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No. 14/8/2014-DGAD
Government of India
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)
Jeevan Tara Building, 4th Floor
5, Parliament Street
New Delhi- 110001

Dated: 20th June 2014

Initiation Notification

Subject: Initiation of Investigation of Anti-dumping duty imposed on Import of Diketopyrrolo Pyrrole Pigment Red 254(DPP Red 254) originating in or exported from China PR and Switzerland.

No 14/8/2014-DGAD:- Whereas M/s Heubach Colour Private limited (herein after referred to as Applicant) has filed an application before the Designated Authority (herein after referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended, alleging dumping of Diketopyrrolo Pyrrole Pigment Red 254 (DPP Red 254) (herein after referred to as subject goods) originating in or exported from China PR and Switzerland (herein after referred to as subject countries) for initiation of Anti-dumping duty investigation for levy of anti dumping duties on the subject goods.

2. And whereas, the Authority finds that sufficient evidence of dumping of the subject goods originating in or exported from 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 the Rules 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.

PRODUCT UNDER CONSIDERATION

3. The product under consideration is "Diketopyrrolo Pyrrole Pigment Red 254(DPP Red 254)".

DPP Red 254 is a highly saturated medium shade red pigment with good hiding power, excellent fastness to organic solvent and outstanding light and weather fastness. The pigments are synthetic organic colours which retain their crystalline or particulate form throughout the application process. DPP Red 254 is having a brilliant shade, high color strength, opacity and saturation. The chemical name of DPP Red 254 is 3, 6-bis-(4-chlorophenyl)-2, 5-dihydro pyrrolo (3, 4-c) pyrrole, 1,4 dione. The molecular formula of DPP 254 is C₁₈H₁₀C₁₂N₂O₂. The color index number of DPP Red 254 is 56110 and chemical abstract number is 84632-65-5.

DPP Red 254 may be manufactured in many different shades or variants. All variants and shades of DPP Red 254 are covered within the scope of the product under consideration. It may be sold in crude or finished forms. The product scope includes crude pigment in any form (e.g. dry powder, paste, wet cake, etc.) and finished pigment in any form; examples include press cake, dry color, pigment blends, pigment dispersions.

DPP Red 254 is widely used as a high performance pigment in waterborne paints, air drying alkyds, stoving enamels, acid curing systems, amine curing epoxies, isocyanate cured systems, power coatings, etc. DPP Red 254 is also used in automotive and industrial paint applications. It is used to obtain metallic effect finishes and for formulation of new saturated metallic shades. It is used in plastic applications especially in polyolefin's, PVC and PS where they offer excellent all round properties and outstanding heat resistance. Other uses include transportation crates, caps, blow molded containers and films. DPP Red 254 is also used in making warp-free formulations for injection molded HDPE.

4. The subject goods are classified are classifiable under Chapter 32 of the Custom Tariff Act, 1975 under Tariff item 3204.17.39. DPP Red 254 is also being imported under other sub-headings such as 32041111, 32041630, 32041711, 32041719, 32041720, 32041760, 32041973, 32041984, 32049000, 32061110, 32064990. However, the customs classification is indicative only and in no way binding on the scope of this investigation.

DOMESTIC INDUSTRY STANDING

5. The application has been filed by M/s Heubach Colour Private Limited. As per the evidence available on record, the applicant is the sole producer of the subject goods. On the basis of information available the Authority notes that the applicant company constitutes a major proportion in Indian production. The Authority, therefore, determines that the applicant constitutes domestic Industry within the meaning of the Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rule supra.

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 is no difference 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 AD 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 countries involved in the present sunset review investigations are, China PR and Switzerland.

NORMAL VALUE

8. The petitioner has claimed that in the absence of any evidence of price of subject goods in the domestic markets of the subject countries, they have adopted constructed cost method for calculation of normal value based on the estimate of cost of production in India, duly adjusted. International price of raw materials, conversion & other cost of the domestic industry and reasonable profit margin have been considered to determine normal value. The Authority has prima-facie considered the normal value of subject goods in respect of these countries on the basis of best estimates of cost of production, including selling, general, administrative & finance expenses and reasonable profit as made available by the applicant for the purpose of this initiation.

EXPORT PRICE

9. Export price of the subject goods from the subject countries has been estimated by considering transaction-wise import data as provided by the applicant from Directorate General of Commercial Intelligence & Statistics (DGCI&S). Price adjustments have been allowed on account of Ocean freight, marine insurance, inland transportation, port handling and port charges etc. to arrive at the net export price. 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 export price have been compared at ex-factory level, which shows 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 is significantly higher than the ex-factory export price, indicating, prima-facie, that the subject goods are being dumped into the Indian market by 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 profit, market share, capacity utilization etc. of the domestic industry. There is sufficient evidence of 'injury' being suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

PERIOD OF INVESTIGATION

12. The period of investigation (POI) for the purpose of present investigation is 1st January 2013 to 31st December 2013. The injury investigation period will however cover the periods 2010-11, 2011-12 and 2012-13 and the POI.

SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS

13. The known exporters in subject countries, their Government through their Embassy/Economic and Cultural Centre in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant 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
Department of Commerce,
Jeevan Tara Building, 4th Floor
5, Parliament Street
New Delhi -110001**

TIME LIMIT:

14. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than 40 (forty) days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are however required to submit the information within forty days from the date of the letter addressed to them separately. If no information is received within the prescribed time limit or the submitted information is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the Rules. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS

15. 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, number of pages, index, etc.). All the information supplied must be clearly marked as either "Confidential" or "non-confidential" at the top of each page.

16. 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 of each of the confidential version and the non-confidential version must be submitted.

17. 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.

18. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked/ 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 to summary, a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

19. 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.

20. 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. 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. Parties, may that such information will be subject to acceptance in terms of Anti-Dumping Rule 7(1) and 7(2).

INSPECTION OF PUBLIC FILE:

21. In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by the interested parties.

NON-COOPERATION

22. In case any 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.

J K Dadoo
Designated Authority