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**Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Anti-Dumping & Allied Duties)  
Udyog Bhawan, New Delhi**

Dated the 23<sup>rd</sup> July, 2013

**INITIATION NOTIFICATION**

**Subject: Anti Dumping investigation concerning imports of Acetone, originating in or exported from Chinese Taipei and Saudi Arabia.**

**No.14/16/2012-DGAD:** M/s Hindustan Organic Chemicals Ltd. (hereinafter referred to as HOCL or the applicant) 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 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 to as the Rules) for initiation of anti-dumping investigation concerning imports of Acetone, originating in or exported from Chinese Taipei and Saudi Arabia (hereinafter also referred to as the subject countries). The application is supported by M/s SI Group India Ltd.

2. And whereas, the Authority prima facie finds that 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' exist to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

**Domestic Industry & Standing**

3. The Application has been filed by M/s HOCL on behalf of the domestic industry. The application is supported by M/s SI Group India Ltd. As stated by the applicant, another producer namely M/s Finar Chemicals manufactures acetone for laboratory purposes only. As per the evidence available on record, the production of the applicant and the supporting industry accounts for a major proportion of the total domestic production of the like article and is more than 50% of Indian production of the like article. The Authority, therefore, determines that the applicant constitutes domestic industry within

the meaning of Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

### **Product under consideration**

4. The product under consideration for the purpose of present investigation is "Acetone" from Chinese Taipei and Saudi Arabia.
5. Acetone is a basic organic chemical which is also known as Dimethyl Ketone with a chemical formula  $\text{CH}_3\text{COCH}_3$  and used in the manufacture of bulk pharmaceuticals, agro chemicals, dye stuffs, certain explosives and downstream chemicals. It is a basic organic chemical produced in single grade. It is a colourless liquid with an agreeable ether-like odour. Acetone is classified under Chapter 29 of the Customs Tariff Act under the sub-heading 29141100. The customs classification is indicative only and in no way binding on the scope of the present investigation.

### **Like Article**

6. 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 domestically produced subject goods 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, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as 'Like Article' to the subject goods being imported from the subject countries.

### **Countries involved**

7. The present application has been filed in respect of the dumping of the product concerned from Chinese Taipei and Saudi Arabia (referred to as 'Subject countries').

### **Normal Value**

8. The applicant has constructed the normal values in respect of these subject countries. They have also provided information sourcing from ICIS LOR. The Authority has prima-facie considered the normal value of subject goods in subject countries on the basis of constructed values as made available by the applicant for the purpose of initiating this investigation.

### **Export Price**

9. The applicant has claimed export prices on the basis of data obtained from DGCI&S. Price adjustments have been allowed on account of Ocean Freight, marine insurance,

commission, port expenses, inland freight expenses and bank charges. There is sufficient evidence of the export prices of the subject goods from the subject countries to justify initiation of an antidumping investigation.

### **Dumping Margin**

10. The normal value and the export price have been compared at ex-factory level, which shows prima facie significant dumping margin in respect 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, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject countries. The dumping margins are estimated to be above de minimis.

### **Injury and Causal Link**

11. 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, price undercutting, price underselling, price suppression and decline in profitability, return on capital employed, cash flow, market share, production, capacity utilization etc. of the domestic industry. There is sufficient prima facie evidence of 'injury' being suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an anti-dumping investigation.

### **Period of Investigation (POI)**

12. The applicant had proposed the Period of investigation (POI) as January 2012 - December 2012. However, to make the required analysis on the basis of most recent data, the Authority has determined the POI as the financial year April, 2012 – March, 2013 (12 Months). For the purpose of analyzing injury, the data of previous three years, i.e., Apr'09-Mar'10, Apr'10-Mar'11 Apr'11-Mar'12 and the period of investigation shall be considered.

### **Submission of information**

13. The known exporters in the subject countries and their Governments through their Embassies/representatives in India, importers/users in India known to be concerned and the domestic industry are being informed separately to enable them to file required information in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry,  
Department of Commerce, Udyog Bhawan,  
New Delhi -110011.**

**Time limit**

14. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 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 their findings on the basis of the 'facts available' on record in accordance with the Anti-dumping Rules.

**Submission of Information on Non-Confidential basis**

15. In terms of Rule 6(7) of the Anti-dumping Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.
16. In case confidentiality is claimed on any part of the questionnaire's 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.
17. Information supplied without any mark 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 each of the confidential version and the non-confidential version must be submitted.
18. 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.
19. 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, party submitting the confidential information may indicate that such information is not susceptible of summary; a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

20. 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.
21. 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 confidential information.
22. Notwithstanding anything contained in para above, 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 a generalised or summary form, it may disregard such information.

#### **Inspection of Public File**

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

#### **Non-cooperation**

24. 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 record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

**(J.S. Deepak)**  
**Designated Authority**