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**F. No. 6/01/2024-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: 27<sup>th</sup> March 2024

**INITIATION NOTIFICATION**  
**(Case No. AD(OI)- 01/2024)**

**Subject: Initiation of anti-dumping investigation concerning imports of “Insoluble Sulphur” originating in or exported from China PR and Japan.**

1. M/s. Oriental Carbon & Chemicals Limited (hereinafter referred to as applicant) has filed an application before the Designated Authority (hereinafter referred to as the "Authority") under the provisions of 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 and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the 'Rules'), seeking initiation of an anti-dumping investigation by alleging dumping of "Insoluble Sulphur", originating in or exported from China PR and Japan (hereinafter referred to as the “subject countries”).

**A. PRODUCT UNDER CONSIDERATION**

2. The product under consideration is the “Insoluble Sulphur” hereinafter also referred to as "subject goods" or "product under consideration" or "PUC").
3. Insoluble sulphur by definition, is a polymeric sulphur which is insoluble in carbon disulphide (CS<sub>2</sub>). Insoluble Sulphur is generally used as a vulcanization agent in some rubber applications in order to resist the blooming phenomenon which is detrimental to rubber compound.
4. Insoluble sulphur is an important rubber additive agent. it improves product quality, wearability and resistance to both fatigue and ageing. In addition to being universally recognized as the best vulcanizing agent, it is widely used in the manufacture of tire, tread, shoes, all kinds of automobile rubber parts and other rubber products. Therefore, due to its non-blooming characteristic, insoluble sulphur is widely used in the manufacture of rubber products in which common sulphur is incorporated in high proportion. Based on the end-user

industry, out of the total consumption of insoluble sulphur in India, more than 90% is used in the tyre industry and the remaining is used in non-tyre industry. The unit of measurement considered is weight of the product reported in kilograms (Kg).

5. The product under consideration is classifiable under tariff item 2802 00 10 and 3812 39 30 of the first schedule I to the Customs Tariff Act, 1975. The product under consideration is also imported under tariff item 3824 99 00. However, Customs classifications are indicative only and in no way binding on the scope of this investigation.
6. The applicant has not proposed any PCNs in the present application. The interested parties may offer their comments/submissions on the PUC/ PCN, if any, within thirty days from the date of date of initiation of this investigation.

#### **B. LIKE ARTICLE**

7. The applicant has claimed that the goods produced by the domestic industry are like articles to the subject good originating in or exported from the subject countries. It has been stated that the article produced by the applicant and that imported from the subject countries are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications of the subject goods. The subject goods and the article manufactured by the applicant are technically and commercially substitutable. The applicant has claimed that consumers are using the subject goods and the article manufactured by the applicant interchangeably. Thus, for the purpose of the present investigation, the subject goods produced by the domestic industry is being treated as 'like article' of the subject goods imported from China PR and Japan.

#### **C. DOMESTIC INDUSTRY AND STANDING**

8. The application has been filed by Oriental Carbon & Chemicals Limited.
9. As per the evidence available on record, the applicant is the sole producer of the product under consideration. Further, the applicant has not imported the subject goods from the subject countries nor are they related to any the importer or the exporter of the subject goods. In view of the above, the Authority notes *prima facie* that the applicant constitutes eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

#### **D. SUBJECT COUNTRIES**

10. The subject countries for the present investigation are China PR and Japan.

#### **E. PERIOD OF INVESTIGATION**

11. The period of investigation (POI) in the present investigation is January 2023-December 2023 (12 months). The injury investigation period has been considered as period 1st April 2020 to 31st March 2021, 1st April 2021 to 31st March 2022, 1st April 2022 to 31st March 2023 and the POI.

#### **F. BASIS OF ALLEGED DUMPING**

##### **a. Normal Value for China**

12. 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 Rule-7 of Annexure I of the Rules. The applicant has cited Para 8(2) of Annexure-I of the Rules and have stated that the Chinese producers should be directed to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure-I of the Rules. The applicant has claimed that for China PR, normal value should be determined in accordance with para 7 and 8 of Annexure I of the Rules.

13. The applicant has also claimed that the data relating to cost or price in a market economy third country is not available. Therefore, normal value, for the purpose of initiation of the investigation, has been constructed based on the best estimates of the cost of the production of the domestic industry of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses with reasonable profits.

##### **b. Normal Value for Japan**

14. The applicant has claimed that efforts were made to collect the data relating to price of the product in the domestic market of Japan, however, the same was not available. Therefore, normal value, for the purpose of initiation of the investigation, has been constructed based on the best estimates of the cost of the production of the domestic industry of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses with reasonable profits. The Authority will further examine the evidence provided by the interested parties and the applicant for the determination of normal value during the investigation.

##### **c. Export Price**

15. The export price for the subject goods has been computed based on the

Directorate General of Systems & Data Management transaction-wise import data. Appropriate price adjustments have been claimed to make the prices at ex-factory levels so that they become comparable with the normal value.

#### **d. Dumping Margin**

16. The normal value and the export price have been compared at the ex-factory level, which *prima facie* establishes that the dumping margin is above the *de minimis* level and is significant with respect to the product under consideration from both the subject countries individually. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject countries is being dumped in the domestic market of India by the exporters from the subject countries.

### **G. ALLEGATION OF INJURY AND CAUSAL LINK**

17. The applicant has provided *prima facie* evidence with respect to the injury suffered by the domestic industry because of the dumped imports. The volume of the subject imports from the subject countries has increased in both absolute as well as in relative terms. The capacity utilization of the domestic industry has declined. The price depression caused by the dumped imports have been preventing the domestic industry from increasing its prices to recover the full cost and achieve reasonable rate of returns in POI. The subject imports have an adverse impact on the profitability parameters of the domestic industry. Thus, the evidence provided by the applicant, *prima facie* shows injury to the domestic industry caused by the alleged dumped imports from China PR and Japan.

### **H. INITIATION OF THE INVESTIGATION**

18. On the basis of the duly substantiated application by the domestic industry, and having satisfied itself, on the basis of *prima facie* evidence submitted by the applicant substantiating the dumping and consequent injury to the domestic industry, the Authority hereby initiates an anti-dumping investigation into the alleged dumping and consequent material injury to the domestic industry in accordance with Section 9A of the Act read with Rule 5 of the Rules, to determine the existence, degree, and effect of alleged dumping and to recommend the amount of dumping duty, which if levied would be adequate to remove the injury to the domestic industry.

### **I. SUBMISSION OF INFORMATION**

19. All communication should be sent to the Authority via email at the email [adg16-dgtr@gov.in](mailto:adg16-dgtr@gov.in), [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in), [dir16-dgtr@gov.in](mailto:dir16-dgtr@gov.in) and [dd17-dgtr@gov.in](mailto:dd17-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. The known producers/exporters from the subject countries, their government through their embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic producers 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.
21. 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 addresses mentioned hereinabove.
22. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
23. Interested parties are further advised to keep a regular watch on the official website of the Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

#### **J. TIME LIMIT**

24. Any information relating to the present investigation should be sent to the Authority via email at the email addresses [adg16-dgtr@gov.in](mailto:adg16-dgtr@gov.in), [adv13-dgtr@gov.in](mailto:adv13-dgtr@gov.in), [dir16-dgtr@gov.in](mailto:dir16-dgtr@gov.in) and [dd17-dgtr@gov.in](mailto:dd17-dgtr@gov.in) within thirty days (30 days) from the date of receipt of the notice as per Rule 6(4) of the ADD 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 countries. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its finding on the basis of the facts available on records 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 investigation and file their questionnaire response/submissions within the above time limit.

#### **K. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS**

26. 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 8(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.

27. 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.
28. 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.
29. 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 is 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.
30. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
31. 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 containing a sufficient and adequate explanation in terms of Rule 8 of the Rules, 1995, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.
32. The interested parties can offer their comments on the aforementioned email addresses on the issues of confidentiality claimed by the interested parties within 7 days from the date of circulation of the non-confidential version of the documents.
33. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 8 of the Rules, and

appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.

34. 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 in summary form, it may. disregard such information.

#### **L. INSPECTION OF PUBLIC FILE**

35. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions/response/information to all other interested parties. Failure to circulate non- confidential version of submissions/response/information might lead to consideration of an interested party as non-cooperative.

#### **M. NON- COOPERATION**

36. 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.

  
(Anant Swarup)  
Designated Authority