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**Case No. SSR 14/2018
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building
5 Parliament Street, New Delhi - 110001**

Dated: 6th July, 2018

INITIATION NOTIFICATION

(Sunset Review)

Subject: Initiation of 2nd Sunset Review petition for extension of Anti-dumping duty against imports of Acetone originating in or exported from European Union, Singapore, South Africa and United States of America.

File No. 7/26/2018-DGAD: Having regard to the Customs Tariff Act, 1975 as amended in 1995 and thereafter (hereinafter also referred 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 as the Rules), the Designated Authority (hereinafter also referred to as the Authority) recommended imposition of anti-dumping duty on imports of “Acetone” (hereinafter also referred to as the subject goods), originating in or exported from European Union, Singapore, South Africa and United States of America.

2. Whereas, the original investigation was initiated on 7.9.2006 to investigate into alleged dumping of Acetone originating in or exported from Chinese Taipei, European Union, Singapore, South Africa and USA and provisional antidumping duty was imposed vide customs notification no. 77/2007-Customs dated 19.6.2007 on the basis of the preliminary findings of the Authority dated 25.4.2007. The final findings were notified vide notification dated 4.1.2008 and the Department of Revenue imposed definitive anti dumping duties on the subject goods from the subject countries vide Notification No. 33/2008-Customs dated 11.3.2008.
3. Thereafter, M/s Hindustan Organic Chemicals Limited (HOCL) filed a review application in accordance with the Act and the AD Rules before the Authority alleging continued dumping of the subject goods originating in or exported from European Union, Singapore, South Africa and USA and requested for review and continuation of the antidumping duties. Having satisfied that the petitioners have substantiated the need for

a review, the Designated Authority considered it appropriate to initiate sunset review vide notification no. 15/1/2012 -DGAD dated 15.6.2012.

4. After conducting detailed sunset review investigation, the final findings were notified vide notification dated 13.12.2013 and the Department of Revenue imposed definitive anti-dumping duties on the subject goods from European Union, Singapore, South Africa and United States of America vide Notification No. 10/2014 Customs (ADD) dated 11.3.2014.
5. Whereas, present petition has been filed by M/s SI Group India Pvt Ltd and M/s Deepak Phenolics Ltd along with a support from M/s HOCL for initiation of Sunset Review investigation in terms of Rule 23(1B) for extension of anti-dumping duty on imports of Acetone from European Union, Singapore, South Africa and United States of America.
6. Whereas, based on the facts and data the Authority is of the opinion that there is a need to review for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the European Union, Singapore, South Africa and United States of America.

A. SUBJECT COUNTRIES

7. The countries involved in the present investigation are European Union, Singapore, South Africa and United States of America. .

B. PRODUCT UNDER CONSIDERATION

8. The product under consideration in the petition is the same as the original investigations, which was defined as follows in the final findings

“6. The product under consideration is ‘Acetone’. Acetone is organic chemical also known as Dimethyl Ketone and used in the manufacture of bulk pharmaceuticals, agro chemicals, dye stuffs, certain explosives and downstream chemicals. Acetone is classified under Chapter 29 of Custom Tariff Act under the sub-heading 29141100. Product under Consideration

7. It is a basic organic chemical produced in single grade. It is a colourless liquid with an agreeable ether-like odour. It is used in numerous organic synthesis either as solvent or as an intermediate. It is used in manufacture of bulk pharmaceuticals, agrochemicals, dyestuffs, certain explosives and downstream chemicals. Acetone is specifically used in manufacture of Isophorone, Diacetone, Alcohol, Methyl Methacrylate and Bishphenol A. Besides this, it is used in manufacture of certain rubber chemicals or Oxy Acethylene Cellulose Acetate.”

9. Since the investigation being a sunset review investigation, product under consideration remains the same as defined in the previously conducted investigation. Further, no significant developments have taken place over the period.

C. LIKE ARTICLE

10. Rule 2(d) with regard to like article provides as under: -

"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;

11. Petitioners have claimed that there is no known difference in the subject goods produced by the Indian industry and exported from subject countries. Subject goods produced by the Petitioners and imported from the subject countries are comparable in terms of physical & technical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.
12. The scope of the product under consideration has been kept the same as was considered by the Designated Authority at the time of previous final findings. Subject goods produced by the petitioner companies are being treated as 'like article' to that being imported from the subject countries for the purpose of the present review investigation.

D. DOMESTIC INDUSTRY & STANDING

13. The petition for initiation of sunset review is being jointly filed by SI Group India Pvt. Ltd. and Deepak Phenolics Ltd. M/s Hindustan Organic Chemicals Limited has given a support letter, however, the Authority is of the view that M/s HOCL be invited to give detailed data during the course of investigation, which will be duly considered for detailed analysis.
14. It has been found that the production of petitioner companies is 72% of Indian production of the subject goods in the Country. On the basis of information furnished, the Authority notes that the petitioner companies have made imports of the subject goods from the subject countries during the POI, however, the same are under duty free scheme and are not significant in quantity to affect the domestic market situation. Therefore, the Authority has considered the petitioner companies as Domestic Industry within the meaning of the Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

E. INITIATION OF SUNSET REVIEW

15. Whereas, in view of the duly substantiated application filed and in accordance with Section 9 A (5) of the Act, read with Rule 23 of the Anti-dumping 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 existing duty is likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry.

F. PERIOD OF INVESTIGATION

16. The period of investigation (POI) for the present investigation is 1st April 2017 to 31st March 2018 (12 Months) and the injury investigation period is from April 2014 to March 2015, April 2015 to March 2016 and April 2016 to March 2017 and POI. Further, the data beyond POI will also be examined to determine the likelihood of dumping and injury.

G. PROCEDURE

17. The review will cover all aspects as notified under Notification No. 15/1/2012-DGAD dated 13.12.2013.

18. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules supra shall be mutatis mutandis applicable in this review.

H. SUBMISSION OF INFORMATION

19. The known exporters in the subject countries, the Government of the subject countries through its embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

**Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Anti-Dumping and Allied Duties
4th Floor, Jeevan Tara Building
5, Parliament Street, New Delhi – 110001**

20. 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. Any party making any confidential submission before the Authority is required to submit a non-confidential version of the same to be made available to the other parties.

I. TIME LIMIT

21. Any information relating to the present review and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (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 its findings on the basis of the facts available on record in accordance with the Anti-dumping Rules.
22. 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 and offer their comments to the Domestic Industry's application regarding the need to continue or otherwise the Anti-dumping measures within 40 days from the date of initiation of this investigation.

J. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

23. In case confidentiality is claimed on any part of the questionnaire response/ submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non- Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page and accompanied with soft copies.
24. Information supplied without any confidential marking shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies of the confidential version and two (02) copies of the non-confidential version must be submitted by all the interested parties.
25. For information claimed as confidential, 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 and/or why summarization of such information is not possible.
26. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out /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, parties submitting the confidential information may indicate that such information is not

susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

27. 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 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.
28. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

K. INSPECTION OF PUBLIC FILE

29. In terms of rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidences submitted by other interested parties.

L. NON-COOPERATION

30. 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 declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

(Sunil Kumar)

Additional Secretary and Designated Authority