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Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi – 110001

Dated 16th April, 2020

INITIATION NOTIFICATION

Case No. MTR-02/2020

Subject: Initiation of Mid-term Review regarding anti-dumping duty imposed on imports of Polytetrafluoroethylene (PTFE) originating in or exported from Russia.

1. M/s Gujarat Fluorochemicals Limited (hereinafter referred to as the “Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”), on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (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”), for Midterm Review investigation concerning imports of Polytetrafluoroethylene (PTFE) (hereinafter also referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from Russia (hereinafter also referred to as the “subject country”).
2. The Applicant has alleged that the circumstances have changed from the time of last conducted investigation on imports of product under consideration from the subject country and such change in circumstances has led to continued material injury to the domestic industry and has requested for midterm review and enhancement of the antidumping duty imposed on the imports of subject goods, originating in or exported from the subject country.

A. Background

3. The Designated Authority notified final findings recommending definitive anti-dumping duty on import of Polytetrafluoroethylene (PTFE) vide Notification Number 21/1/1998 dated 13th October, 1999, originating in or exported from Russia and definitive anti-dumping duty was imposed, by the Central Government, on the subject goods vide Customs Notification No. 141/99-Customs dated 30th December 1999.

4. The Authority recommended continued imposition of the anti-dumping duties vide Notification No. 15/6/2003-DGAD dated the 7th October, 2004 which was imposed by the Central Government vide Notification No.110/ 2004- Customs dated 18th November, 2004, pursuant to first sunset review investigation.
5. The Authority recommended continued imposition of the anti-dumping duties vide Notification No. 15/30/2008-DGAD dated the 26th February, 2010 which was imposed by the Central Government vide Notification No.57 /2010-Customs dated 3rd May, 2010, pursuant to second sunset review investigation.
6. The Authority recommended continued imposition of the anti-dumping duties vide Notification No.15/2/2015-dated 12th April, 2016 which was imposed by the Central Government vide Notification No.23/2016-Customs dated 6th June , 2016 and further amended by Notification No. 22/2017 dated 16th May 2017, pursuant to third sunset review investigation. The duties are in force till 5th June 2021.

B. Product under Consideration

7. The product under consideration in the present investigation, as defined in the last conducted sunset review investigation is “Polytetrafluoroethylene” (also referred to as PTFE) originating in or exported from Russia.
8. PTFE is produced in various grades, such as moulding grade, fine powder, aqueous dispersion and compound grades of filled grades. All grades that were included in the scope of the previous investigation and current duties are within the scope of the present review. PTFE is primarily used in electrical, electronic, mechanical and chemical industries for their unique characteristics which are chemical inertness, electrical and thermal insulation, low coefficient of friction, nontoxic, non-flammable, resistance to radiation, low level of static and dynamic friction and outstanding electrical properties over a wide frequency range.
9. PTFE is classified under subheading no 390461 and at subheading no. 39046100 under the Act. Customs classifications are indicative only and, in no way, binding on the scope of the investigations.

C. Like Article

10. The Applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the product under consideration manufactured by the Applicant. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under the Rules. Therefore, the subject goods produced by the Applicant in India are being treated as ‘Like Article’ to the subject goods being imported from the subject country.

D. Domestic Industry

11. The application has been filed by M/s Gujarat Fluorochemicals Ltd. The Applicant is a major producer in India accounting for more than 99% of the total production of the subject goods in India. The Applicant has claimed that it is not related to any exporter or producer of the subject goods in the subject country or any importer of the PUC or PUI in India. The other company, namely, Hindustan Fluorocarbons Ltd., which also produces the subject goods has production less than 1% of the total production. On the basis of the information available, the Authority is satisfied that the application has been made 'by or on behalf of the domestic industry' in terms of Rule 2 (b) and Rule 5(3) of the Rules.

E. Grounds for Review

12. The Applicant has claimed that dumping in the product under consideration has intensified – both in terms of volume and margin as per the following details:-
- a. Whereas the Russian producer was earlier exporting only one product type (4RB), it is now exporting a number of product types.
 - b. There has been significant increase in the cost of raw materials leading to increase in the non-injurious price of the domestic industry.
 - c. Even when the cost of production of the product has increased substantially, the producer from Russia has not increased its prices proportionately.
 - d. The volume of imports declined till 2018-19, but has significantly increased in the current period with significant fall in prices.
13. The Applicant has claimed that resultantly, the injury margin and dumping margin has increased. The Applicant has claimed that the existing measure is no longer sufficient to address the injury being caused by increased dumping. The Applicant has furnished *prima facie* evidence, showing change in circumstances leading to further material injury to the domestic industry.

F. Initiation

14. On the basis of a duly substantiated application of the Applicant, and having satisfied itself, on the basis of the *prima facie* evidence substantiating the need for a mid-term review of the anti-dumping duty earlier imposed on the subject goods originating in or exported from Russia, and in accordance with Section 9A(5) of the Act read with Rule 23 (1A) of the Rules, the Authority hereby initiates a mid-term review investigation to examine the need for enhancement in the quantum of the anti-dumping duty earlier extended on subject goods from Russia.

G. Subject Country

15. Since the investigation is a midterm review investigation, the scope of the subject country is confined to the subject country in the original investigation i.e. against the subject goods originating in or exported from Russia.

H. Period of Investigation

16. The period of investigation (POI) for the present investigation is April 2019- December 2019 (9 Months) and the injury period will cover the periods April 2016 - March 2017, April 2017 - March 2018, April 2018 - March 2019 and the POI. Keeping in view that the AD duty is in existence till June 2021, the period of investigation has been considered as 9 months i.e. till December 2019 only.

I. Procedure:

17. The review will cover all aspects of the final findings published vide Notification No. 15/2/2015-dated 12th April, 2016, recommending imposition of antidumping duty on imports of subject goods from the subject country.
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.

J. Submission of Information

19. The exporters in the subject country, the Government of the subject country 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 within the time limit set out below.
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.
21. The information/submission may be submitted to:

**The Designated Authority
Directorate General of Trade Remedies
Ministry of Commerce & Industry
Department of Commerce
4th Floor, Jeevan Tara Building,
5 Parliament Street New Delhi – 110001**

22. 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.

K. Time Limit

23. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above within thirty days from the date of receipt of the notice as per Rule 6(4) of the Rules. It may, however, be noted that in terms of explanation of the said sub rule, the notice calling for information and other documents shall be deemed to have been received one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. 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.
24. 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.

L. Submission of information on confidential basis

25. 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/sessions.
26. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof:
- i. one set marked as Confidential (with title, number of pages, index, etc.), and
 - ii. the other set marked as Non-Confidential (with title, number of pages, index, etc.).
27. 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. Soft copies of both the versions will also be required to be submitted, along with the hard copies in four (4) sets of each.
28. 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 are 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.

29. 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 statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
30. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied 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.
31. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
32. 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.

M. Inspection of Public File

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

N. Non-cooperation

34. 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.

 16/04/2020

(Bhupinder S. Bhalla)
Additional Secretary & Designated Authority