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File No. 6/10/2019-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi

Dated: 10 July, 2019

Case No. (O.I.) 08/2019

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping Investigation concerning imports of Polystyrene of all types except expandable Polystyrene from Iran, Malaysia, Singapore, Chinese Taipei, UAE and USA

F. No. 6/10/2019-DGTR: M/s Ineos Styrolution India Limited, Vadodara along with Supreme Petrochem Ltd, Mumbai (hereinafter also referred to as the Petitioners or Applicants) 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 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 also referred to as the Rules) for imposition of Anti-dumping duty on imports of "Polystyrene of all types except Expandable Polystyrene" (hereinafter also referred to as the subject goods or Product under consideration (PUC)) from Iran, Malaysia, Singapore, Chinese Taipei, UAE and USA (hereinafter also referred to as the subject countries).

Product under consideration

2. The product under consideration for the purpose of present investigation is "Polystyrene of all types except expandable Polystyrene".
3. Polystyrene is a versatile thermoplastic polymer used to manufacture various consumer products. Polystyrene can be moulded into various shapes, can be extruded to make sheets and can be foamed. The major applications include appliances such as Refrigerators and Air conditioners, stationary, household articles, extruded insulation foam, electrical housings, toys and food packaging. The subject goods are classified under chapter 39 "Plastics and Articles Thereof". At six-digit

level, the goods are classified at 390319. It is also submitted that the customs classification is indicative only and in no way, it is binding upon the product scope.

Like Article

4. Rule 2(d) with regard to like article provides as under: -

"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;

5. The petitioner has submitted that subject goods produced by the petitioner company and the subject goods imported from the subject countries are like articles. There is no known difference between the subject goods exported from subject countries and that produced by the petitioner. Subject goods produced by the domestic industry and imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules.
6. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as 'Like Article' within the meaning of the Rule 2 (d) to the subject goods being imported from the subject countries.

Domestic Industry & Standing

7. The Application has been filed by M/s Ineos Styrolution India Limited, Vadodara and Supreme Petrochem Limited, Mumbai as domestic producers of the product under consideration. According to the applicants, they are the major producers of the subject goods in India accounting 67% of the total production in India. The applicants have certified that there are no imports of the product under consideration by the applicants or any of its related party from the subject countries. Apart from the applicants, there is only one other producer of the subject goods in India, namely, M/s LG Polymers India Pvt. Ltd.
8. The Authority, therefore, determines that the applicants who presently hold a "major proportion" of the total domestic production, constitute an eligible domestic industry in terms of Rule 2 (b) and also satisfy the criteria of standing in terms of Rule 5 (3) of the Rules.

Countries involved

9. The countries involved in the present investigation are Iran, Malaysia, Singapore, Chinese Taipei, UAE and USA.

Normal Value

10. The applicant has constructed the normal value of the subject goods from the subject countries based on the spot prices of Polystyrene (separately for GPPS and HIPS) published by ICIS LOR. Since the published prices are for South East Asia, therefore, applicants have added only port charges in the ICIS prices for constructing the normal value for Singapore. Further, for arriving at the estimated prices prevailing in Iran, Malaysia and UAE, applicants have added port charges, insurance and ocean freight charges from Singapore to Iran, Malaysia and UAE respectively. For USA and Chinese Taipei, applicants have relied upon the import data of Polystyrene sourced from ITC Trade Map. Since these numbers are CIF prices, applicant have added port charges and applicable basic customs duty to make the value paid or payable in USA and Chinese Taipei. The Authority has, therefore, for the purpose of the initiation, decided to proceed with the normal value as constructed by the petitioner.

Export Price

11. The applicants have computed the export price on the basis of data published by DGCI&S, Kolkata. Price adjustments have been claimed on account of commission, ocean freight, port expenses, inland freight, marine insurance, credit cost and bank charges. There is sufficient *prima facie* evidence with regard to the net export prices claimed by the applicants.

Dumping Margin

12. The normal value and the export price have been compared at ex-factory level, which *prima facie* show significant dumping margin in respect of the subject goods from the subject countries. There is sufficient *prima facie* evidence that the normal value of the subject goods in the subject countries are 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.

Injury and Causal Link

13. Information furnished by the applicants has been considered for assessment of injury to the domestic industry. The applicants have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased

volume of dumped imports in absolute terms and in relation to production and consumption in India, price undercutting, price underselling, capacity utilization, profitability, cash profits and return on capital employed. Applicants have further submitted that there is threat of material injury also. There is sufficient *prima facie* evidence of the ‘injury’ being suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

Initiation of Anti-Dumping investigations

14. And whereas the Authority *prima facie* finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject countries; injury to the domestic industry and causal link between the alleged dumping and injury exist to justify initiation of an anti-dumping investigation, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the ‘injury’ to the domestic industry.

Period of Investigation (POI)

15. The period of investigation for the purpose of present investigation is from 1st January 2018 to 31st December 2018 (12 months). However, the injury investigation period will cover the data of previous three years, i.e. 1st April 2015 to 31st March 2016, 1st April 2016 to 31st March-2017, 1st April 2017 to 31st March-2018 and POI.

Submission of Information

16. The exporters in the subject countries, their government through their Embassies in India, the importers and users in India known to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

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

17. 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.

Time Limit

18. Any information relating to the present investigation 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 AD 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 within forty days (40 days) from the date of publication of this Notification. The information must be submitted in hard copies as well as soft copies.

Submission of information on confidential basis

20. 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.
 - i. one set marked as Confidential (with title, number of pages, index, etc.), and
 - ii. the other set marked as Non-Confidential (with title, number of pages, index, etc.).
21. 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. Soft copies of both the versions will also be required to be submitted, along with the hard copies, in two (4) sets of each.
22. 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. 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.
23. 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 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 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.
25. 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 Authority.
26. 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.

Inspection of Public File

27. In terms of Rule 6(7) of the AD Rules, any interested party may inspect the public file containing non-confidential version of the information or evidence submitted by other interested parties.

Non-cooperation

28. 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.

Sunil Kumar
Additional Secretary & Designated Authority