the scope of the product under consideration. PTFE is primarily used in electrical, electronic, mechanical and chemical industries for their unique characteristics which are chemical inertness, electrical and thermal insulation, low coefficient of friction, non-toxic, nonflammable, resistance to radiation, low level of static and dynamic friction and outstanding electrical properties over a wide frequency range."

6. The present investigation being a Sunset Review investigation, product under consideration remains the same as defined in the original investigation, and no significant developments have taken place over the period. However, the Applicants have proposed for the adoption of Product Control Numbers (PCNs) for the fair

comparison between different types of products. The Applicants have proposed the PCNs as PTFE, PT-PTFE, D-PTFE, A-PTFE, C-PTFE. The interested parties however, can provide their comments/suggestions for the finalization of PCNs for the purpose of this investigation within 15 days from the date of initiation of this investigation.

7. The subject goods are primarily used in electrical, electronic, mechanical and chemical industries because of its certain unique characteristics such as Chemical Inertness; Low coefficient of friction; Exhibits lowest value of static and dynamic friction; Non- toxic; Non- flammable; Outstanding electrical properties over a wide frequency range; Resistance to radiation; and Operating temperature range.
8. The product under consideration is classified under the Chapter 39 of the Customs Tariff Act, 1975, under the customs sub-heading 3904.6100. However, the customs classification is only indicative and is not binding on the scope of the investigation.

Like article

9. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. Subject goods produced by the domestic industry are comparable to the imported goods from subject country in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the domestic industry are being treated as 'Like Article' to the subject goods being imported from the subject country.

Domestic Industry and Standing

10. The application has been filed by M/s Gujarat Fluorochemicals Limited. The applicant has neither imported the subject goods from the subject country nor are related to any exporter or producer of the subject goods in the subject country or any importer of the Product under Consideration in India.
11. As per evidence available on record, the production of the applicant account for "a major proportion" in the domestic production of the like article. In view of the above and after due examination, the Authority notes that the Applicant constitutes 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 for China PR

12. The Applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The Applicant has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in the industry producing the subject goods with regard to the manufacture, production and sale of the product under consideration. It has been stated by the applicant that in case the responding Chinese Producers are not able to demonstrate that their costs and price information are market driven, the normal value should be calculated in terms of provisions of para 7 and 8 of Annexure I to the Rules.
13. The applicant has submitted that efforts were made to determine normal value on the basis of price or constructed value in a market economy third country. However, the applicant could not get reliable information regarding the same in absence of any publicly available information. The Authority keeping in view the provisions under para 7 of Annex-1 of AD Rule notes that imports from EU to India during the Period of Investigation are highest amongst non-dumped imports and therefore these prima facie establishes the price payable in India and have been adopted as indicative NV for the purpose of initiation.
14. For the purpose of initiation, the Authority has considered the methodology for determination of normal value suggested by the applicant.

Export Price

15. The export price for subject goods for the subject country has been computed based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction wise import data. Price adjustments have been made for ocean freight, insurance, port expenses, commission, handling charges and bank charges to arrive at the CIF export price.

Dumping Margin

16. Considering the normal value and export price determined as above, dumping margin is above de-minimis level. There is prima facie evidence that normal value of the subject goods in the subject country is higher than the net export price, thereby indicating that the subject goods originating in or exported from the subject country have continued to be exported at dumped prices, in spite of antidumping duty in force.

Likelihood of continuation or recurrence of Injury

17. There is prima facie evidence of likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of duty, considering the volume and declining price of imports of subject goods from subject country, circumvention practice engaged by the exporters, positive dumping margin, significant unutilized

capacities in subject country, and price attractiveness of Indian market. It is prima facie noted that there is likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of the anti-dumping duty.

Initiation of Sunset Review Investigation

18. On the basis of the duly substantiated application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the applicant, substantiating likelihood of continuation or recurrence of dumping and injury to the domestic industry, in accordance with Section 9 A (5) of the Act, read with Rule 23(1B) of the Rules, the Authority, hereby, initiates a sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject country and to examine whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and consequent injury to the Domestic Industry.

Subject Country

19. The subject country in the present investigation is China PR.

Period of Investigation

20. The Authority proposes the period of investigation (POI) for the present investigation as April 2020 – March 2021 (12 Months). The injury investigation period will cover the three preceding years 2017 – 18, 2018 – 19, 2019 – 20 and the POI.

Procedure

21. The sunset review investigation will undertake likelihood analysis of dumping and Injury.
22. The review investigation will cover all aspects of the final findings published vide Notification No. 14/25/2003-DGAD, dated 25th July 2005, Notification No. 15/33/2008-DGAD, dated 26th February 2010, and Notification No. 15/11/2016-DGAD, dated 23rd June 2017 recommending imposition of Anti-dumping duty on imports of 'Polytetrafluoroethylene (PTFE)' from China PR.
23. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, and 20 of the Rules supra shall be mutatis mutandis applicable in this review.

Submission of information

24. 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 adg11-dgtr@gov.in; dir13-dgtr@gov.in; dir11-dgtr@gov.in; and dd16-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.

25. The known producers/exporters in the subject country, Government of the subject country through their Embassy 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.
26. 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.
27. 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.
28. 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

29. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg11-dgtr@gov.in, dir13-dgtr@gov.in, dir11-dgtr@gov.in, and dd16-dgtr@gov.in within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping 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.
30. 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

31. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to submit simultaneously a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.
32. 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.

33. 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
34. 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 are 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.
35. 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.
36. 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 generalised or summary form, it may disregard such information.
37. 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.
38. 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

39. A list of interested parties will be uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all

interested parties since the public file will not be accessible physically due to ongoing global pandemic.

Non-cooperation

40. In case where an interested party refuses access to, or 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.


(Anant Syarup)
Designated Authority