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File No. 6/2/2017 -DGAD
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

Dated 01st June, 2017

Case No. OI/03/2017

INITIATION NOTIFICATION

Subject: Anti-Dumping Duty investigation concerning imports of “Diocetyl Phthalate (DOP)” originating in or exported from Chinese Taipei and Korea RP.

F. No. 6/2/2017- DGAD: M/s KLJ Plasticizers Ltd. (hereinafter referred to as “petitioner/applicant”) has filed a petition 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 anti-dumping investigation and imposition of anti-dumping duty concerning imports of Diocetyl Phthalate(hereinafter referred to as the ‘subject goods or DOP’) from Chinese Taipei and Korea RP (hereinafter referred to as the ‘subject countries’).

2. 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 quantum of antidumping duty, which if levied, would be adequate to remove the ‘injury’ to the domestic industry.

A. Domestic Industry & Standing

3. The petition has been filed by M/s KLJ Plasticizers Ltd. who is a major producer of subject goods in India. There are a number of other producers of the product in India. Petitioner has contended that PCL Oil & Payal Polymers are importing the product. The applicant is related to two importers of the subject goods. Imports made by related companies is 2.3% of total imports, 2.1% of its production and 1.1% of demand. These imports were used as input for production of other products. Authority has considered the petitioner as an eligible domestic industry within the meaning of Rule 2(b) of the Anti-Dumping Rules.
4. It is seen that production of the petitioner accounts for significantly beyond 50% of the Indian production and thus constitutes "a major proportion" of the domestic production. The petitioner satisfies the standing to file the present petition and constitutes "Domestic Industry" within the meaning of the Rules.

B. Product under consideration

5. The product under consideration in the present petition is "Dioctyl Phthalate (DOP)". It is chemically known as Bis (2-ethylhexyl) phthalate, also abbreviated as DEHP. Dioctyl phthalate is an organic compound with the chemical formula $C_{26}H_{44}O_4$ ($C_8H_{17}COO$)₂.
6. DOP is the most important "phthalate," being the diester of phthalic acid and the branched-chain 2-ethylhexanol. This colourless viscous liquid is soluble in oil, but not in water. It possesses good plasticizing properties. Being produced on a massive scale by many companies, it has acquired many names and acronyms, including Di-sec octyl phthalate, DEHP, Di (2-ethylhexyl) phthalate, Octyl phthalate.
7. The subject goods is widely used as a plasticizer in manufacturing of articles made of PVC. Plastics may contain 1% to 40% of DOP depending upon requirements. It is also used as a hydraulic fluid and as a dielectric fluid in capacitors. It also finds use as a solvent in glow sticks as it has suitable properties and the low cost. The product is primarily sold on weight basis.

8. The product under consideration is classified under Chapter 29 under the Customs Tariff Act, 1975 at 29173920. The customs classification is indicative and not binding on the scope of the product under consideration and present investigations.

C. Like Article

9. The applicant has claimed that there is no known difference between the subject goods exported from subject countries and that produced by the domestic industry. As submitted by the applicant, the product under consideration 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 applicant has further claimed that two are technically and commercially substitutable and, hence, should be treated as “like article” under the Rules. For the purpose of the present investigation, the Authority considers the subject goods produced by the applicant in India as “Like Article” to the subject goods being imported from the subject countries.

D. Subject Countries

10. The present investigation is in respect of alleged dumping of the product under consideration from Chinese Taipei and Republic of Korea (Korea RP) (referred to as the “subject countries”).

E. Normal value

11. The petitioner has submitted that in absence of reliable information in the public domain on domestic prices of the subject goods in the subject countries, and in absence of any documentary evidence, the Normal Value in the subject countries have been constructed. The Authority has considered the normal value of subject goods in subject countries on the basis of constructed values taking into account best information available concerning cost of raw material, utilities and conversion costs, duly adjusted on account of selling, general & administration expenses, plus reasonable profit.

The Authority has examined the claim of the petitioner and finds that there is sufficient prima facie evidence of normal value of the subject goods in the subject countries.

F. Export Price

12. The applicant has claimed the export price for the subject goods on the basis of DGCI&S published data. Adjustments have been claimed on account of ocean freight, marine insurance, commission, port and inland freight expenses and bank charges to arrive at net export price at ex-factory level. There is sufficient prima facie evidence with regard to the export price.

G. Dumping Margin

13. The normal value has been compared with the export price at ex-factory level. 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, that the subject goods are being dumped into the Indian market by the exporters from the subject countries. The dumping margins are estimated to be above de minimis limits for each of the subject countries.

Injury and Causal Link

14. The applicant has furnished information and has claimed injury to the domestic industry as a result of dumped imports in the form of significant increase in imports in absolute terms as also relative to the production and consumption in India, significant price undercutting, price suppression, deterioration in performance of the domestic industry collectively and cumulatively on the basis of parameters such as capacity utilization, market share, profitability, return on investments, cash flow, inventories, etc.

H. Period of Investigation

15. The Period of Investigation (POI) proposed by the applicant is from April 2015 to September 2016 (18 months). However, for enabling the Authority to make required analysis on the basis of more updated data, the Authority has fixed the POI as April 2016 to March 2017 (12 Months). The injury investigation period will however cover the periods 2013-14, 2014-15, 2015-16 and period of investigation.

I. Submission of information

16. The known exporters in the subject countries, the Government of the subject countries through its 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 and to make their views known to the Authority at the following address:

**The Designated Authority,
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
4th Floor, Jeevan Tara Building, Parliament Street
New Delhi - 110001**

J. Time limit

17. Any information relating to the present investigation 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.
18. 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 to impose the anti-dumping measures within 40 days from the date of initiation of this investigation.

K. Submission of Information on Non-Confidential basis

19. 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.

20. 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.
21. 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.
22. 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.
23. 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.
24. 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

L. Inspection of Public File

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

M. Non-cooperation

26. 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.

Dr. Inder Jit Singh
Additional Secretary & Designated Authority