

**Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti Dumping & Allied Duties)**

Dated 9th February, 2015

Notification

Initiation

Subject: Initiation of Anti-Dumping Investigation concerning imports of ‘Carbon Black used in rubber applications’, originating in or exported from Republic of Korea.

F.No.14/9/2014-DGAD - Having regard to the Customs Tariff Act, 1975 as amended in 1995 and thereafter (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);

2. WHEREAS, M/s Phillips Carbon Black Limited and M/s Hi-Tech Carbon (hereinafter also referred to as the applicants) have jointly filed an application on behalf of the domestic industry before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and the Rules, alleging dumping of “Carbon Black used in rubber applications” (hereinafter also referred to as the subject goods), originating in or exported from Republic of Korea (hereinafter also referred to as the subject country), and injury to the domestic industry. They have requested the Authority to initiate anti-dumping investigations against the imports of the subject goods from the subject country and impose anti-dumping duty.
3. AND WHEREAS, the Authority finds that prima facie evidence of dumping of subject goods by the subject country, injury to the domestic industry and causal link between the dumping and injury exists. The Authority hereby initiates an anti-dumping investigation into the alleged dumping, and consequential injury to the domestic industry in terms of the 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.

Domestic Industry & Standing

4. The application has been filed by M/s. Phillips Carbon Black Limited and M/s. Hi-Tech Carbon who constituted the domestic industry in the earlier investigations. As informed by the applicants, there are three other producers of subject goods in India namely M/s. Continental Carbon India Limited, Himadri Chemicals and Industries Limited and M/s Good luck Carbon Black Pvt. Ltd. These domestic producers have neither supported nor opposed the present petition. From the petition it is noted that the applicant industries' production accounts for 79.27 % of the production of the subject goods in India, hence constituting a major proportion in Indian production, as per the Rules.
5. As submitted by the applicants, none of the applicant companies have imported the subject goods from the subject country. It has been further submitted that Phillips Carbon Black Limited is not related to any exporter or importer of the subject goods. However, Hi-Tech Carbon belonging to Aditya Birla Group has related company in the subject country, involved in the production and export of subject goods. It has been further informed that the said related company in the subject country has exported an insignificant volume of subject goods to India during the POI. Considering the exports made by the related company as insignificant, the Authority considers Hi-Tech Carbon, along with Phillips Carbon Black Limited, as domestic industry, within the meaning of Rule 2(b) and considers the petition as satisfying the criteria of standing in terms of Rule 5 of the Rules supra

Product under Consideration and Like Article

6. The product under consideration in the present investigation is Carbon Black used in rubber applications (excluding Thermal Black and Carbon black grades meant for semi conductive compound applications). Carbon Black is an inorganic chemical used in the production/processing of rubber (including tyres) as reinforcing filler. Carbon Black is also known as acetylene black, channel black, furnace black, lamp black, thermal black, and noir de carbone. Carbon Black can be divided into two categories rubber and non-rubber applications. Carbon Black for rubber applications is the Carbon Black that is used in production/processing of rubber (including tyres), as a reinforcing filler. The present investigation is in respect of Carbon Black used in rubber applications only. Carbon Black used in non-rubber applications, such as inks in copiers and computer printer cartridges, paints, crayons and polishes and thermal black and carbon black grades meant for semi conductive compound applications are not within the scope of the present investigation.
7. The subject goods fall under Chapter 28 of the Customs Tariff under Subheading No.28030010. However, the customs classification is indicative only and is in no way binding on the scope of the present investigation.

Like Article

8. Rule 2(d) with regard to like article provides as under: -

"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;

9. The applicants have claimed that the goods produced by them are “like articles” to the goods originating in or exported from the subject country. The subject goods produced by the domestic industry and imports from subject country are similar in terms of physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing, tariff classification, etc. Subject goods produced by the domestic industry are identical to the imported subject goods in terms of essential product properties. Therefore, for the purpose of investigation, the subject goods produced by the applicant are being treated as like articles to the subject goods imported from subject country within the meaning of the Rules.

Country Involved

10. The country involved in the present investigation is Republic of Korea.

Normal value

11. The applicants have submitted that despite their efforts to get information/evidence of price of subject goods in the domestic market of subject country, they have not been able to get such information. The applicants have therefore constructed normal value for Korea RP on the basis of cost of production in India after making due adjustments for the major inputs at international prices and profits at 5% of cost of sales. The applicants have determined separate normal value for different grades and for each of the quarters of the period of investigation. The Normal value claimed by the applicants has been considered for the purpose of initiation of the present investigation.

Export Price

12. The applicants have claimed export price for the product under consideration based on the basis of imports data procured from secondary source i.e. IBIS to assess the volume and value of imports into India. Export price of the subject goods from the subject country has been estimated by considering transaction-wise import data as provided by the applicants, after allowing price adjustments as claimed by the applicants, for the purpose of initiation of the present investigation.

Dumping Margin

13. The normal value has been compared with the export price at ex-factory level and it has been found that the normal value of the subject goods in the subject country is 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 country. The dumping margin is estimated to be above de minimis.

Injury and Causal Link

14. The applicants have 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, etc. of the domestic industry. There is prima facie evidence of 'injury' being suffered by the domestic industry caused by dumped imports from the subject country to justify initiation of an antidumping investigation.

Period of investigation

15. The applicants have proposed the Period of Investigation (POI) for the purpose of the present investigation as 1st April, 2013 – 30th March, 2014 (12 Months). For making required analysis based on more updated data, the Authority has determined the Period of Investigation (POI) for the purpose of the present investigation as 1st April, 2013 – 30th September, 2014 (18 Months). However, injury analysis shall cover the years as 2010-11, 2011-12, 2012-13 and the POI.

Initiation

16. The Authority finds that sufficient prima facie evidence of dumping of the subject goods, originating in or exported from the subject country, 'injury' to the domestic industry and causal link between the dumping and 'injury' exist to justify initiation of an anti-dumping investigation. Therefore, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Anti-dumping Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the 'injury' to the domestic industry.

Submission of Information

17. The known 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 subject goods are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Anti-Dumping and Allied Duties
4th Floor, Jeevan Tara Building
5, Parliament Street, New Delhi – 110001

18. 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. 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.

Time Limit

19. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (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 its findings on the basis of the facts available on record in accordance with the Anti-dumping Rules.
20. 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 and offer their comments to the domestic industry's application regarding the need to continue or otherwise the Anti-dumping measures within 40 days from the date of initiation of this investigation.

Submission of information on confidential basis

21. In case confidentiality is claimed on any part of the questionnaire 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.
22. Information supplied without any confidential marking 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 of the confidential version and five (05) copies of the non-confidential version must be submitted by all the interested parties.
23. 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.

24. 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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
25. 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.
26. 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 information.

Inspection of public file

27. 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

28. 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.

(J. K. Dadoo)
Designated Authority