Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti-Dumping and Allied Duties)

New Delhi, the 25th July, 2006

Initiation Notification (Sunset Review)

Subject: **Initiation of Sunset Review on anti-dumping duty imposed on imports of Paracetamol originating in or exported from China PR.**

No. 15/20/2006-DGAD - Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as AD Rules), vide Notification Number 60/1/2000-DGAD dated 22nd January 2002, and Amendment Notification dated 17th May, 2005- the Designated Authority (herein after referred to as the Authority) notified its final findings recommending definitive antidumping duty on import of Paracetamol (hereinafter referred to as subject goods) originating in or exported from People's Republic of China (hereinafter referred to as subject country).

And whereas definitive antidumping duty was imposed on the subject goods vide Customs Notification dated 27th March, 2002 and 19th July 2005.

2. **Product Under Consideration**

The product involved in the original investigation and this current review is Paracetamol, also known as Acetaminophen, originating in or exported from China PR. Paracetamol is an organic chemical, an odourless white crystalline powder, with chemical formula $C_8H_9NO_2$. It is a bulk pharmaceutical active ingredient, displaying analgesic and antipyretic properties and is used in a number of Rx and OTC drug formulations in the form of powders, granules, injectibles and tablets.

Paracetamol is classified under Chapter 29 of the Customs Tariff Act, 1975 and further under 2922.29 as per International Trade Classification. The classification is, however, indicative only and is in no way binding on the scope of the present investigation.

3. **Initiation**

The Customs Tariff (Amendment) Act 1995 and the AD Rules made there under require the Authority to review from time to time the need for continuance of anti-dumping duty. The Designated Authority considers that the sunset review of the anti dumping duty recommended would be appropriate at this stage under the provision of section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended.

M/s. Sri Krishna Pharmaceuticals Ltd., Hyderabad, M/s Farmson Analgesics, Vadodara, and M/s Bharat Chemicals, Mumbai have jointly filed an application substantiating the need for sunset review of the anti-dumping duty imposed on the subject goods originating in or exported from China PR and have requested for continuation and enhancement of the anti-dumping duty imposed on subject goods under the above mentioned notifications for a further period of 5 years.

4. **Country(ies) Involved**:

The country involved in the present investigations is China PR.

5. **Grounds for Review**

The applicant has claimed normal value of subject goods in China PR on the basis of constructed cost of production after addition for selling, general and administrative expenses treating China PR as non-market economy. The export price has been claimed on the basis of data provided by the applicant from IBIS, Mumbai. Price adjustments have been claimed on account of ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges, commissions etc. to arrive at the net export price.

For the purpose of initiation, the Authority has prima facie, considered the normal value of the subject goods in the subject country on the basis of constructed cost of production and information on the export price, the adjustments claimed for the subject goods from the subject country as made available by the petitioner.

The request is for continuation and enhancement of the antidumping duties in force and is based on the grounds that dumping has continued in spite of imposition of antidumping duty on import of the subject goods from the subject country. In addition the applicant alleges that the removal of injury was mainly due to the existence of anti-dumping duty and revocation of duty would lead to recurrence of substantial imports at dumped prices from China PR and would be likely to lead to a recurrence of injury to the domestic industry. The applicant has further alleged

likelihood of further injurious dumping if the anti-dumping duty be allowed to lapse, as the current imports may be likely to increase due to existence of unused capacity in the subject country.

6. **Procedure:**

Having decided to review the final findings notified vide No. 60/1/2000-DGAD dated 22/1/2002 and final duty imposed by Notification dated 27/3/2002, the Authority hereby initiates investigations to review whether cessation of antidumping duty is likely to lead to continuation or recurrence of dumping and injury on imports of Paracetamol originating in or exported from China, in accordance with the Customs Tariff (Amendment) Act, 1995 and AD Rules.

The review covers all aspects of Notification No.60/1/2000-DGAD dated 30/1/2001. M/s. Sri Krishna Pharmaceuticals Ltd., have represented on behalf of the domestic industry in the original investigations also. The Authority proposes to consider the applicants, who constitute a major proportion of the production of the subject goods in India, as domestic industry in accordance with the Rules supra.

7. **Period of Investigation:**

The period of investigation for the purpose of the present review is 1st April, 2005 to 31st March, 2006 (12 months). However, injury analysis shall cover the years from 2002-03 to 2005-06.

8. **Submission of Information**:

The exporters in the subject country, their government through their Embassies/High Commissions in India/representatives, 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:

The Designated Authority,
Ministry of Commerce & Industry,
Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD),
Room No. 240, Udyog Bhavan,
New Delhi-110011

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.

9. **Time Limit:**

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 review notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules.

10. **Inspection of Public File**:

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

(Christy Fernandez)
Designated Authority