

**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**(Directorate General of Anti-Dumping & Allied Duties)**  
**Udyog Bhawan, New Delhi**  
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Dated the 3<sup>rd</sup> November, 2009

**INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping investigation concerning imports of 'Poly Vinyl Chloride Paste Resin' (PVC Paste Resin) originating in or exported from China PR, Japan, Korea RP, Malaysia, Russia, Taiwan and Thailand**

**No. 14/36/2009-DGAD:** M/s. Chemplast Sanmar Limited, Chennai has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 as amended from time to time (hereinafter 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 referred to as the AD Rules) alleging dumping of 'Poly Vinyl Chloride Paste Resin' (PVC Paste Resin) (hereinafter referred to as the subject goods) originating in or exported from China PR, Japan, Korea RP, Malaysia, Russia, Taiwan and Thailand (hereinafter referred to as subject countries) and have requested for initiation of anti-dumping investigation and levy of anti-dumping measures.

**Product under consideration**

2. The product under consideration is 'Poly Vinyl Chloride Paste/Emulsion Resin' also called "Emulsion PVC Resin" and referred to as PVC paste resin (hereinafter referred to as "subject product" or "subject goods"). There are two types of PVC

resin, namely PVC Paste Resin and PVC Suspension Resin. PVC suspension resin is excluded from the ambit and scope of the proposed investigation. The PVC Paste Resin is produced from Vinyl Chloride Monomer (VCM). VCM is produced using EDC, which in turn requires chlorine as one of the major products. The subject goods is produced and sold in the form of white/off-white powder. The properties of the product are described in terms of K value, inherent viscosity, particle size retention, heat loss, initial BFB etc. All grades of PVC Paste Resin are within the ambit and scope of the investigation.

3. The product under consideration is falling under Chapter 39. The product under consideration can be imported under the following Customs classifications:

| Chapter/Subheading      | Description  |
|-------------------------|--|
| Chapter 39              | Plastics and Articles thereof  |
| Sub Heading 39.04       | Polymers of Vinyl Chloride or of other Halogenated olefins in primary forms. |
| Four Digit 39 04.22     | Plasticized  |
| Eight Digit 39 04.22 10 | Poly (Vinyl Chloride) (PVC) Resin (emulsion grade)                           |

The customs classification is indicative only and is not binding on the scope of the product under consideration.

### **Domestic Like Article**

4. The applicant has claimed that there is no significant difference in subject goods produced by the domestic industry and exported from subject countries. Subject goods produced by the Indian industry and imported from subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.

5. For the purpose of investigation, the subject goods produced by the applicant is being treated as like article to the subject goods imported from subject countries within the meaning of the AD Rules for the purpose of this investigation.

### **Domestic Industry & 'Standing'**

6. The application has been filed by M/s. Chemplast Sanmar Limited, Chennai on behalf of the domestic industry. The applicant domestic producers have provided injury and costing information. As per the evidence available on record, production of the applicant accounts for a major proportion of the domestic production and the same is more than 50% of the Indian production.

7. As per information available on record, the Applicant accounts for 78.97% of the total domestic production. Thus, the Authority has determined that the application satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules and the applicant is being treated as 'domestic industry' within the meaning of Rule 2(b) of the AD Rules.

### **Countries involved**

8. The countries involved in the present investigation are China PR, Japan, Korea RP, Malaysia, Russia, Taiwan and Thailand.

### **Normal value**

9. In respect of China PR, the applicant has claimed that China PR should be treated as Non Market Economy and therefore the Normal value should be determined in accordance with Para 7 and 8 of Annex-I of the AD Rules. The applicant has submitted that they have not been able to get the sufficient information regarding market economy third country for determination of Normal value in case of China PR. Thus, the applicant has claimed the Normal value on the basis of constructed cost of production, including selling general and administration expenses and profits. The applicant has also submitted that Thailand may be treated as surrogate country for China PR. The Authority seeks comments on this issue as well.

As regards other subject countries, the applicant has constructed the normal values in respect of subject countries stating that they were not able to get any documentary evidence or reliable information with regard to domestic prices in the subject countries nor the same are available in the public domain. 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 this initiation.

### **Export Price**

10. The applicant has determined export prices based on the data compiled by IBIS. The export prices have been adjusted for ocean freight, marine insurance, port handling, inland transportation, and bank commission etc to arrive at net export price at ex-factory level.

### Dumping margin

11. There is sufficient evidence that the Normal value of the subject goods in subject countries is significantly higher than the net Export price, prima-facie indicating that the subject goods are being dumped by the exporters from the subject countries.

### **'Injury' and Causal Link**

12. The applicant has furnished evidence claiming injury as a result of alleged dumping. It has been claimed that the imports have increased in absolute terms and in relation to production & consumption in India; the imports are significantly suppressing the prices of the domestic industry. The applicant has claimed deterioration in performance of the domestic industry in terms of sales, production, utilization of capacity, market share, profit, return on capital employed and price suppression etc. There is sufficient evidence with regard to 'injury' being suffered by the applicant caused by dumped imports from subject countries to justify initiation of this investigation in terms of the AD Rules.

### **Initiation of Anti Dumping Investigation**

13. In view of the foregoing paragraphs, the Designated Authority finds that sufficient evidence of dumping of subject goods from the subject countries, 'injury' to the domestic industry and causal link between the dumping and 'injury' exists 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 AD Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping measure, which, if levied, would be adequate to remove the injury to the domestic industry.

### **Period of investigation**

14. The period of investigation for the purpose of present investigation is 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009. The injury investigation period will, however, cover the periods April 2005-March 2006, April 2006-March 2007, April 2007-March 2008 and the Period of Investigation (POI) viz. 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009.

Submission of information

15. The known exporters in subject countries, their government through their Embassy/High Commission in India, the known importers and known users in India to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the:

**The Designated Authority,  
Ministry of Commerce & Industry,  
Department of Commerce,  
Directorate General of Anti-Dumping & Allied Duties, (DGAD),  
Room No. 240, Udyog Bhawan,  
New Delhi - 110107.**

16. 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.

Submission of information on Non-confidential basis.

17. In terms of Rule 7 of the AD rules, the interested parties are required to submit non-confidential version of any confidential information provided to the Authority along with the reasons for claiming confidentiality. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing such information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

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 authorise its disclosure in a generalised or summary form, it may disregard such information.

#### Time limit

18. Any information relating to this investigation and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address, 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 Designated Authority may record its findings on the basis of the 'facts available' on record in accordance with the AD Rules.

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

19. In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the information/evidence submitted by other interested parties.

#### **Use of 'facts available'**

20. 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.

**(R. Gopalan)**  
**Designated Authority**