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MINISTRY OF COMMERCE & INDUSTRY

(Department of Commerce)

Directorate General of Anti Dumping & Allied Duties

INITIATION NOTIFICATION

The 15th February, 2002

Subject: Initiation of anti-dumping investigation concerning import of Phenol from European Union, Singapore and South Africa.

14/4/2002-DGAD- M/s. Hindustan Organic Chemicals Limited have filed a petition for initiation of anti dumping investigation concerning the import of Phenol from European Union, Singapore and South Africa in accordance with Rule 5(1) of the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995.

2. **Domestic Industry:** The petition has been filed by M/s. Hindustan Organic Chemicals Limited on behalf of the domestic industry. Other producers of Phenol in India are M/s. Herdillia Chemicals Ltd. and M/s. Neyveli Lignite Corporation Ltd. However, on the basis of the evidence available before the Authority, it has been determined that the production of M/s. Hindustan Organic Chemicals Ltd., account for more than 25% of the domestic industry and they have the standing to file the petition on behalf of domestic industry as per Rule 5 of the Anti Dumping Rules.
3. **Product under consideration:** The product under consideration is "Phenol", also known as Carboic Acid. Phenol is a basic organic chemical normally classified under Customs sub-headings 270760 and 290711 of the Custom Tariff Act. The Custom classification is indicative only and not binding on the scope of investigation. Phenol is used in the manufacture of Phenol Formaldehyde Resins, Laminates, Plywood, Particle Board, Bisphenol A, Alkyl Phenols, Pharmaceuticals, Diphenyl Oxide etc.
4. **Countries involved:** The countries involved in present investigation are European Union, Singapore and South Africa (hereinafter referred to as subject countries).
5. **Like Article:** The petitioners have claimed that the goods produced by them are 'like article' to the goods originating in or exported from the subject countries. Therefore, for the purpose of investigation, the Phenol produced by

the petitioners is being treated as 'like article' of phenol (hereinafter referred to as subject goods) imported from the subject countries within the meaning of the Rules.

6. **Normal Value:** The petitioners have claimed normal value in the European Union and South Africa based on the constructed cost of production of the subject goods. Regarding Singapore, the normal value has been claimed on the basis of the exports from Singapore to third countries viz., Malaysia and Thailand. Sufficient *prima facie* evidence has been presented to the Designated Authority with regard to the normal value of subject goods in subject countries.
7. **Export Price:** The export price has been claimed on the basis of the data obtained from Director General Commercial Intelligence & Statistics, Calcutta and compiled from secondary sources. Price adjustments have been claimed on account of landing charges, ocean freight, marine insurance, commission, port handling etc., to arrive at net export price. There is sufficient evidence of export price and the adjustments claimed for the subject goods from subject countries.
8. **Dumping Margin:** There is sufficient *prima facie* evidence that the normal value of the subject goods in the subject countries is significantly higher than the net export price indicating *prima facie* that the subject goods are being dumped by the exporters from the subject countries.
9. **Injury and Causal Link:** The petitioner have furnished evidence regarding the injury having taken place as a result of the allegedly dumped imports in the form of fall in their market share because of substantially increased volume of dumped imports, price undercutting, lost sales and substantial decline in profitability for the domestic industry. There is sufficient *prima facie* evidence of the material injury being suffered by the petitioner caused by dumped imports from subject countries.
10. **Initiation of Anti Dumping Investigation:** The Designated Authority, in view of the foregoing paragraphs, initiates anti dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.
11. **Period of Investigation:** The Period of Investigation for the purpose of present investigations is 1st April 2001 to 31st December 2001.
12. **Submission of Information:** The exporters and importers known to be concerned and domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

The Designated Authority

(Directorate General of Anti-Dumping & Allied Duties)

Government of India

Ministry of Commerce & Industry
Udyog Bhavan, New Delhi-110011

13. **Time Limit:** All information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 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 their findings on the basis of the facts available on record in accordance with the Rules supra.
14. **Inspection of Public File:** 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.
15. 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.

L.V. Satharishi
Designated Authority