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**F. No. 6/30/2020-DGTR
Government of India
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001**

Dated: 23.10.2020

INITIATION NOTIFICATION

Case No. AD (OI) 25/2020

Subject: Initiation of Anti-Dumping Investigation concerning imports of “Low Density Polyethylene (LDPE)” from Qatar, Saudi Arabia, Singapore, Thailand, United Arab Emirates and United States of America.

1. Chemicals and Petrochemicals Manufacturers Association (hereinafter also referred to as the “Applicant”) has filed an application (also referred to as the “petition”) on behalf of domestic industry, seeking initiation of anti-dumping investigation concerning imports of “Low Density Polyethylene (LDPE)”, originating in or exported from Qatar, Saudi Arabia, Singapore, Thailand, United Arab Emirates and United States of America (also referred to as “subject countries”) before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with 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 (hereinafter also referred to as the “Rules”).
2. The Applicant has alleged that material injury to the Domestic Industry is being caused due to dumped imports of LDPE from the subject countries, and has requested for imposition of anti-dumping duty on the import of the subject goods from the subject countries.

Product under Consideration (PUC)

3. The product under consideration is “Low Density Polyethylene (LDPE)” or “high pressure polyethylene”, excluding (a) compounded LDPE, and (b) LDPE having density greater than 0.925 GM/cubic CM (hereinafter also referred to as “subject goods” or “PUC”). It is, however, clarified that base LDPE imported for the purpose of compounding in India is covered within the scope of product under consideration.
4. Polyethylene is a thermoplastic made by polymerisation of monomer ethylene. LDPE is a type of polyethylene, having a density range of 0.910–0.935 grams per cubic centimeter and is often referred to as the “branched” polyethylene. Its molecular structure is characterized by the presence of many asymmetrical branches (some relatively long) on the chain of carbon

atoms.

5. LDPE is produced using high-pressure reactors, either through tubular or stirred autoclaves. In a typical high-pressure process, ethylene feed is mixed with a purified recycle stream. Initiator and chain transfer agents are added to the mixture, which is then compressed to approximately 300 bars. The feed is then further compressed to the polymerization pressure in a hyper-compressor (2,000 to 3,000 bars) and fed to the reaction section. At the outlet, unreacted ethylene is removed and recycled. Polyethylene is then fed to an extruder and the product is pelletized for shipment.
6. It is used in applications requiring clarity, inertness, processing ease, sealability, moisture barriers, and good electrical properties. It is also used for producing trash bags, carrier bags, heavy duty bags, agricultural films, automatic packaging films and bags for food and sanitary articles, frozen food packaging, shrink and stretch hood film, surface protection film, lamination film, bubble wrap, adhesive tape backing films, foam for manufacture of mattresses etc.
7. The product under consideration is classified under Chapter 39 of the Customs Tariff Act, 1975 (51 of 1975) under the custom heading 3901. The customs classification is only indicative and is not binding on the scope of the product under consideration.

Like Article

8. The Applicant has claimed that there is no known difference between the subject goods exported from the subject countries and that produced by the domestic industry. Subject goods produced by the domestic industry and product under consideration imported from the subject countries 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 use the two interchangeably. The Applicant has further claimed that 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 Applicant in India are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry and Standing

9. The application has been filed by Chemicals and Petrochemicals Manufacturers Association on behalf of the domestic industry. Reliance Industries Limited (RIL), which is a domestic producer of the product, has provided its information as domestic industry. The Applicant has claimed that RIL has imported the subject goods from the subject countries, but the volume of such imports is negligible in relation to the subject imports, demand in India, and its production and consumption. Further, RIL is not related to any exporter or producer of the subject goods in the subject countries or importer of the product under consideration in India. RIL is the sole producer of the product under consideration in India.

10. 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

a. Normal value

11. The Applicant has relied upon the prices published by ICIS and Platts to determine the normal value on the basis of price in the subject countries. For the purpose of normal value in Qatar, Saudi Arabia, UAE, Singapore and Thailand, the Applicant has relied upon the CFR price of imports into these countries as reported by ICIS, duly adjusted for import duty, insurance, port expenses, and inland freight from port to customer and customer to factory. For USA, the Applicant has referred to the delivered domestic railcar prices, reported by Platts, and adjusted the same for inland rail freight cost, to arrive at the ex-factory prices. The evidence provided by the Applicant has been considered appropriate for the purpose of present initiation.

b. Export price

12. The Authority has computed export price for subject goods for the subject countries based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made for ocean freight, marine insurance, commission, port expenses, bank charges and inland freight expenses.

c. Dumping margin

13. 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 product under consideration from the subject countries. There is prima facie evidence that the product under consideration is being dumped into the Indian market by the exporters from the subject countries.

Evidence of Injury and Causal Link

14. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished information regarding the volume and price effect of the imports, in terms of positive price undercutting and price depression on the domestic industry. The Applicant has claimed that the due to price effect of dumped imports, performance of the domestic industry has been adversely impacted leading to an increase in its inventories, decline in its profitability, and return on capital employed (ROCE). There is sufficient prima facie evidence of injury being caused to the domestic industry by dumped imports of subject goods from subject countries.

Initiation of Anti-Dumping Investigation

15. 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, about dumping of the subject goods 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 subject goods 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

16. The subject countries for this investigation are Qatar, Saudi Arabia, Singapore, Thailand, United Arab Emirates and United States of America.

Period of Investigation (POI)

17. The Applicant has proposed period of investigation as 1st April 2019 to 31st March 2020 and injury investigation period as 1st April 2016 – 31st March 2017, 1st April 2017 – 31st March 2018, 1st April 2018 – 31st March 2019, and the POI. The Authority however considers it appropriate, having regard to Rule 2(da), and explanation to rule 22, to fix the period 1st April 2019 – 30th June 2020 (15 months) as the period of investigation (POI), and the period 1st April 2016 – 31st March 2017, 1st April 2017 – 31st March 2018, 1st April 2018 – 31st March 2019, and the POI as the injury investigation period. The Authority considers that the period of investigation is appropriate, considering the rule and inclusion of one full accounting year of the domestic industry in the investigation period.

Procedure

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

Submission of Information

19. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv13-dgtr@gov.in, jd13-dgtr@gov.in and dd14-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.
20. The known exporters, their Governments of the subject countries 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.

21. 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 on the email address mentioned in Para 19 above.
22. 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.
23. 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

24. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv13-dgtr@gov.in, jd13-dgtr@gov.in and dd14-dgtr@gov.in within thirty days from the date of receipt of the notice as per as per Rule 6(4) of the Rules. It may, however, be noted that in terms of explanation of the said Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. 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.
25. 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.
26. The interested parties are further advised to keep a regular watch on the official website of DGTR i.e. www.dgtr.gov.in for any updated information with respect to this investigation.

Submission of information on confidential basis

27. 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 and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.
28. 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.

29. 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.
30. 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.
31. 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.
32. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied 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 in summary form, it may disregard such information.
33. 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.
34. 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

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

Non-cooperation

36. 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 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