

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

Dated the 19th August, 2009

Initiation Notification

Subject: Initiation of anti-dumping investigation concerning imports of 1,1,1,2-Tetrafluoroethane or R-134a of all types originating in or exported from China PR and Japan.

No. 14/24/2009- DGAD - Whereas M/s SRF Ltd , Gurgaon (hereinafter referred to as applicants) has 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 (hereinafter 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 (hereinafter referred to as the Rules), alleging dumping of 1,1,1,2-Tetrafluoroethane or R-134a of all types (herein after referred to as subject goods) originating in or exported from China PR and Japan (hereinafter referred to as “subject country”) and requested for initiation of Anti Dumping investigation for levy of anti dumping duties on the subject goods.

1. PRODUCT UNDER CONSIDERATION

The product under consideration in the present investigation is 1,1,1,2-Tetrafluoroethane or R-134a of all types. It is an inert gas used primarily as a high temperature refrigerant for domestic refrigeration and automobile airconditioners . R-134a, is also called as Tetrafluoroethane, Genetron 134a, Suva 134a or HFC-134a, HFA-134a, and Norflurane. It is a haloalkane refrigerant with thermodynamic properties similar to R-12 (dichlorodifluoromethane), but without its ozone depletion potential. It has the chemical formula CH_2FCF_3 , and a boiling point of $-26.3\text{ }^{\circ}\text{C}$ ($-15.34\text{ }^{\circ}\text{F}$).

R-134a is an inert gas used primarily as a "high-temperature" refrigerant for domestic refrigeration and automobile air conditioners. Other uses include plastic foam blowing, as a cleaning solvent and as a propellant for the delivery of pharmaceuticals (e.g. bronchodilators), gas dusters, and in air driers, for removing the moisture from compressed air. The subject goods are being imported under Chapter 29 of the Customs Tariff Act under subheading 2903 under “Halogenated Derivatives of Hydrocarbons”, under subheading 29033919 as “Other Fluorinated Derivatives”, under the Indian Trade Classification (based on Harmonized Commodity Description and Coding System).The petitioner has, however claimed that the product under consideration does not have any dedicated customs classification code and are being

imported under various other Customs sub-headings . However , the customs classification is indicative only and in no way binding on the scope of this investigation.

2. **DOMESTIC INDUSTRY STANDING**

The application has been filed by M/s. SRF Ltd., Gurgaon. The producer has claimed to be the sole producer of the product in India. On the basis of information available the Authority notes that the applicant company constitutes a major proportion in Indian production. The Authority, therefore, determines that the applicant constitutes domestic Industry within the meaning of the Rule 2 and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

3. **COUNTRY INVOLVED**

The countries involved in the present investigation are People's Republic of China and Japan.

4. **LIKE ARTICLE**

The applicant has claimed that there are no known differences in subject goods produced by the petitioner and exported from China PR and Japan. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The goods produced by the domestic industry are comparable to the imported goods from China PR and Japan in terms of essential product properties. The goods offered by the domestic industry are like article to the goods imported from China PR and Japan.

5. **NORMAL VALUE**

In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non-market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules . The Authority may however adopt an appropriate third country for the purpose of the above determination and notify the interested parties in due course.

In respect of Japan, however, the normal value for the subject goods has been estimated on the basis of best estimates of cost of production, including selling, general, administrative & finance expenses and reasonable profit.

6. **EXPORT PRICE**

Export price of the subject goods from the subject countries has been estimated by considering transaction-wise import data collected from Secondary Sources. Adjustments have been made on account of ocean freight, marine insurance, commission, and port expenses in the exporting country to arrive at ex-factory export price.

7. **DUMPING MARGIN**

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in China PR and Japan is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by exporters from the subject countries. The dumping margins are estimated to be above *de minimis*.

8. **INJURY AND CAUSAL LINK**

The applicant has furnished information regarding volume and value of dumped imports from the subject countries and various parameters relating to material injury to the domestic industry, analysis of which shows that imports from China PR have significantly increased in absolute terms as also in relation to production and consumption in India whereas imports from Japan have marginally gone down. Various economic parameters relating to the domestic industry shows that loss in absolute term increased during the injury period and return on investment and cash flow declined over the injury period. Though, the production, sales & capacity utilization increased over the injury period, however, the same remains at very low level signifying, prima facie, that domestic industry has suffered material injury from dumped imports.

9. **INITIATION OF ANTI DUMPING INVESTIGATIONS**

In view of the above the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject countries, injury to the domestic industry and causal link between the dumping and injury exist and therefore the Authority, in terms of Rule 5 of the Anti Dumping Rules hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry, to determine the existence, degree and effect of any alleged dumping and

recommend the amount of anti dumping duty , which, if levied , would be adequate to remove the injury to the domestic industry .

10. **PERIOD OF INVESTIGATION (POI)**

The period of Investigation for the purpose of the present investigation is 1st April 2008 to 31st March 2009 (12 months). The injury investigation period will, however, cover the period 2007-08 and the POI, as the applicant has started commercial production in the year 2007-08 only.

11. **SUBMISSION OF INFORMATION**

The exporters in the subject country, Government through the Embassy, importers in India known to be concerned with this investigation 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 Designated Authority at the following address:

**The Designated Authority
Directorate General of Anti Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce,
Government of India,
Room No. 250A, Udyog Bhavan,
New Delhi – 110011.**

Any other interested party may also make its submissions relevant to the investigation 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 40 (forty) 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 forty days from the date of the letter addressed to them separately. If no information is received within the prescribed time limit or the submitted information is incomplete, the Designated Authority may record it's findings on the basis of the facts available on record in accordance with the Rules .It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

13. **SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS**

In terms of Rule 6(7) of the Rules, 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. 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 Designated Authority may record findings on the basis of facts available and make such recommendations to the Central Government as deemed fit.

14. **INSPECTION OF PUBLIC FILE**

In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by the interested parties.

R. Gopalan
Designated Authority