

**MINISTRY OF COMMERCE & INDUSTRY**  
**DEPARTMENT OF COMMERCE**  
**(DIRECTORATE GENERAL OF ANTI-DUMPING &**  
**ALLIED DUTIES)**

**NOTIFICATION**

New Delhi, the, 1st December, 2004

**Initiation**

**Subject:** Initiation of anti-dumping investigation concerning imports of 1-Phenyl-3-Methyl-5-Pyrazolone from China PR

## **1. Initiation**

**F.NO. 14/11/2004-DGAD:** WHEREAS M/s Prima Chemicals and Polygon Chemicals, Ahmedabad, (herein after referred to as applicants) have filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (herein after 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 (herein after referred to as the Rules), alleging dumping of 1-Phenyl-3-Methyl-5-Pyrazolone (herein after referred to as subject goods), originating in or exported from the Peoples Republic of China (herein after referred to as subject country) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject country, injury to the domestic industry and causal link between the dumping and injury exist, this 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.

## **2. Products under consideration**

The product involved is an organic chemical i.e. 1-Phenyl-3-Methyl-5-Pyrazolone, used in dye and pharmaceutical industry for manufacture of Analgin, Solvent Dyes

and Pigment Dyes, and Pigment Orange 13. The product is classified under Chapter 29 of Customs Tariff Act and sub heading 29331920. However, the product is allegedly imported under several other heads at six digit level including the following: 293319, 291634, 291739, 292429, 293311, 293359, 294200 and 980200. The Customs and ITC HS classifications are however, indicative only and are in no way binding on the scope of the present investigation.

### **3. Domestic industry and Standing**

The application has been filed by M/s Prima Chemicals and Polygon Chemicals, Ahmedabad. Standing requirement of the applicants has been examined in terms of the Rule 5 of the said Rules. Since there are no other known producer of this product having substantial production the Authority is of the opinion that the applicants command major proportion of domestic production of the products involved and therefore, satisfy the criteria of standing as domestic industry to file this application in terms of Rule 5(3) (a) of the Rules.

### **4. Like articles**

The applicants have claimed that there is no difference between the product manufactured by the domestic producer and the products imported from subject Country. The products are being directly imported by the user industries and also by traders for supply to other industries. The consumers are using the domestic and corresponding import products interchangeably.

The products produced by the domestic industry and imported from subject Country are identical in all essential characteristics and therefore, like articles within the meaning of the term as per the Rules.

### **5. Normal value**

In view of the Non-market economy claims by the petitioners the Authority has prima facie considered the Constructed Normal Value in China, based on cost of manufacturing the subject goods, in terms of Para 7 & 8 of the Annexure 1 to the said Rules as amended. However, the individual exporters may rebut this presumption and the Authority shall examine the market economy claims of individual exporters in terms of the relevant Rules.

### **6. Export price**

The export price has been estimated on the basis of data collected from DGCI&S and other secondary sources. Adjustments on account of ocean freight, marine insurance, and commission, inland transportation in the Countries/territories of export, port handling and port charges have been made to arrive at the Export Price at ex-factory level.

## **7. Dumping margins**

There is sufficient evidence that Normal Values of the subject goods in the subject country are significantly higher than the net export prices, indicating prima-facie that the subject goods are being dumped in the Indian market by exporters from the subject country.

## **8. Injury and causal link**

Petitioners have furnished information on various parameters relating to injury to the domestic industry. Parameters, such as drop in out-put, capacity utilization, sales volume, sales realization, , increase in volume of imports both in absolute terms and in relation to the demand of the products, loss in market share, price under-cutting, price under-selling, Price depression, low return on investments, profitability and cash loss in the manufacturing of subject goods, prima-facie indicate, collectively that the Domestic Industry has suffered material injury on account of dumping from the subject country.

## **9. Procedure**

- a. Country involved The Country involved in the present investigation is the Peoples Republic of China.
- b. Period of investigation (POI): The period of investigation (POI) for the purpose of present investigation is 1.4.2003 to 31.3.2004. The injury investigation period will however, cover the period 2000-01 to 2002-03 and the POI.
- c. Submission of information : The exporters in the subject Countries/territories, their governments through their embassies/ representatives in India, the importers and users in India known to be concerned and the domestic industry are requested to submit relevant information in the form and manner prescribed and to make their views known to the:

### **The Designated Authority**

Directorate General of Anti-Dumping and Allied Duties  
Department of Commerce

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.

**d. Time limit**

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 (40) days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are however, required to submit the information within (40) forty days from the date of the letter addressed to them.

- e. 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. 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 L. Fernandez)**  
Designated Authority