

**To be published in Part-I Section I of the Gazette of India Extraordinary**

**File No. 07/19/2021-DGTR**

**Government of India**

**Department of Commerce**

**Ministry of Commerce & Industry**

**(Directorate General of Trade Remedies)**

**4<sup>th</sup> Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi – 110001**

**Dated: 31<sup>st</sup> August 2021**

**INITIATION NOTIFICATION**

**Case No.: A D (SSR) - 16/2021**

**Subject: Sunset Review investigation concerning imports of Flexible Slabstock Polyol from Thailand.**

M/s Manali Petrochemicals Ltd. (hereinafter also referred to as ‘petitioner’ or ‘applicant’) has filed an application/petition before the Designated Authority (hereinafter also referred to as the Authority) on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the “Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping 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 sunset review of Anti-Dumping duty (ADD) imposed on imports of Flexible Slabstock Polyol (hereinafter referred to as the “subject goods” or the “Product under Consideration”) originating in or exported from Thailand (hereinafter also referred to as the ‘subject country’).

2. The applicant has alleged likelihood of recurrence of dumping and injury of the subject goods originating in or exported from subject country and consequent injury to the Domestic Industry and have requested for review and continuation of the existing anti-dumping duties imposed of the subject goods from the subject country.

## **A. Background**

3. The original investigation concerning imports of the subject goods from the subject country was initiated vide Notification No. 14/34/2015-DGAD dated 24.02.2016. The Authority vide its final findings No. 14/34/2015-DGAD dated 21.02.2017 recommended imposition of anti-dumping duties against the dumped imports of the subject goods from the subject country, and the anti-dumping duties were imposed by issuance of Customs Notification No. 13/2017- Customs (ADD) dated 11.04.2017.

## **B. Product under Consideration (PUC) and Like Article**

4. The product under consideration in the present investigation is Flexible Slabstock Polyol of molecular weight 3000-4000, originating in or exported from Thailand. The subject product is a clear viscous liquid polymer of molecular weight 3000-4000, manufactured by polymerization of propylene oxide and ethylene oxide with a triol chain starter. It is a polyether and on reaction with catalysts and additives yields polyurethane foams used in upholstery, mattresses, pillows, bolsters, transport seating and packaging. Flexible Slabstock Polyol is transported in tankers or stored in steel drums (hereinafter referred to as the “subject goods” from subject country).
5. It is classified under the category “Plastics and articles thereof” in Chapter 39 of the Customs Tariff Act, 1975 and classified under HS Code 3907 20. The classification, however, is only indicative and in no way binding on the scope of the present investigation. Since this is the sunset review investigation, the product scope remains same as was defined by the Authority in the final findings of the original investigation.
6. The Petitioner has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, functions or end-uses of the dumped imports and the domestically produced subject goods. Hence, the goods produced by the domestic industry are ‘Like Article’ to subject goods being imported from subject country. The two are technically and commercially substitutable and hence should be treated as ‘like articles’ under the Anti-Dumping Rules.

### **C. Domestic Industry**

7. The request for the sunset review has been filed by M/s Manali Petrochemicals Limited who is the sole producer (100%) of the product under consideration in India. The Authority notes that the petitioner holds 100% share in total domestic production, and has certified that it has neither imported the subject goods from the subject country nor is it related to any importer of the subject goods in India. Therefore, the petitioner is considered as eligible domestic industry in terms of the Rule 2(b). Further, the petitioner also passes the test of standing under Rule 5(3).

### **D. Period of Investigation (POI)**

8. The period of investigation (POI) for the purpose of present investigation is 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 (12 months). The injury investigation period shall cover the periods 2017-18, 2018-19, 2019 -20 and the period of investigation. The period after the investigation period may also be considered for the purpose of likelihood analysis.

### **E. Subject Country**

9. The subject country in the original investigation was Thailand. The present investigation being a sunset review investigation, the subject country is same as of the original investigation.

### **F. Likelihood of Continuation or recurrence of Dumping**

#### **Normal Value**

10. The Applicant has claimed that it did not have access to information regarding the domestic selling price in Thailand. It provided indicative information with regard to domestic selling price in Thailand based on import prices of subject goods into Thailand from Trade Map data. The domestic industry also provided constructed normal value based on its cost with selling and general administration expenses and after adding reasonable profit. The Authority, for the purpose of initiation has constructed the normal

value based on the cost of production of the domestic industry with reasonable profit for the purposes of the present initiation.

**G. Export Price**

11. The export price for subject goods from Thailand has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments for Thailand has been claimed on account of ocean freight, inland freight, ocean insurance and bank charges.

**H. Likelihood of continuation or recurrence of Dumping**

12. Considering the normal value and export price determined as above, dumping margin determined is negative.
13. However, the Domestic Industry has claimed likelihood of dumping based on the fact that actual export price from Thailand is lower on account of losses incurred by its related importer in India and trader in Singapore. The Authority however, notes that the same will be examined during the course of the investigation to analyze the likelihood of continuation / recurrence of dumping.

**I. Likelihood of continuation or recurrence of injury**

14. The Domestic Industry has claimed likelihood of recurrence of injury, and has provided information pertaining to price attractiveness of the Indian market, surplus capacity available in Thailand, higher prices of exports of subject goods to India when compared to rest of the world. Further, the Domestic Industry also submitted that if duties were not extended against Thailand, anti-dumping duties imposed against Saudi Arabia, will become ineffective, as quantum of exports from Saudi Arabia will come from Thailand. There is sufficient evidence indicating likelihood of recurrence of injury on cessation of the AD duty against Thailand on cessation of the AD duty against Thailand.

## **J. Initiation of Sunset Review Investigation**

15. On the basis of the duly substantiated 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 country and injury to the domestic industry, and in accordance with Section 9A(5) of the Act read with Rule 23 (IB) of the Rules, the Authority, hereby, initiates a sunset review investigation to review the need for continued imposition of duties in force in respect of the subject goods, originating in or exported from the subject country, 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.

## **K. Procedure**

16. The review will cover all aspects of Final Finding Notification No. 14/34/2015-DGAD dated 24.02.2016 recommending imposition of anti-dumping duty on import of subject goods originating in or exported from subject country.

17. The provisions of Rules 6,7,8,9,10,11,16,17,18,19 and 20 of the Rule shall be mutatis mutandis applicable in this review.

## **L. Submission of information**

18. 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 address adgl3-dgtr@gov.in, advl2-dgtr@gov.in, jd11-dgtr@gov.in, ad12 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.

19. The known exporters in the subject country, the Government of the subject country through their embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed within the time-limit set out below.

20. 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.

21. 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.

**M. Time Limit**

22. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses [adgl3-dgtr@gov.in](mailto:adgl3-dgtr@gov.in), [advl2-dgtr@gov.in](mailto:advl2-dgtr@gov.in), [jd11-dgtr@gov.in](mailto:jd11-dgtr@gov.in), [ad12 dgtr@gov.in](mailto:ad12 dgtr@gov.in) within 30 days from the date of the receipt of the notice as per the 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.

23. 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.

**N. Submission of Information on Confidential basis**

24. 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. Failure to adhere to the above may lead to rejection of the response / submissions.

25. 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.

26. 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.

27. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.
28. Information supplied without any confidential marking shall be treated as nonconfidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies of the confidential version and two (02) copies of the non-confidential version must be submitted by all the interested parties.
29. For information claimed as confidential; 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 and/or why summarization of such information is not possible.
30. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out /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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
31. 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 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.

32. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. 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**

33. A list of 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 submissions to all interested parties since the public file will not be accessible physically due to ongoing global pandemic.

**P. Non-Cooperation**

34. In case any interested party refuses access to and 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**