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Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor Jeevan Tara Building, Parliament Street, New Delhi 110001

Dated the 10th January, 2017

INITIATION NOTIFICATION
Case No. SSR-3/2017
(Sunset Review Investigation)

Subject: Initiation of Sunset Review of Antidumping Duty on import of Saccharin from China PR.

F.No.15/23/2016-DGAD – Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred as the Act) and the 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 referred as the Rules), the Designated Authority (hereinafter referred to as the Authority), vide Notification No 14/27/2004-DGAD dated 4th July 2005, initiated an antidumping investigation into alleged dumping of Saccharin from China PR and consequent injury to the domestic industry. Preliminary findings were issued on 1st April 2006 and Final Findings were issued on 3rd January 2007. Definitive anti-dumping duties were imposed, vide Ministry of Finance Notification dated 19th March, 2007, on the imports of Saccharin (herein after referred to as the subject goods) from China PR (hereinafter referred to as the subject country).

2. Subsequently the Authority initiated a sunset review of the above antidumping duty vide notification dated 31st May, 2010 and recommended continued imposition of definitive antidumping duties on the imports of the subject goods originating in or exported from the above country, vide Final Finding Notification No. 15/20/2010-DGAD dated 7th December 2011 and the duties were extended, vide Customs Notification No. 7/2012-Cus dated 13th January 2012, for a further period of 5 years i.e., till 12th January 2017.

A. Request for initiation of Sunset Review

3. Whereas, in terms of Section 9 A (5) the Customs Tariff Act, 1995, read with Rule 23 of the Rules, the antidumping duty imposed under the said Act shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, unless in a review, initiated before the expiry of the duty, the Designated Authority concludes that the cessation of the duties is likely to lead to continuation or recurrence of dumping and injury. In accordance with the above, the Authority is required to review, on the basis of a duly substantial request made by or on behalf of

the domestic industry within a reasonable period of time prior to the date of the expiry of the measure, as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

4. And Whereas, a petition has been filed by M/s Swati Petro Products Pvt. Limited, M/s Shree Vardayini Chemical Ind. Pvt. Ltd. and M/s A S Chemoplarma Pvt. Limited (hereinafter referred to as 'petitioners'), in accordance with the Act and the Rules, seeking initiation of a sunset review of the Anti-dumping duty in force on import of Saccharine for extending the duties for a further period of 5 years, alleging likelihood of continuation or recurrence of dumping of the above goods originating in or exported from the above country and consequent injury to the domestic industry.

B. Grounds for review

5. The request is for continuation of the antidumping duties in force based on the grounds that dumping of the subject goods has continued in significant volume from the subject country and the expiry of the measure would be likely to result in continuation and intensification of dumping from that country because of availability excess capacities in the subject country and significant export orientation of the producers in that country. It has been submitted that though the condition of the domestic industry has improved due to imposition of the antidumping duties, revocation of the duty would lead to intensified dumping and consequent injury to the domestic industry because of significant price undercutting and underselling effects of the dumped imports from the subject country.

C. Product under consideration and like Article

6. In the original investigation, product scope has been defined as under:

“Saccharin is a non-nutritive sweetener and considered to be low calorie substitute for cane sugar. Primarily there are two types of Saccharin i.e. soluble and insoluble. In market parlance soluble saccharin is called sodium saccharin whereas insoluble sodium saccharin is called insoluble saccharin. Apart from sodium saccharin, saccharin can have other variants such as calcium and zinc saccharin. Saccharin is produced in two physical forms, viz. granular and powder. Sodium saccharin in granular form is used in situations where saccharin will be dissolved, the powder form which has been grounded and spray dried is used in dry mixes and pharmaceuticals. It is slightly soluble in water. Insoluble form of saccharin is used in many pharmaceutical and medical applications. Saccharin is used in a variety of industry such as food and beverage, personal care products, table top sweeteners, electroplating brighteners, pharmaceuticals, etc. Saccharin is more than 500 times sweeter than sugar. All forms of Saccharin are within the scope of the present investigation. Being a sun set review; the PUC is the same as in the earlier investigations.

7. Present investigation, being a sunset review of the duty in force, the products under consideration would remain the same as has been defined in the original investigation.

8. Petitioners have submitted that the subject goods produced by them are like article to the goods imported from the subject country in terms of physical and technical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the goods. The imported products and the domestically produced goods are technically and commercially substitutable, and consumers use them interchangeably.

9. The product is classified under Chapter 29 of the Customs Tariff Act, 1975 under sub-headings No. 29251100.

D. Domestic industry and Standing

10. The request for the sunset review has been filed by M/s Swati Petro Products Pvt. Limited, M/s Shree Vardayini Chemical Ind. Pvt. Ltd. and M/s A S Chemoplarma Pvt. Limited. The petition has also been supported by M/s Blue Circle Organics Pvt. Ltd. The participating companies and the supporters account for a major proportion of the domestic production of the subject goods. Therefore, the application is deemed to have been made by or on behalf of the domestic industry and the above participating companies have been treated as the domestic industry under Rule 2(b) of the Antidumping Rules for the purpose of injury investigation.

E. Country involved

11. The duties are in force against the People's Republic of China. Therefore, this sunset review will cover the duty in force on the subject goods originating in or exported from the above country.

F. Initiation of Sunset Review

12. Having satisfied itself, on the basis of the positive evidence submitted by the domestic industry, substantiating the likelihood of continuation of dumping and recurrence of injury, the Authority hereby initiates a review investigation in accordance with Section 9A (5) of the Act read with Rule 23 of Antidumping Rules, to review whether revocation of the duty on imports of the subject goods originating in or exported from the subject country, imposed vide Customs Notification No. 7/2012-Cus dated 13th January 2012, shall lead to continuation or recurrence of dumping of the subject goods from the subject country and continuation or recurrence of injury to the domestic industry, and need for continued imposition of the definitive duty in force against the subject goods originating in or exported from the subject country.

G. Procedure

13. The review will cover all aspects of Final Finding Notification No. 15/20/2010-DGAD dated 7th December 2011 recommending continuation of anti-dumping duty on import of Saccharin originating in or exported from China PR. The

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

(i) Period of Investigation

14. The period of investigation for the purpose of this review shall be from July 2015 –September, 2016 (15 months) as the period of investigation (POI). However, for the purpose of injury investigation, the data of 2013-14, 2014-15, 2015-16 and the POI shall be considered.

(ii) Submission of Information

15. The known exporters in the subject country, the Government of the subject country through its embassy/representatives in India, the importers and users in India known to be concerned with the subject goods and the domestic industry in India are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:

**The Designated Authority
Directorate General of Anti-Dumping and Allied Duties
Ministry of Commerce and Industry, Department of Commerce
Room No. 15, 4th Floor Jeevan Tara Building, Parliament Street
New Delhi-110001**

16. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below. 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.

17. While submitting the questionnaire response producers/exporters in the subject country may have to demonstrate prevalence of market condition related to manufacture, production, and sales of subject good in the domestic market and in export to India and other countries. For this purpose, the producer/exporter, may clarify and provide sufficient information on the following:

- a) Decision in regard to price, cost, input including raw material, cost of technology and labour, output, sales and investment, are without significant state interference and weather cost of major inputs substantially reflect market value.
- b) Production costs and financial situation does not suffer for any distortion.
- c) The producer/exporter are subject to bankruptcy and property law which guarantees legal certainty and stability for the operation of the firms.
- d) Exchange rate conversions are carried out at the market rate.

(iii) Time Limits

18. Any information relating to the present review and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of publication of this Notification. 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 Anti-Dumping Rules.

19. 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 and offer their comments to the domestic industry's application regarding the need for continuation, or otherwise, of the Anti-dumping measures, within 40 days from the date of initiation of this investigation.

H. Submission of information on confidential basis

20. In case confidentiality is claimed on any part of the questionnaire 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.

21. Information supplied without any confidential marking shall be treated as non-confidential 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 five (05) copies of the non-confidential version must be submitted by all the interested parties.

22. 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.

23. 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.

24. 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.

25. 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.

I. Inspection of public file

26. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

J. Non-cooperation

27. 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.

(Inder Jit Singh)
Additional Secretary & Designated Authority