

To be published in Part-I Section I of the Gazette of India Extraordinary

F. No. 6/14/2022-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: 21st December, 2022

INITIATION NOTIFICATION

(Case no. AD (OD)- 14 /2022)

Subject: Initiation of anti-dumping investigation concerning imports of “Para-Tertiary Butyl Phenol (PTBP)” originating in or exported from South Korea, Singapore and the United States of America.

1. Vinati Organics Limited (VOL) (hereinafter also referred to as the “applicant” or the “petitioner”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with 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 for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the “Rules” or the “Anti-Dumping Rules”) for initiation of an anti-dumping investigation concerning imports “Para-Tertiary Butyl Phenol (PTBP)” (hereinafter referred to as the “subject goods” or the “product under consideration”), originating in or exported from South Korea, Singapore and the United States of America (hereinafter referred to as the “subject countries”).
2. The applicant has alleged that material retardation is being caused to the establishment of the domestic industry due to dumped imports of the subject goods from the subject countries, and has requested for the imposition of anti-dumping duty on the import of the subject goods from the subject countries.

A. **Product Under Consideration**

3. The product under consideration (PUC) in the application is "Para-Tertiary Butyl Phenol" or "PTBP." PTBP is also known as 4 tert butylphenol/ p tert butylphenol/ PTBP Chemical / para tert butyl phenol.
4. The product under consideration is an organic aromatic compound with the chemical formula (C₁₀H₁₄O). It occurs in a white crystalline solid form, and has a distinct phenolic odour. PTBP chemical is usually prepared by a reaction of phenols and isobutylene.
5. It is prepared by incorporating a gaseous of isomer butenes into phenols in the presence of an acid-activated clay as a catalyst. This product is mainly used to manufacture a perfumery raw material para tertiary butyl cyclo hexyl acetate (PTBCHA). It is also used in production to manufacture a range of resins including epoxy, polycarbonate resins and phenolic resins.
6. The product under consideration is classified under Chapter 29. PTBP is classified under customs subheading no. 2907 1940. However, the customs classification is indicative only and in no way binding on the scope of the product under consideration in the present investigation.

B. **Like Article**

7. The applicant has claimed that there are no differences in quality, output and performance of the subject goods imported into India from the subject countries and the goods manufactured by the applicant. The subject goods produced by the applicant and those imported from the subject countries are comparable in all relevant parameters such as physical characteristics, manufacturing process, technology, functions, uses, etc. The domestically manufactured product and the imported product are being used interchangeably by Indian consumers.
8. The applicant has claimed that there are no known major differences in the production process employed by the applicant and the exporters from the subject countries. Therefore, for the purposes of the present investigation, the Authority treats the subject goods produced by the applicant in India as "like article" to the product under consideration being imported from the subject countries.

C. **Domestic Industry and standing**

9. The petition has been filed by Vinati Organics Limited (VOL). The applicant has claimed that they are the sole producer of the subject goods in India and a new entrant in the market having started commercial production of the subject goods in July, 2020. Thus, as per the evidence available on record, the production of the applicant constitutes 100% of Indian domestic production. The applicant has certified that it has neither imported the subject goods from subject countries nor is related to any importer or exporter thereof. The Authority, therefore, determines that the applicant company constitutes an eligible domestic industry within the meaning of Rule 2 (b) of Anti-dumping Rules and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Anti-dumping Rules.

D. **Subject countries**

10. The application has been filed in respect of the dumped imports of the product under consideration from South Korea, Singapore and the United States of America (USA).

E. **Basis of Alleged Dumping**

Normal Value in South Korea and USA

11. The petitioner claims that efforts were made to get information/evidence of the price of subject goods in the domestic market of South Korea and USA. Efforts were also made to get price lists or quotations of producers of subject goods in the USA. The data could not be gathered from publicly available sources. However, the petitioner has considered the exports by the domestic industry to the USA for determination of normal value. The petitioner has determined the consumption price of the product in the domestic market in these countries using the price at which the consumer has bought the product from the petitioner for eventual consumption, based on the exports made by the applicant to these countries.

Normal Value in Singapore

12. The petitioner has claimed that they have collected information on imports into Singapore from other countries. It is seen that Singapore is importing a significant

volume of the subject goods. Imports of the subject goods into Singapore are also the consumption price of the subject goods in the domestic market of Singapore and can thus be considered as the normal value prevailing in Singapore. The Petitioner has considered the average price of imports into Singapore as normal value for PUC.

Export Price

13. The petitioner has determined the export price for the subject countries by considering the volume and value of imports for the proposed period of investigation adopted from the published DGCI&S data for imports reported under the dedicated classification. Price adjustments have been allowed on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges to arrive at the net export price. There is sufficient prima facie evidence with regard to the net export prices claimed by the petitioner.

Dumping Margin

14. The normal value and ex-factory export price have been compared which shows significant dumping from each of the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries are significantly higher than the ex-factory export price, indicating, that the subject goods are being dumped into the Indian market by the exporters from the subject countries.
15. There is sufficient evidence of significant dumping margins to justify the initiation of the anti-dumping investigation

F. Evidence of Injury and Causal Link

16. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has claimed that dumping of the product under consideration is materially retarding the establishment of the domestic industry. The production, sales, capacity utilization and market share of the domestic industry is quite low considering the demand for the product under consideration in the country and considering that the domestic industry commenced commercial production in July 2020. The applicant has claimed that their actual performance during the POI falls short of the projections expected in the project report. Further, the prevalence of price undercutting during the entire injury period and POI especially when the increase in

import prices of PUC is not proportionate to the increase in the raw material prices, *prima facie* establishes the causality of alleged dumped imports with the applicant's subdued performance.

17. From the foregoing, the Authority *prima facie* finds sufficient evidence of dumping of the subject goods originating in or exported from the subject countries, injury to the domestic industry and causal link between the alleged dumping and injury sufficient to justify initiation of an anti-dumping investigation in terms of Rule 5 of the Anti-dumping Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

G. Initiation of Anti-dumping Investigation

18. 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, 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.

H. Period of Investigation

19. The period of investigation for the purpose of the present investigation is from 1st July 2021 – 30th June 2022 (12 months). The injury investigation period for the present investigation will be 2019-20, 2020-21, 2021-22, and the POI.

I. 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 the email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd16-dgtr@gov.in and dd15-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.

20. 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 on the email address mentioned above.
21. 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.
22. 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.

J. Time Limit

24. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg16-dgtr@gov.in, adv13-dgtr@gov.in, jd16-dgtr@gov.in and dd15-dgtr@gov.in within thirty (30) 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 Rule, the notice calling for information and other documents shall be deemed to have been received within 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.
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 the Designated Authority <https://www.dgtr.gov.in/> for any updated information with respect to this investigation.

K. Submission of information on a confidential basis

27. Any party making any confidential submission or providing information on a 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 a 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. The other interested parties can comment on the confidentiality claimed within seven (7) Days of the receipt of the non-confidential version of the documents.
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 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 a 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.

L. **Sharing of responses/submissions amongst interested parties**

35. A list of registered interested parties will be uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submission to all other interested parties since the public file will not be accessible physically due to the ongoing global pandemic.

M. **Non-cooperation**

36. In a 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.



(Anant Swarup)

Designated Authority