

F. No. 6/19/2023-DGTR
(Case No. AD (OI-18/2023))
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

Date: 05-02-2024

To,
All Interested Parties

Subject: Scope of the product under consideration (PUC) and the product control number (PCN) methodology in the anti-dumping investigation concerning imports of “Hylobutyl-Rubber (HIIR)” originating in or exported from Japan, Russia, Singapore, the United Kingdom and the United States of America

1. Reference is invited to the above-cited subject. The Authority had, on 30th September 2023, initiated the said anti-dumping investigation vide Notification F. No. 6/19/2023-DGTR, wherein the product under consideration (hereinafter referred to as “PUC”) was defined in Section A of the notification and an excerpt of details of the PUC is indicated as under:

“3. The product under consideration in the present investigation is Halobutyl-Rubber (HIIR) such as Bromobutyl Rubber (BIIR) and Chlorobutyl Rubber (CIIR). HIIR is obtained through the halogenation of the isoprene groups of the IIR, producing a rubber with improved properties and characteristics. HIIR is used for tire inner liners, hoses, seals, membranes, tank linings, conveyer belt, protective clothing and for consumer products, such as ball bladder for sporting goods.”

2. The non-confidential version of the application filed by the domestic industry was circulated to all interested parties vide email and letter dated 11th October 2023. The interested parties were granted an opportunity to present their comments on the scope of the PUC and propose PCNs, if required, within a period of 30 days from the date of the circulation of the nonconfidential version of application. The deadline was further extended up to 25th November 2023.
3. The Authority has received comments on the scope of PUC from ExxonMobil Product Solutions Company (EMPSC), ExxonMobil Chemical Limited (EMCL) and Automotive Tyre Manufacturers’ Association (ATMA).
4. Exxon Group has sought exclusion of the following.
 - a. Certain speciality elastomers, Exxpro 3035 Speciality Elastomer, Exxpro 3433 Speciality Elastomer, and Exxpro 3745 Speciality Elastomer
 - b. Star-branched butyl
 - c. HIIR with bromine content of more than 2 MOL % upto 2.5 MOL %
5. ATMA has sought exclusion of the following.
 - a. Bromobutyl 2255

- b. HIIR with high Mooney viscosity
6. The domestic industry has disputed the request for exclusion on the following basis.
 - a. The request for Exxpro is based on the fact that it is not a type of HIIR. If that is the case, there is no warrant for excluding a product that is not included in the product scope in the first place.
 - b. There are no imports of star-branched butyl into India, and thus, the question of exclusion does not arise. There is no evidence to show that the domestic industry has not produced like article to star-branched butyl.
 - c. In order to produce HIIR with higher bromine content, only additional isoprene is required to be added, and an acid neutralization facility is required. The plant of the domestic industry is equipped for both.
 - d. The requests for exclusion by the Exxon Group are not supported by the users.
 - e. With regard to the exclusion request of ATMA, the domestic industry has submitted that it has produced both products, and thus, there is no warrant for exclusion.
 7. EMPSC has also claimed that even if star-branched butyl is not treated as a separate product, it should be treated as a separate PCN. Exxon Group has given information regarding cost and price differences between the two as well. The domestic industry has claimed that there is no significant difference in cost of production of the two products. As per the domestic industry, no PCN methodology should be notified, barring consideration of Bromobutyl and chlorobutyl separately.
 8. In response to the submissions made by the domestic industry, Exxon Group has further claimed as under.
 - a. It has exported Exxpro to India, as well as HIIR with high bromine content. It has exported a sample transaction of star-branched butyl. In any case, there is no requirement for import of the product type, for the product type to be excluded.
 - b. It is the practice of the Designated Authority and authorities in other jurisdictions to clarify the product scope, including exclusions from the same, at the stage of deciding PCN.
 - c. The domestic industry has not produced star-branched butyl, and does not have technology to produce the same.
 - d. The customers of Exxon have necessary pharmaceutical approvals for using HIIR with higher bromine content.
 9. Having regard to the facts presented, the Authority notes that the domestic industry has stated that it has produced the product types for which exclusion has been sought by ATMA. Therefore, exclusion of the same at this stage is not warranted.
 10. With regard to product types for which exclusion has been sought by Exxon, the Authority finds no merit for exclusion of star branched butyl at this stage. The exporter has itself admitted that there is only a sample transaction of exports of star-branched butyl.

11. With regard to Exxpro, the Authority notes that there is no need to exclude a product which is not included. It is not the claim of the exporter that Exxpro is a product type of HIIR which should be excluded, but that it is a different product, not falling within the scope of HIIR, having a different Customs classification. In such a situation, the need of exclusion from the product scope does not arise at this stage.
12. With regard to HIIR with higher bromine content, there is no evidence to show that the domestic industry cannot produce the same. The domestic industry has stated that it is in a position to make such HIIR, after increasing the quantity of isoprene in the product. It is not the case of any party that there are major cost differences warranting a separate PCN methodology for the same.
13. In view of the foregoing, the Authority does not find it appropriate to modify the product scope at the present stage. However, the Authority has found it appropriate to notify PCN methodology as below.

Parameter	Value	Code
Star-branched halo-butyl	Chlorobutyl	SC
	Bromobutyl	SB
Other halo-butyl	Chlorobutyl	OHC
	Bromobutyl	OHB

14. All interested parties i.e., producers/exporters/importers/ users etc. are requested to file respective questionnaire responses within 15 days from the date of this notice.
15. As trade remedial investigations are time-bound in nature, no further extension of time will be granted in the captioned matter.
16. This issues with the approval of the Designated Authority.

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