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F. No. 6/19/2024-DGTR
Government of India, Department of Commerce
Ministry of Commerce & Industry
(Directorate (General of Trade Remedies)
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Date: 29.06.2024

INITIATION NOTIFICATION
Case No. – AD (OI)-17/2024

Subject: Initiation of anti-dumping investigation concerning imports of 'Glufosinate and its salt' from China PR.

1. **F. No. 6/19/2024-DGTR**- Having regards to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred 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'), UPL Limited, and its related entities Arysta LifeScience India Limited, Swal Corporation Limited, United Phosphorus (India) LLP and UPL Sustainable Agri Solution Limited (hereinafter referred to as the 'applicants' or 'domestic industry') have filed an application before the Designated Authority (hereinafter referred to as the 'Authority'), for initiation of an anti-dumping investigation on imports of Glufosinate and its salt (hereinafter referred to as the 'product under consideration' or 'subject goods'), originating in or exported from China PR (hereinafter referred to as the 'subject country').

2. The applicants have alleged that the product under consideration is being imported from the subject country at dumped prices which are causing material injury to the domestic industry. The applicants have also alleged that there is a further threat of material injury to the domestic industry due to dumped imports and has requested for imposition of anti-dumping duty on the imports of the product under consideration from the subject country.

A. Product under consideration (PUC).

3. The product under consideration in the present investigation is glufosinate and its salt. The product under consideration is also known as glufosinate ammonium (D, L-phosphinothricin or 2- amino-4-(hydroxy methyl phosphonyl).

4. Glufosinate is white to light yellow crystalline solid with slight pungent odor and is highly soluble and volatile material. Glufosinate is traded in two forms i.e. technical and formulation and both are part of the scope of the product. The entire consumption of glufosinate technical is in the production of glufosinate formulation. Glufosinate

technical does not have any independent use and has to be compulsorily processed into formulation in order to use it. The process from the stage of technical to formulation is single step process. Glufosinate in formulation form is not imported due to commercial considerations as the major concentration is of water and higher shopping costs.

5. The product under consideration does not have dedicated classification under the Customs Tariff Act, 1975. However, the product is imported under 38089190, 38089390 and 38089990. The custom classification code is indicative only and is not binding on the scope of the present investigation.

6. The parties in the present investigation may provide their comments on the scope of the product under consideration and propose PCNs, if any, within 15 days of the circulation of the non-confidential version of documents filed before the Authority.

B. Like article.

7. The applicants have submitted that there are no significant differences in the product produced by the domestic industry and exported from the subject country and both are like articles. The product produced by the applicants and imported from the subject country are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process & technology, functions & usage, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and have been using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules. Thus, for the purposes of initiation of the present investigation, the product produced by the domestic industry has been *prima facie* considered as like article to the product being imported from the subject country.

C. Domestic industry and standing.

8. The application has been filed by UPL Limited and its related entities i.e., Arysta LifeScience India Limited, Swal Corporation Limited, United Phosphorus (India) LLP and UPL Sustainable Agri Solution Limited. The production of the applicants constitutes majority of the of Indian production of the product.

9. The Authority notes that the one of the applicant located in SEZ has imported the product under consideration from China PR. However, the imports were made by them solely for export purposes and not sold in the domestic market. The applicants have stated that they are not related to the exporters in the subject country or the imports in India.

10. It is also seen that there are some producers in India, who do not produce glufosinate in technical form, either purchase it from the applicants or import it and process the same into formulation. Those companies who do not have manufacturing facilities for production of glufosinate technical and are merely processing imported technical and converted into formulation. Further, they are importing one form of the product under consideration and processing it to make other form. These producers have not been

considered as "domestic producer" of the product for the purpose of proposed investigations in accordance with Rule 2(b).

11. Based on the information provided, it is seen that the applicants constitute 'domestic industry' within the meaning of Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

D. Subject country.

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

E. Period of investigation (POI).

13. The period of investigation (POI) for the investigation is from 1st January 2023 to 31st December 2023 (12 months). The injury examination period is 1st April 2020 to 31st March 2021, 1st April 2021 to 31st March 2022, 1st April 2022 to 31st March 2023 and the POI.

F. Normal value.

I. China PR

14. The applicants have submitted that China PR should be treated as a non-market economy, and that producers from China PR should be directed to demonstrate that market economy conditions prevail in the industry with regard to the production and sales of the subject goods. Unless the producers from China PR show that such market economy conditions prevail, their normal value should be determined in accordance with Para 7 of Annexure-I to the Anti-Dumping Rules, 1995.

15. The applicants have submitted that efforts were made to determine the normal value on the basis of price or constructed value in a market economy third country. However, the applicants could not get any information regarding the same. Further, the applicants have submitted that since the product does not have dedicated classification, the price from a country to other country cannot be considered. Therefore, the applicants claimed normal value based on best estimates of the cost of production, duly adjusted with selling, general and administrative expenses, along with a reasonable profit margin.

G. Export price.

16. The export price of the product under consideration has been determined by considering the CIF price of the product under consideration as reported in DGCI&S data. Adjustments have been claimed for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight expenses. There is sufficient *prima facie* evidence with regard to the net export prices for the subject country.

H. Dumping margin.

17. The normal value and export price have been compared at the ex-factory level, which *prima facie* establishes that the dumping margin is above *de-minimis* level with respect to the product under consideration imported from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the domestic market by the exporters from the subject country.

I. Allegation of injury and causal link.

18. The applicants have provided *prima facie* evidence with respect to the injury suffered by the applicants because of dumped imports. The volume of import from the subject country sharply increased in the period of investigation. The imports are below the cost and price of the applicants resulting in price undercutting. It has also been claimed that because of dumped imports from the subject country, the applicants were forced to suspend its production. The domestic sales, market share, production and capacity utilisation declined significantly. Further, the profit and return on capital employed of the applicants have declined in the period of investigation. The applicants have also alleged that there is a threat of further injury if anti-dumping duties are not imposed on account of significant increase in dumped imports, substantial increase in capacity of the exporters, suppression or depression effect of import price, price & cost undercutting, inventories with the Chinese producers. There is sufficient *prima facie* evidence of material injury and threat of further injury being caused to the applicants due to dumped imports from the subject country to justify the initiation of the anti-dumping investigation.

J. Initiation of anti-dumping investigation.

19. On the basis of the duly substantiated written application submitted by the applicants, and having reached satisfaction based on *prima facie* evidence submitted by the applicants concerning dumping of the product under consideration originating in or exported from the subject country, the consequential injury to the domestic industry and causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree and effect of the dumping with respect to the product under consideration originating in or exported from the subject country and to recommend the appropriate amount of the anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

K. Procedure.

20. The provisions stipulated in Rule 6 of the Anti-Dumping Rules shall be followed in this investigation.

L. Submission of information.

21. All communication should sent to the Designated Authority via email at email addresses jd12-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adv11-dgtr@gov.in and consultant-dgtr@govcontractor.in. It must be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.

22. The known producers/exporters in the subject country, the government of the subject country through their embassy in India, and the importers and users in India who are known to be associated with the product under consideration are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.

23. Any other interested party may also make submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the AD Rules, 1995 and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.

24. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.

25. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority https://www.dgtr.gov.in/ for any updated information with respect to this investigation.

M. Time limit

26. Any information relating to the present investigation should be sent to the Authority via email at the email addresses jd12-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adv11-dgtr@gov.in and consultant-dgtr@govcontractor.in within 30 days from the date on the non-confidential version of the documents filed by the domestic industry would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per 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.

27. 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.

28. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules, 1995 and such request must come within the time stipulated in this notification.

N. Submission of information on confidential basis

29. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.

30. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as 'non-confidential' information by the Authority, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.

31. 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.

32. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.

33. 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.

34. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a 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 containing a sufficient and adequate explanation in terms of Rule 7 of the Rules, 1995, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.

35. The interested parties can offer their comments on the issues of confidentiality claimed by the other interested party within 7 days from the date of circulating of the non-confidential version of the documents

36. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.

37. 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 io authorize its disclosure in generalized or summary form, it may disregard such information.

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.

O. Inspection of Public File

39. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions/response/information to all other interested parties. Failure to circulate non-confidential version of submissions/response/ information might lead to consideration of an interested parry as non-cooperative.

P. 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 parties 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 Swarup)
Designated Authority