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**F. No. 7/28/2023 - DGTR**  
**Government of India, Department of Commerce**  
**Ministry of Commerce & Industry**  
**(Directorate (General of Trade Remedies)**  
**4<sup>th</sup> Floor, Jeevan Tara Building,**  
**5, Parliament Street, New Delhi- 110001**

Date: 29.12.2023

**INITIATION NOTIFICATION**

**Case No. SSR-11/2023**

**Subject: Initiation of Sunset Review Investigation concerning imports of 'Chlorinated Polyvinyl Chloride (CPVC)- Whether or not further processed into compound' from China PR and Korea RP.**

1. F. No. 7/28/2023 DGTR- Having regards to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the "Rules" or the "Anti-Dumping Rules"), M/s DCW Limited (hereinafter referred to as the "applicant") has filed an application before the Designated Authority (hereinafter also referred to as the "Authority") for initiation of the sunset review investigation of antidumping duty on imports of "Chlorinated Polyvinyl Chloride" (hereinafter referred to as the "subject goods" or "product under consideration") originating in or exported from China PR and Korea RP (hereinafter referred to as "subject countries").
2. In terms of Section 9A, (5) of the Act, the anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition, and the Authority is required to review whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the same, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

**A. Background of previous investigation**

3. The original anti-dumping investigation concerning imports of the subject goods from the subject countries was initiated by the Authority on 28.03.2019. The preliminary finding was issued vide notification no. 6/3/2019 dated 12<sup>th</sup> July 2019 recommending

imposition of provisional anti-dumping measures. The Ministry of Finance vide Notification No. 33/2019-Customs (ADD) dated 26<sup>th</sup> August 2019 imposed provisional anti-dumping measures. The Authority vide Notification No. 6/3/2019 -DGTR dated February 19, 2020, confirmed the preliminary finding and recommended imposition of anti-dumping duties for a period of 5 years, which was imposed by the Ministry of Finance vide Notification No. 05/2020-Customs (ADD) on March 7, 2020. The said duties were levied for a period of 5 years, unless revoked earlier, and are set to expire on 25<sup>th</sup> August 2024.

**B. Product under consideration (PUC)**

4. The product under consideration in the present investigation is same as defined in the original investigation which is as follows:

*“10. The product under consideration for the purpose of present investigation is “Chlorinated Polyvinyl Chloride (CPVC) - whether or not further processed into compound”.*

*11. The product under consideration is classified under Chapter 39 of Customs Tariff Act. Import data received from DGCI&S and DG Systems shows that the product has been imported under 39042110, 39042190, 39042210, 39042290, 39041090 and 39049000. The Customs classification is indicative only and not binding on the scope of the present investigation.*

*12. The product is produced by chlorination via free radical chlorination reaction of Polyvinyl Chloride resin (Suspension PVC/ Mass PVC) and is significantly more flexible and can withstand higher temperatures than standard PVC. The chlorine content may vary from manufacturer to manufacturer. Various additives are introduced into the resin (CPVC compounding) in order to make the material processable. These additives may consist of stabilizers, lubricants, impact modifiers, processing aids, pigments.*

*13. CPVC is ideally suited for self-supporting constructions where temperatures go up to 90°C. CPVC exhibits fire-retardant properties. It is very difficult to ignite and tends to self-extinguish when not in direct contact of flame. It is used as a material for water piping systems in residential as well as commercial construction because it can withstand corrosive water at temperatures of 40°C to 50°C or higher. It is used in hot and coldwater plumbing distribution both at residential and commercial areas, fire protection, reclaimed water piping, chilled water piping, hydronic piping and distribution (radiators, fan coils, etc.) and is used in many industrial piping applications.”*

5. The present application being a sunset review investigation, the product under consideration remains the same as defined in the original final finding notification.

**C. Like article**

6. The applicant has claimed that there is no significant difference in the product produced by the domestic industry and the one exported from the subject countries. The product produced by the domestic industry and imported from the subject countries are comparable 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. The two are technically and commercially substitutable and are used by consumers interchangeably. Further, the present application is for sunset review investigation for the continued imposition of antidumping duty. The issue of like article has already been examined by the Authority in the original investigation as well. The product produced by the domestic industry is like article to the product under consideration produced and imported from the subject countries.

**D. Domestic industry and standing**

7. The applicant has been filed by M/s DCW Limited. Apart from the applicant, there is another producer Epigral Limited (formerly known as Meghmani Finechem Limited) which commenced production during the period of investigation itself. Epigral Limited has supported the application. It is noted that the applicant has purchased imported product under consideration from Indian trader. The applicant has stated that the material was purchased in order to ascertain factual situation in the market with regard to imported product prices. It is seen that the said purchase volume is too small (around 0.1% of their production). It is also seen that the share of the purchased product is insignificant in relation to DCW's production and the domestic sales. The applicant has certified that it is not related to any producer in the subject countries or an importer in India.

8. In view of the same, and based on information available on record, the Authority is satisfied that the applicant constitutes domestic industry within the meaning of Rule 2(b) and the application has been made 'by or on behalf of the domestic industry'. Further, the application satisfies the requirements of standing in terms of Rule 5(3), even though the requirements of Rule 5(3) are not applicable in sunset review application,

**E. Subject countries**

9. The subject countries in the present investigation are China PR and Korea RP.

**F. Normal value**

**China PR**

10. The applicant has claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of paragraph 7 of Annexure I of the Rules. The applicant has cited paragraph 8(2) of Annexure I of the Rules and have stated that the Chinese producers should be directed to show that market economy conditions

prevail in the industry producing the subject goods in terms of paragraph 8(3) of Annexure I of the Rules failing which, the normal value for China PR should be determined in accordance with paragraph 7 and 8 of Annexure I of the Rules. In view of the same, the subject to rebuttal by the responding exporters from China PR, a presumption has been made regarding non-market economy for China PR and normal value of the subject goods in China PR has been estimated in terms of paragraph 7 of Annexure I of the Rules. The applicant has claimed normal value for China PR based on the import price from Thailand duly adjusted to arrive at net ex-factory level. However, for the purpose of initiation, the Authority has considered normal value for China based on price payable in India based on the cost of production in India and after addition for selling, general & administrative expenses and reasonable profits.

#### **Korea RP**

11. Since there is no information available with regard to prices prevailing in the domestic market in Korea and the product does not have dedicated code, the normal value based on the domestic price, import price or export price could not be determined. The applicant has claimed normal value based on the cost of production in Korea RP based on best estimates of the cost of the production with reasonable addition for selling, general & administrative expenses and reasonable profit margins. For the purpose of initiation, the Authority has considered normal value for Korea based on cost of production in India.

#### **G. Export price**

12. The applicant has claimed CIF export price based on market intelligence. The applicant has however contended that the import prices reported in the customs data are unreliable because due to the form of measures, the parties have resorted to reporting the prices to the customs authorities aligned to the benchmark, as established by the following.
  - (a) alignment of the import price to the benchmark recommended by the Authority for computation of anti-dumping duty quantum,
  - (b) the CIF export price reported to Indian customs has, by and large, not varied with the changes in prices of principal raw material, PVC suspension resin,
  - (c) price difference between known imports of the product under duty exemption and duty paid category.
13. The Authority has considered import price based on DG Systems data at this stage, and pending investigations, and determined CIF export price. Since the information is on CIF basis, it has been adjusted for ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to arrive at ex-factory basis.

#### **H. Continuation of dumping, and dumping margin.**

14. Based on the normal value and the export price determined, as stated above, it is seen that the weighted average dumping margin is negative. Since the present investigation is

a sunset review investigation, the Authority shall determine likelihood of dumping after receipt of information and evidence from the interested parties, and customs authorities, and appropriate examination of import prices reported to the customs authorities.

**I. Likelihood of recurrence of dumping and injury.**

15. The applicant has submitted that the anti-dumping measures in force have allowed it to grow in the domestic market and its performance has improved over the years. The applicant has reported that the domestic industry has not suffered continued injury in the present period.
16. The request for extension of measures is based on likelihood of recurrence of injury to the domestic industry in the event of cessation of existing anti-dumping duty. For the purpose, the applicant has contended that that an analysis of likelihood of dumping and injury is not appropriate on the basis of weighted average import price because of benchmark form of measures in force, alignment of import prices to the benchmark (instead of PVC suspension resin prices) and significant difference in import price in respect of imports reported under duty free and duty paid category.
17. The applicant has provided information on likely dumping margin, price undercutting, injury margin, surplus capacities in the subject countries, further capacity expansions in the subject countries, freely disposable capacities and export orientation of the producers in the subject countries, dumping in third country, price attractiveness and likely injury due to these exports as basis to establish the likelihood of injury. The applicant has claimed that the current volume of imports coupled with significant difference in the price in duty free and duty paid imports itself establishes likelihood of dumping and injury to the domestic industry. The applicant has claimed likelihood of significant cost and price undercutting, and significant dumping margin and injury margin in the event of cessation of duty, as established by the duty free imports.
18. The information provided by the applicant, *prima facie*, shows recurrence of dumping from the subject countries and likelihood of injury to the domestic industry in case of cessation of the anti-dumping duty.

**J. Initiation of sunset review investigation**

19. On the basis of the duly substantiated application of the applicant, and having satisfied itself on the basis of the *prima facie* evidence submitted by the applicant, substantiating the likelihood of continuation/ recurrence of dumping and injury, and in accordance with Section 9A(5) of the Act read with Rule 23 (1B) of the Rules, the Authority hereby initiates a sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject countries and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

**K. Period of investigation (POI)**

20. The period of investigation (POI) for the present investigation is 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 (12 months). The injury period for the investigation will cover the periods 2019–20, 2020–21, April 2021–June 2022 and the period of investigation.

**L. Procedure**

21. The sunset review investigation will cover all aspects of the final findings published vide Notification No. 6/3/2019-DGTR dated 19.02.2020, recommending the imposition of anti-dumping duty on the imports of the subject goods originating in or exported from the subject countries.
22. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, and 20 of the Rules shall be mutatis mutandis applicable in this review.

**M. Submission of information**

23. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address [jd12-dgtr@gov.in](mailto:jd12-dgtr@gov.in) and [ad12-dgtr@gov.in](mailto:ad12-dgtr@gov.in) with a copy to [adg13-dgtr@gov.in](mailto:adg13-dgtr@gov.in) and [adv11-dgtr@gov.in](mailto:adv11-dgtr@gov.in). It should be ensured that the narrative part of the submission is in searchable PDF/ MS Word format and data files are in MS Excel format.
24. The known producers/ exporters in the subject countries, the governments of the subject countries through their embassies in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
25. 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.
26. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
27. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

**N. Time limit**

28. Any information relating to the present investigation should be sent to the Authority via

email at the email addresses [jd12-dgtr@gov.in](mailto:jd12-dgtr@gov.in) and [ad12-dgtr@gov.in](mailto:ad12-dgtr@gov.in) with a copy to [adg13-dgtr@gov.in](mailto:adg13-dgtr@gov.in) and [adv11-dgtr@gov.in](mailto:adv11-dgtr@gov.in) within thirty days from the date of the receipt of the notice as per the Rule 6(4) of the Rules. It may, however, be noted that in terms of explanation of the said Rules, the notice calling for information and other documents shall be deemed to have received within one week from the date on which it was sent by the Authority or transmitted to the appropriate diplomatic representative of the exporting countries. If no information is received within the prescribed time-limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.

29. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

**O. Submission on information on confidential basis**

30. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response/ submissions.
31. The parties making any submission (including Appendices/ Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
32. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
33. The confidential version shall contain all information which is by nature confidential and/ or other information which the supplier of such information claims as confidential. For information which is claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
34. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential

basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a sufficient and adequate explanation in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, as to why such summarization is not possible must be provided to the satisfaction of the Authority.

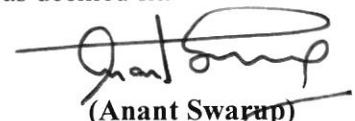
35. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days of the receipt of the non-confidential version of the documents in terms of para 32 of this notification.
36. Any submission made without a meaningful non-confidential version thereof or without a sufficient and adequate cause statement in terms of Rule 7 of the Anti-Dumping Duty Rules, 1995 and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
37. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

**P. Inspection of public file**

38. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties. Failure to circulate nonconfidential version of submissions/response/information might lead to consideration of an interested party as non-cooperative.

**Q. Non-cooperation**

39. In case where an interested party refuses access to or otherwise does not provide necessary information within a reasonable period, or significantly impedes the review 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.



(Anant Swarup)

**Joint Secretary & Designated Authority**