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Government of India
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001

Dated: 16.09.2020

INITIATION NOTIFICATION

(Case No. AD (OI) – 29/2020)

Subject: Initiation of anti-dumping investigation concerning imports of “Sodium Hydrosulphite” originating in or exported from China PR and Korea RP.

1. Transpek-Silox Industry Private Limited (hereinafter also referred to as the “Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of domestic industry, 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 anti-dumping duty investigation concerning imports of “Sodium Hydrosulphite” or “SHS” (hereinafter also referred as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR and Korea RP (hereinafter also referred to as “subject countries”).
2. The Applicant has alleged that material injury is being caused to the domestic industry due to dumped imports from the subject countries and has requested for imposition of the anti-dumping duties on the import of the subject goods originating in or exported from the subject countries.

A. Product under consideration

3. The product under consideration in the present investigation is “Sodium Hydrosulphite”, whether produced using Zinc or Sodium Formate, also known as “Hydrosulphite Concentrate” or “Sodium Dithionite” or “Sodium Hydrosulfite” or “SHS”. It is a white or grayish white powder, free from visible foreign particles with pungent odour and its crystalline chemical formula is $Na_2S_2O_4$. The product under consideration is used in diverse industrial sectors like Textiles, Soap, Molasses, Glue and reducing agent.

4. The product under consideration is classified under Chapter 28 of the Customs Tariff Act, 1975 under the custom code 28311010 and 28321020. The customs classification is only indicative and is not binding on the scope of the product under consideration.

B. Like article

5. The Applicant has claimed that the subject goods exported to India are identical to the goods produced by the domestic industry. Subject goods produced by the domestic industry are comparable to the imported goods from subject country in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicants are being treated as 'Like Article' to the subject goods being imported from the subject country

C. Domestic industry

6. The application has been filed by Transpek-Silox Industry Private Limited. The Applicant has neither imported the subject goods from the subject countries nor are they related to any exporter or producer of the subject goods in the subject countries or importer in India.

7. As per evidence available on record, the Applicant's production accounts for a major proportion in the domestic production of the like article in India. On the basis of information available, the Authority has considered the Applicants as Domestic Industry within the meaning of the Rule 2(b) and satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

D. Basis of alleged dumping

a. Normal value for China PR

8. For China PR, the Applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The Applicant has claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry producing the like product with regard to the manufacture, production and sale of the product under consideration. It has been stated by the Applicant that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market-driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure- I to the Rules. The normal value for China has been constructed on the basis of cost of production in India, with a reasonable addition for selling, general and administrative expenses and profits.

b. Normal value for Korea RP

9. It is submitted that other documentary evidence or reliable information with regard to domestic prices of the subject goods in Korea RP are not available in the public domain. The Normal value for Korea RP has therefore been constructed by adopting cost of production in India.

c. Export price

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

d. Dumping margin

11. The normal value and the export price have been compared at ex-factory level, which prima facie shows dumping margin above the de-minimis level in respect of the 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.

E. Injury and Causal Link

12. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished prima facie evidence regarding the injury having taken place as a result of the alleged dumping, resulting in increased volume of dumped imports in absolute terms and in relation to production and consumption in India, price undercutting, and price suppressing effect on the domestic industry. The Applicant has claimed that their performance has been adversely impacted in respect of sales, capacity utilization, market share, inventories and decline in profits, return on capital employed, and cash flow, as a result of increase in imports of product under consideration at a price below selling price and non-injurious price for the domestic industry. There is sufficient prima facie evidence of material injury being caused to the domestic industry by dumped imports from subject countries to justify initiation of anti-dumping investigation.

F. Initiation of Anti-Dumping Investigation

13. 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 dumping of the product under consideration 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 product under consideration 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.

G. Subject Countries

14. The subject countries for the present investigation are China PR and Korea RP.

H. Period of Investigation (POI)

15. The period of investigation (POI) in the present investigation is 1st April, 2019 to 31st March, 2020 (12 months). The injury period of investigation will, however, cover the periods 2016-17, 2017-18, 2018-19 and the POI.

I. Procedure

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

J. Submission of Information

17. 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 address adg12-dgtr@gov.in adv13-dgtr@gov.in, dd15-dgtr@gov.in and ad11-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.

18. The known producers/exporters in the subject countries, 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.

19. 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.

20. 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.

K. Time Limit

21. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in adv13-dgtr@gov.in, dd15-dgtr@gov.in and ad11-dgtr@gov.in within 37 days from the date of receipt of the notice as

per as per 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.

22. 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.

L. Submission of information on confidential basis

23. 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.
24. 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.
25. 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.
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. 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.
28. 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.

29. 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.
30. 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.

M. Inspection of Public File

31. 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.

N. Non-cooperation

32. 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 and Designated Authority