

File No. 07/21/2018-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, Parliament Street

Dated the 24th May, 2018.

To,
M/s Kanoria Chemicals and Industries Ltd and
M/s Simalin Chemical Industries Pvt. Ltd,
Through,
TPM Consultants
K-3/A Saket, New Delhi-17.

ORDER
(Case No. SSR. 11/2018)

Subject: Order in respect of application for initiation of Sunset Review Investigation on imports of “Hexamine” from Russia and Saudi Arabia.

Whereas, M/s Kanoria Chemicals and Industries Ltd and M/s Simalin Chemical Industries Pvt. Ltd (hereinafter referred to as “petitioners”) have filed an application for initiation of Sunset Review investigation for continuation of existing Anti-Dumping duty on “Hexamine” originating in and exported from Russia and Saudi Arabia. It has been claimed by the petitioners that cessation of present anti-dumping duties is likely to lead to continuation or recurrence of dumping/ injury. The petitioners have proposed the Period of Investigation (POI) as January to December 2017.

2. Whereas, the Designated Authority decided to give an opportunity of hearing to the petitioners to present their case and substantiate their claim for initiation of Sunset Review investigation as the examination of application had revealed that the sales and production of PUC had witnessed increase during the injury period and the profits earned by the petitioners were significant and there was apparently no material injury to the domestic industry.

3. Whereas, the petitioners availed the opportunity of Oral Hearing before the Designated Authority on 22.05.2018 to present their case and make their arguments and

submissions, if any, in support of the initiation of Sunset Review. The petitioner submitted as under:

- a. That in the present case, even though the ADD was in place since 2001, the dumping and injury therefrom is quite clear. The product was being exported below normal value and the domestic industry is suffering injury.
- b. That it recognized that the exports from the subject countries had reduced significantly since imposition of the Anti-dumping duty, however, it had been observed that this had also been the case with respect to Iran, wherein after cessation of the ADD imposed on certain exporters from that country the imports into India had grown sharply.
- c. It was well known that the subject countries used a dual pricing mechanism whereby their domestic users of natural minerals/ commodities could access the same at vastly reduced prices when compared to the foreign consumers. This was particularly affecting Hexamine production which was produced from oil derivatives (Ammonia and Formaldehyde).

4. Whereas, on examination of the facts in detail, the Authority notes as under:

- a. The import volume of the subject goods from the subject countries has declined both in absolute terms and relative to production and consumption. Whereas it was 14.11% in 2014-15 it had declined to 5.48% during 2017. Thus, there has been no volume effect of imports from the subject countries.
- b. The domestic industry's economic parameters such as market share, production, capacity utilization have improved and is steady. The capacity utilization is steady at around the 70% mark indicating a stable production and market scenario.
- c. The factors relevant for likelihood of recurrence of injury also show that the petitioners have not met the four criteria listed in Annexure II (vii) of the Anti-Dumping Rules. There is no significant excess capacity in the subject countries which can be diverted to India.
- d. Further, there are other countries which are not only increasing their market share of the product under consideration in India, but they are also exporting more than 3 times the volumes of the subject countries. Therefore, they could also be the cause of the injury, if any, to the domestic industry. Examination of this factor would not be the part of the investigation now as there is no petition in respect of imports from these countries and the domestic industry itself

conceded that these goods were also being imported at dumped prices and causing injury to the domestic industry from these sources.

5. In view of the above, the Authority notes that the applicant has not been able to provide sufficient and satisfactory evidence in support of its prayer to initiate Sunset Review investigation on the anti-dumping duties presently imposed on the subject goods and from the subject countries. Therefore, the Authority decides that the case is not fit for initiation of Sunset Review investigation.


24.5.18
(Sunil Kumar)

Additional Secretary & Designated Authority.