

**F. No. 6/40/2020-DGTR
Government of India
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001**

Dated: 22.09.2020

INITIATION NOTIFICATION

(Case No. AD (OI) – 35/2020)

Subject: Initiation of anti-dumping investigation concerning imports of Untreated Fumed Silica from China PR & Korea RP.

1. M/s Cabot Sanmar Limited (hereinafter also referred to as the "Applicant") has filed an application before the Designated Authority (hereinafter also referred to as the "Authority") seeking initiation of anti-dumping investigation concerning imports of Untreated Fumed Silica (hereinafter also referred to as the "subject goods" or "product under consideration" or "PUC") originating in and exported from China PR & Korea RP (also referred to as "subject countries") in accordance with Customs Tariff Act, 1975 as amended from time to time (herein also referred to as the "Act") and Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred to as the "Rules").
2. The Applicant has alleged that material injury is being caused to the domestic industry due to dumped imports from the subject countries and has requested for imposition of the anti-dumping duties on the import of the subject goods originating in or exported from the subject countries.

A. Product under Consideration (PUC)

3. The product under consideration in the application is "untreated fumed silica". Synthetic silica manufactured from a vapour phase flame hydrolysis of a silane compound, is popularly known as fumed silica. This type of synthetic silica is different from other silica by its functionality and manufacturing process and the raw materials needed. While other synthetic silicas are made from silicate solution in a liquid phase, fumed silica is manufactured in a gas phase at a very high temperature.
4. Fumed silica is classified as untreated fumed silica and treated fumed silica. Untreated fumed Silica is made by the flame hydrolysis of Chlorosilane feedstock in an oxygen hydrogen flame at temperatures of 1800 deg C. This process allows production of the silica with unique structure comprising of chain like aggregates and agglomerates.

5. Untreated fumed silica has a large specific surface area. Depending upon its surface area values such as 150 or 200 or 300 or 380 m²/gm. the untreated fumed silica is classified as different grades suitable for different applications. The most popular grade is 200m²/gm, used in variety of applications.
6. It is free-flowing powdered product, used for wide applications. Untreated Fumed Silica improves free flow properties in solid systems and used as a free flow and tableting agent in pharmaceuticals and an anti-caking agent in foods and agrochemicals. It also used as a carrier for liquid flavours and fragrances. Product concerned is sold in terms of net weight expressed in terms of kg or MT.
7. Fumed Silica or Silicon di-oxide is classified under Chapter 28, subheading 28112200. The untreated fumed silica is being imported into India under different HS codes also under subheading 28112190, 28391900 of Chapter 28 and 34049090 of Chapter 34 of the Customs Tariff Act, 1975. Customs classification is only indicative in nature and not binding on the scope of the investigation.

B. Like article

8. The Applicant has claimed that the subject goods exported to India are identical to the goods produced by the domestic industry. Subject goods produced by the domestic industry are comparable to the imported goods from subject country in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicants are being treated as 'Like Article' to the subject goods being imported from the subject country

C. Domestic industry and standing

9. The application has been filed by M/s Cabot Sanmar Limited. The applicant has claimed to be the sole producer of the subject goods in the country and the production by the applicant constitutes total Indian production of the like product. The applicant has claimed that they have neither imported the subject goods from the subject countries nor are related to any exporter or producer of subject goods in the subject countries or any importer of the product under consideration in India.
10. On the basis of the information available, the Authority holds that the Applicant accounts for a major proportion in the Indian production and the application has been made by the domestic industry in terms of the provisions contained in Rule 2 (b) and Rule 5 (3) of the Rules.

D. Basis of Alleged Dumping

a. Normal value for China PR

11. 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 Annexure I, Rule 7 of the Rules. The product is claimed to be majorly produced and exported from China PR, Korea RP, the European Union and Japan in the period of investigation (POI). The applicant has claimed that the average export price from European Union to India be considered for determining Normal Value for China PR. However, pending detailed examination and scrutiny, the normal value for the purpose of initiation for China PR has been constructed on the basis of cost of production of domestic industry with due adjustment for selling general & administrative (SGA) expenses and reasonable profit.

b. Normal value for Korea RP

12. Applicant has claimed that they could not find price of subject goods in the domestic market of Korea RP. The, applicant has claimed normal value in Korea on the basis of estimates of cost of production in Korea, duly adjusted with selling, general and administrative (SGA) expenses. However, pending detailed examination and scrutiny, the normal value for the purpose of initiation for Korea RP has been constructed on the basis of cost of production of domestic industry with due adjustment for selling general & administrative (SGA) expenses and reasonable profit.

c. Export Price

13. The export price has been determined on the basis of transaction wise import data provided by Directorate General of Commercial Intelligence and Statistics (DGCI&S). The export prices being CIF value while the normal values being at ex-factory level, the export prices have been adjusted for, ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges and non-refundable VAT (for China PR only).

d. Dumping Margin

14. The normal value and the export price have been compared at ex-factory level so as to determine the dumping margin. The dumping margin so determined is above the de-minimis level for each of the subject countries. There is sufficient prima facie evidence that the product under consideration is being exported to India at price below normal value, resulting in dumping of the product from the subject countries.

E. Injury and causal link

15. Information furnished by the Applicant has been considered for assessment of injury to the domestic industry. The Applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and also in relation to production and consumption in India,

significant price undercutting, price underselling, price suppression, and deterioration in performance of the domestic industry in respect of production, domestic sales, market share, capacity utilization and return on capital employed. There is prima facie evidence that the dumped imports from subject countries are causing material injury to the domestic industry.

F. Initiation of Anti-Dumping Investigation

16. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, about dumping of the subject goods originating in or exported from the subject countries, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the subject goods originating in or exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

G. Subject countries

17. The subject countries for the present investigation are China PR and Korea RP.

H. Period of Investigation (POI)

18. The period of Investigation (POI) for the present investigation is 1st April 2019 – 31st March 2020 (12 months). The injury investigation period will cover the periods 1st April 2016- 31st March 2017, 1st April 2017- 31st March 2018, 1st April 2018- 31st March 2019 and the POI

I. Procedure

19. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

J. Submission of Information

20. 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 adg12-dgtr@gov.in, adv11-dgtr@gov.in, dd17-dgtr@gov.in and ad11-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.

21. The known exporters, their Government 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.

22. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below.
23. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

K. Time Limit

24. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in, adv11-dgtr@gov.in, dd17-dgtr@gov.in and ad11-dgtr@gov.in within 37 days from the date of receipt of the notice as per as per Rule 6(4) of the Rules. 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.
25. 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.
26. The interested parties are further advised to keep a regular watch on the official website of DGTR i.e. www.dgtr.gov.in for any updated information with respect to this investigation.

L. Submission of information on confidential basis

27. 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.
28. 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.
29. 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.
30. 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.

31. 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
32. 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.
33. 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.
34. 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

35. 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. The modality of maintaining public file in electronic mode is being worked out.

N. Non-cooperation

36. In case where an interested party refuses access to, or otherwise does not provide 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 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.



(B.B.Swain)

Special Secretary and Designated Authority