

Extraordinary

Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated the, 28th June 2006

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigations concerning imports of Poly Vinyl Chloride (PVC) – Suspension Grade from Taiwan, China PR, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA

No.14/8/2006-DGAD. M/s Indian Petrochemicals Corporation Ltd.(IPCL), M/s. Dhargandhra Chemical & Works(DCW), M/s. Chemplast Sanmar Ltd., (Chemplast) and M/s. DCM Shriram Consolidated Ltd., have filed an application through Strategic Law Group, New Delhi before the Designated Authority (herein after referred to as the Authority) in accordance with the customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on dumped articles and for determination of injury) Rules, 1995(herein after referred to as AD Rules) for initiation of anti dumping investigation concerning alleged dumping of. Poly Vinyl Chloride (PVC) – Suspension Grade from Taiwan, China PR, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA (herein after referred to as subject countries).

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping from the subject countries, injury to the domestic industry and causal links between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Domestic Industry:-

2. Application has been filed by M/s Indian Petrochemicals Corporation Ltd.(IPCL), M/s. Dhargandhra Chemical & Works(DCW), M/s. Chemplast Sanmar Ltd.,

(Chemplast) and M/s. DCM Shriram Consolidated Ltd. The application has been supported by M/s Reliance Industries Ltd. As per the evidence available before the Authority, applicant has the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

Product under consideration:-

3. The product under consideration is “Poly Vinyl Chloride (PVC) – Suspension Grade” (herein after referred to as the subject goods) which is being dumped in the Indian market by the exporters from Taiwan, China PR, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA (hereinafter referred to as subject countries). The subject goods are classified within Customs subheading 3904.2110 of the Customs Tariff Act, 1975. The Custom classification is indicative only and not binding on the scope of investigation.

Like articles:-

4 The applicant has claimed that the goods produced by them are “like articles” to the goods originating in or exported from the subject country. Poly Vinyl Chloride (PVC) – Suspension Grade produced by the domestic industry and imported from subject countries are comparable, technically and commercially substitutable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing of the goods. Therefore, for the purpose of investigation the Poly Vinyl Chloride (PVC) – Suspension Grade produced by the applicant is being treated as **like articles** to Poly Vinyl Chloride (PVC) – Suspension Grade (hereinafter referred to as subject goods) imported from subject countries within the meaning of the AD Rules.

Countries involved:-

5. The countries involved in the present investigation are Taiwan, China PR, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA.

Normal value:-

6. The Authority notes that the applicant has claimed normal value of subject goods in subject countries based on constructed cost of production with appropriate adjustments except China for determination of dumping margin. They have claimed that China should be treated as a non-market economy country and the normal value should be determined in terms of Annexure I (7) of the AD Rules, which provides for determination of normal value in a non-market economy. The applicant has proposed

to consider Taiwan as the appropriate Third country market economy for determination of normal value in China PR in terms of paragraph 7 of Annexure 1 of the Anti-dumping Rules. The Authority has prima-facie considered the normal value of subject goods in subject countries on the basis of constructed cost of production as made available by the applicant and it has been considered by the Authority for the purpose of initiation.

Export Price:-

7. The export price has been claimed on the basis of import data provided by IBIS (International Business Information System). Price adjustments have been claimed on account of Ocean freight, marine insurance, port handling and port charges and sales commission in the country of exports to arrive at the net export price. There is sufficient evidence of export price and the adjustments claimed by the applicant for the subject goods from the subject countries.

Dumping margin:-

8. There is sufficient 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.

Initiation of Anti Dumping Investigations:-

9. 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.

Injury and Causal Link:-

10. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in their market share because of increased volume of dumped imports, price underselling, lost sales and substantial decline in profitability for the domestic industries. There is sufficient prima-facie evidence of the material injury being suffered by the applicant caused by dumped imports from subject country.

Period of investigation:-

11. The period of investigation (hereinafter referred to as POI) for the purpose of present investigation is 1st January 2005 to 31st December 2005. The injury

investigation period will however cover the periods from 2002-2003 to 2004-2005 and the POI.

Submission of information:-

12. 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
Department of Commerce
Room No. 240
Udyog Bhavan, New Delhi-110011.

Time limit:-

13. Any 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.

INSPECTION OF PUBLIC FILE:-

14. 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.

15. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2), for the confidential information provided as per Rule 7 (1) of the Rules supra.

16. 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 record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

(Christy Fernandez)
Designated Authority