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F.No.7/01/2022- DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001

Dated 3rd February, 2022

INITIATION NOTIFICATION
(Case No. AD (SSR)-01/2022

Subject: Initiation of Sunset Review anti-dumping investigation concerning imports of Saturated Fatty Alcohols originating in or exported from Indonesia, Malaysia and Thailand.

1. VVF (India) Limited (referred to as the 'applicant') has filed an application before the Designated Authority (hereinafter also referred to as the "Authority") in accordance with the 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 as amended from time to time (hereinafter also referred to as the "Rules") for initiation of sunset review investigation concerning imports of "Saturated Fatty Alcohol" (hereinafter referred to as the "subject goods" or "product under consideration" or "PUC"), originating in or exported from Indonesia, Malaysia and Thailand (hereinafter referred to as the "subject countries").

2. The applicant has alleged that dumping from the subject countries has continued even after the imposition of anti-dumping duty and that there is likelihood of continuation / 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 countries.

A. Background

3. The original Anti-Dumping Investigation concerning imports of "Saturated Fatty Alcohols" originating in or exported from Indonesia, Malaysia, Thailand and Saudi Arabia was initiated vide notification no.14/51/2016-DGAD dt 24.04.2017. The Authority recommended the Anti-dumping duty on the imports of "Saturated Fatty Alcohols" from Malaysia, Indonesia and Thailand vide its final finding dated 23.04.2018. Based on the recommendations, the Anti-dumping duty was imposed vide Customs Notification 28/2018-Customs (ADD) dated 25.05.2018.

B. Subject Countries

4. The subject countries for the present sunset review investigation are Indonesia, Malaysia and Thailand.

C. Product under consideration

5. In the original Final findings dated 23rd April, 2018, the scope of product under consideration (PUC) was defined as "***All types of Saturated Fatty Alcohols excluding Capryl Alcohols (C-8) and Decyl Alcohols(C-10) and blends of C8 and C10***". The product under grades C8 and C10 (and their blends) were excluded as the applicant was not manufacturing the same during the period of investigation defined in the original investigation. However, the applicant has claimed that they have been manufacturing and selling C10 grade from 2018-19 onwards in commercial quantities, and accordingly, has requested that the same may also be included in the scope of the PUC.

6. Keeping in view the fact that the instant investigation is sunset review investigation, the Authority has kept the scope of the same as defined in the original Final findings F. No. 14/51/2016-DGAD, dated 23 April, 2018 i.e., ***"All types of Saturated Fatty Alcohols excluding Capryl Alcohols (C-8) and Decyl Alcohols (C-10) and blends of C8 and C10"***.

D. Product Control Number (PCN)

7. Based on the request of the domestic industry, the Authority proposes following PCNs in order to have PCN to-PCN based fair comparison for computing the dumping and injury margin.

PCN	Product description (Carbon Chain length)
1200	C 12
1214	C 1214
1400	C 14
1216	C 1216
1218	C 1218
1600	C 16
1416	C 1416
1618	C 1618
1800	C 18

8. Interested parties may offer their comments, if any, on the PCN methodology latest by 18th February, 2022.

9. Unblended fatty alcohols are classified under heading 2905.17 or 2905.19, while blended alcohols are classified under heading 3823.70 of Schedule I to the Customs Tariff Act, 1975. Under the heading 3823.70, they are imported under the following tariff entries:

   i. 3823.70.10

ii. 3823.70.20
iii. 3823.70.40
iv. 3823.70.90

The applicant has claimed that the subject goods are also being imported under other headings of Chapter 38 and 29 of the Tariff.

10. The customs classification above is indicative only and in no way binding on the scope of the product under consideration in this investigation.

E. Like Article

11. The applicant has claimed that the subject goods are identical to the goods produced by the domestic industry. There are no known differences either in the technical specifications, functions or end-uses of the dumping imported goods and the subject goods manufactured by the applicant. The two are technically and commercially substitutable and hence, should be treated as 'like article' under the Rules. The Authority in the previous investigation held that the products being manufactured by the domestic industry is like article to the product being imported into India from the subject country. Therefore, for the purpose of the present investigation, the product under consideration being produced by the domestic industry are being treated as 'Like Article' to the subject goods being imported from the subject countries.

F. Domestic industry & standing

12. The application has been filed by M/s VVF India Limited (referred to as "the Domestic Industry" or "the applicant" in the present notification). The applicant has claimed that it is not related to the exporters or importers of the alleged dumped article. The applicant has not imported the subject goods during the period of investigation.

There is one more producer of the subject goods in India, that is, M/s Godrej Industries Limited. However, the applicant has claimed that M/s Godrej Industries Limited has imported the subject goods during the period of investigation, and thus, is not eligible to be treated as a part of the domestic industry. The applicant has provided estimates of production of M/s Godrej Industries Limited. On the basis of such estimates, it is noted that the applicant accounts for a major proportion of the domestic production irrespective of whether or not Godrej Industries Limited production is included in the eligible domestic production. Thus, the applicant meets the standing requirement in terms of Rule 2(b) and Rule 5(3) of the Rules for the purpose of present investigation.

G. Likelihood of continuation or recurrence of dumping

Normal value

13. The applicant has claimed that the data relating to price in the subject countries is not available. The applicant has not provided any information regarding the appropriate third country. This information is also not available with the Authority from any public source. The normal value for these subject countries has accordingly been determined on the basis of

cost of production of the subject goods in India along with associated selling, general and administrative expenses, and reasonable profit.

Export Price

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

Dumping Margin

15. Considering the normal value and export price determined as above, dumping margin has been determined, in accordance with Section 9A(1)(a) of the Act. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country is higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject countries.

H. Likelihood of continuation or recurrence of injury and causal link

16. There is prima facie evidence of likelihood of continuation/recurrence of injury to the domestic industry in the event of cessation of duty, considering the continued increase in import quantities, positive price undercutting during the entire injury period, dumped and injurious price of subject imports and supressing effect of subject imports on the selling prices of the domestic industry.
17. It is noted that there is prima facie likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of the anti-dumping duty.

I. Initiation of Sunset Review

18. 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 by the domestic industry, substantiating likelihood of continuation/recurrence of dumping of product under consideration originating in or exported from the subject countries and injury to the domestic industry, and in accordance with Section 9A of the Act read with Rule 23 of the Rules, the Authority, hereby, initiates a sunset review investigation to review the need for continued imposition and enhancement of duties in force in respect of the subject goods, originating in or exported from the subject countries and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

J. Period of Investigation (POI)

19. The applicant has proposed period of investigation (POI) as October' 2020 to September' 21. The injury investigation period proposed covers the periods April 2017 - March 2018, April 2018- March 2019, April 2019 – September 2020 and the POI. The Period of Investigation as proposed has been considered appropriate for the present review investigation.

K. Procedure

20. The review will cover all aspects of the final findings published vide Notification No. 14/51/2016-DGAD dated 24.04.2017, recommending imposition of anti-dumping duty on imports of "Saturated Fatty Alcohol" from Indonesia, Malaysia and Thailand. The Authority would also undertake likelihood analysis of dumping and injury as required.

21. Principles as given in Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules supra will be followed for the present investigation.

L. Submission of Information

22. 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 addresses adg12-dgtr@gov.in, dir12-dgtr@gov.in, jd-14-dgtr@gov.in, dd17-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.
23. The known exporters, their government through their Embassies 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.

24. 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 email address mentioned above.
25. 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.

M. Time-Limit

26. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the email addresses adg12-dgtr@gov.in, dir12-dgtr@gov.in, jd-14-dgtr@gov.in, dd17-dgtr@gov.in within thirty days from the date of receipt of the notice as per Rule 6(4) of the Rules. It may, however, be noted that in terms of the 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.

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. 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.

N. <u>Submission of information on confidential basis</u>

29. 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.

30. The parties making any submission (including Appendices/Annexes attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.

36. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.

O. Inspection of Public File

37. A list of all the 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 submission to all other interested parties since the public file will not be accessible physically due to ongoing global covid-19 pandemic.

P. Non-cooperation

38. 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 Swarup)
Designated Authority