

**F.No. 22/8/2019-DGTR  
Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Trade Remedies)  
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi**

**INITIATION NOTIFICATION**

**(Bilateral Safeguard Investigation)**

**Case No-(SG) 08/2019**

Dated 01.10.2019

**Subject: Initiation of Bilateral Safeguard Investigation concerning imports of “Phthalic Anhydride” into India from Korea RP under India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017**

F.No. 22/8/2019-DGTR: Whereas, an application has been filed under India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017 (hereinafter also referred to as the “said Rules”) by M/s I G Petrochemicals Limited and M/s Thirumalai Chemicals Ltd., (hereinafter also referred to as the “Applicants”) alleging increased imports of “Phthalic Anhydride” (hereinafter also referred to as the “product under consideration” or “PUC” or subject goods) from Korea RP (also referred to as subject country) causing serious injury to the domestic producers of like or directly competitive product in India.

**Product under Consideration (PUC)**

2. The product under consideration in the present investigation is “Phthalic Anhydride, falling under the HS code 29173500 of the Customs Tariff Act, 1975. It is a colourless solid, variously referred as Phthalic Anhydride flakes, Phthalic Anhydride (98% min.), Phthalic Acid Anhydrous, Phthalic Anhydride (99.8% min) etc.

**Domestic Industry**

3. The application has been filed by M/s I G Petrochemicals Limited and M/s Thirumalai Chemicals Ltd. The applicants account for a major share of the total Indian production of the domestic like goods in India and thus applicants constitute Domestic Industry as per the Rules.

### **Period of Investigation**

4. The period considered for the purposes of present investigation is from April, 2015 to June 2019. The applicants have claimed surge in imports in Q4 18-19 and Q1 19-20.

### **Subject country**

5. The country involved in the present investigation is Korea RP.

### **Increased Imports**

6. The applicants have claimed that imports of product under consideration from Korea RP have increased in absolute terms as well as in relation to production and consumption in India. It is noted that there is a sudden, sharp and significant increase in imports of PUC during Q4 of 2018-19 and Q1 2019-20. The rate of increase in imports of subject goods is considered significant considering the duration, the quantum, the total imports and the consumption in India.

### **Serious Injury to the domestic industry**

7. The applicants have claimed that the increased imports of product under consideration has caused and is also threatening to cause serious injury to the domestic producers during Q4 of 2018-19 and Q1 2019-20. The applicants have claimed decline in production, sales and capacity utilization for the product. They have also claimed that market share of domestic industry has declined whereas market share of subject imports has increased. They have also claimed that their profits, cash profits, PBIT, ROI and productivity have declined.
8. The applicants have requested for immediate imposition of bilateral safeguard duty in view of significant increase in imports of subject goods from subject country.
9. The Authority finds that there is prima facie evidence that imports of product under consideration have increased significantly causing serious injury to the domestic producers of the like article in India and there is causal link between increased imports from subject country and the serious injury caused to the domestic industry.

### **Initiation**

10. After determining that there is prima facie evidence to justify initiation of the safeguard investigation, the Director General considers appropriate to initiate the investigation in order to determine whether the imports of the product under consideration from Korea RP constitute increased imports and whether the increased imports have caused or are threatening to cause serious injury to the domestic industry.
11. All interested parties may make their views known within a period of 30 days from the date of this notice to:

**Director General  
Directorate General of Trade Remedies (DGTR),  
Jeevan Tara Building, 4th Floor  
5, Parliament Street,  
New Delhi -110001**

12. All known interested parties are also being addressed separately.
13. Any other party to the investigation who wishes to be considered as an interested party may submit its request so as to reach the Director General on aforementioned address within 30 days from the date of this notice.
14. If no information is received within the prescribed time limit or the information received is incomplete, the Director General may record its findings on the basis of the facts available on record. The information must be submitted in hard copies as well as soft copies.
15. Submission of Information on Confidential Basis – The parties making any submission (including Appendices/Annexure attached thereto), before the authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof. 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 Director General and the Director General shall be at liberty to allow the other interested parties to inspect such submissions. Soft copies of both the versions will also be required to be submitted, along with the hard copies, in two (2) sets of each. The confidential version shall contain all information which are by nature confidential and/or other information which the supplier of such information claims as confidential. The 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. 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, 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 Director General. The Director General may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Director General 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. Any submission made without a meaningful non- confidential version

thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Director General. The Director General, on being satisfied and accepting the need for keeping the information provided as confidential shall not disclose it to any party without specific authorization of the party providing such information.

16. Any interested party may inspect the public file containing non-confidential version of the evidences submitted by other interested parties.
17. 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 Director General may 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