

Government of India
Ministry of Commerce & Industry
Department Of Commerce
(Directorate General of Anti-Dumping & Allied Duties)

New Delhi Dated the 6th July , 2007

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigation concerning the imports of Rubber Chemicals viz. MBT, CBS, TDQ, PVI, and TMT from China and PX-13(6PPD) from China and Korea RP.

No. 14/5/2007 DGAD - Whereas M/s. National Organic Chemical Industries Limited have filed a petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and the 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), alleging dumping of Rubber chemicals viz. MBT, CBS, TDQ, PVI, and TMT (hereinafter referred to as the subject goods), originating in or exported from China (hereinafter referred to as the subject country) and PX-13(PPD) (hereinafter referred to as the subject goods) originating in or exported from China and Korea RP (hereinafter referred to as the subject countries), and have therefore requested for initiation of an anti-dumping investigation against the imports of the subject goods from the subject countries and levy anti-dumping duty on the such dumped subject goods.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods from the subject countries, injury to the domestic industry and causal link between 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 Rule 5 of the said Rules to determine the existence, degree and effect of the 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. PRODUCT UNDER CONSIDERATION

The products under consideration in the present petition are Rubber Chemicals viz.

- i) MBT, having chemical description 2-Mercapto Benzothiazole with other trade / brand names as Accelerator M, Accelerator MBT etc.
- ii) CBS, having chemical description N-cyclohexyl-2-Benzothiazole Sulphenamide with other trade name/brand names as Accelerator CZ, Accelerator HBS, CBS etc.
- iii) TDQ, having chemical description Polymerized 2,2,4-Trimethyl-1,2-dihydroquinoline with other trade/brand names as TMR or Antioxidant RD etc.
- iv) PVI, having chemical description N-(Cyclohexylthio)Pthalimide with other trade /brand names as Anti Scorch agent CTP, PVI etc.
- v) TMT having chemical description Tetramethylthiuram Disulfide with other trade/brand names as Accelerator TMTD] Thiuram C etc.
- vi) Px-13 (6PPD) having chemical description N-(1, 3-dimethyl butyl)-N' Phenyl-P-1 with other trade/brand names as 6C, Pilflex 13, Sirantox 4020 Antioxidant 4020, Kumhonax 13 Vulcanox 4020 etc.

The user industry is broadly divided into two segments- tyre and non-tyres. In both the segments, it is used for processing of various types of rebbers-natural and synthetic. It is stated to be not a principal input / raw material / to any industry and is only a processing chemical.

The subject rubber chemicals as detailed above are used in treating natural rubber and synthetic rubber based compounds. The product does not have a dedicated classification even at 8 digit level. The product is stated to be imported under chapter 29 and 38 of the Customs Tariff Act. However Customs classification is indicative only and in no way binding on the scope of investigation. Since the products do not have a dedicated classification, information provided by the data compiling agencies (IBIS) has been used

3. DOMESTIC INDUSTRY AND STANDING

Apart from the petitioner i.e. M/s. National Organic Chemical Industries Limited, there are three other producers of the subject goods in India viz. M/s. Lanxess India Pvt. Ltd., Thane, PMC Rubber Chemicals India Pvt. Ltd., Hoogly and Merchem Ltd., Ernakulam. The three companies as above are however stated to have reduced their production and are resorting to import. Petitioner is getting some part of production activity done on job work basis from some companies who are stated to be doing this exclusively for the petitioner. The petitioner has support from these companies. The production by Petitioner Company constitutes a major proportion in the Indian production. The petition satisfies the condition of standing under the Rules and the petitioner constitutes "domestic industry" within the meaning of the Rules. The applicant has the standing to file the present petition for anti-dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3) (a) of Anti-Dumping Rules.

4. LIKE ARTICLE

Petitioner has claimed that there is no significant difference in subject goods produced by the domestic industry and exported from the subject countries. Subject goods produced by the domestic industry are comparable to ones imported from subject countries in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Both are technically and commercially substitutable and hold closely resembling characteristics. It is further claimed that the consumers have used the two interchangeably. For the purpose of present investigation, product under consideration produced by the petitioner are being treated as like article to ones imported from the subject countries within the meaning of the Anti Dumping Rules.

5. COUNTRIES INVOLVED

The country involved in the present investigations are China PR or subject country for products MBT, CBS, TDQ, and PVI, TMT & Px-13 (6PPD) and Korea RP or subject country for product PX-13(6PPD).

6. NORMAL VALUE

The petitioners have claimed that China is a non-market economy. The petitioners have therefore, claimed determination of normal value on the basis of constructed cost of production and also based upon price in Europe. In respect of Korea RP normal value is based on estimates of cost of production. Petitioners have claimed that normal value cannot be determined on the basis of price or costs in third countries for the reason that the goods are not produced in several countries and no information is publicly available in this regard. Petitioners have determined normal value on the basis of cost of production in India, duly adjusted.

7. EXPORT PRICE

The export price has been determined based on the transaction wise data compiled by IBIS, considering that the product does not have dedicated classification. Net export price has also been determined from the CIF price and adopting various elements of price adjustments towards freight, credit cost, bank charges, inland freight, insurance and commission etc to arrive at ex-works export price.

8. DUMPING MARGIN

There is sufficient evidence that the normal value of the subject goods in the subject country is significantly higher than the net export price indicating prima-facie that the subject goods are being dumped by the exporters from the subject country.

9. INJURY AND CAUSAL LINK

Petitioners have furnished evidence regarding injury having taken place as a result of the alleged dumping in terms of increase in imports in absolute terms and relative to production & consumption in India, significant price undercutting, increase in market share of China & Korea RP and decline in the market share of the domestic industry, deterioration in profits, return on capital employed, cash profits after improvements up to 2005-06, etc. There is sufficient prima-facie evidence of material injury being suffered by the petitioners caused by dumped imports from subject countries. Further, in addition to material injury, petitioners have claimed that the imports are causing threat of material injury from the dumped imports based on rate of increase in imports, significant price undercutting and significant unutilized capacities.

10. PERIOD OF INVESTIGATION (POI):

The period of investigation (POI) for the purpose of present investigation is April 2006-March 2007. The injury investigation period will however, cover the period April, 2003-March, 04; April, 2004-March, 05; April, 2005-March, 06 and period of investigation.

11. SUBMISSION OF INFORMATION:

The exporters in the subject countries and their Government through their embassy in India, importers and users in India known to be concerned and the 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
Ministry of Commerce & Industry,
Department of Commerce,
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.

12. 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. 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.

13. SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS

In terms of Rule 7, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

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.

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.

(R. GOPALAN)
Designated Authority