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6/29/2019-DGTR  
Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Trade Remedies)  
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi

Dated: - 09/12/2019

**Case No. (O.I.) 21/2019  
INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping Investigation concerning imports of “Mono Ethylene Glycol” originating in or exported from Kuwait, Oman, Saudi Arabia, UAE and Singapore.**

Whereas M/s Reliance industries Limited (hereinafter referred to as the “applicant”) has filed an application on behalf of domestic industry before 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 Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended from time to time (hereinafter also referred to as the “Anti-Dumping Rules” or “Rules”) for initiation of anti-dumping investigation and imposition of anti-dumping duty on imports of “Mono Ethylene Glycol (MEG or Ethylene Glycol)” (hereinafter referred as “product under consideration” or “subject goods”) originating in or exported from Kuwait, Oman, Saudi Arabia, UAE and Singapore (also referred to as “subject countries”).

**Product under consideration**

2. The product under consideration (PUC) is “Mono Ethylene Glycol (MEG or Ethylene Glycol)”. It is a clear, colourless, virtually odourless, and slightly viscous liquid. The subject good is used to produce polyester fibres, polyester films, and resins. It is also used in the fibre treatment of textiles, the paper industry, and in adhesives, inks, and cellophane. It is also used as a dehydration agent in natural gas pipelines where it inhibits the formation of natural gas clathrates before being recovered from the gas and reused.

3. MEG is classified under the tariff custom classification 2905 31 00. The customs classification is only indicative and is not binding on the scope of the product under consideration.

#### **Like article**

4. The applicant has claimed that the subject goods produced by them are like article to the subject goods originating in or exported from subject countries. It has been stated that there is no significant difference in the subject goods produced by the applicant and those exported from subject countries. The applicant has claimed that the two are technically and commercially substitutable. For the purpose of present investigation, the subject goods produced by the applicant are being treated as 'like article' of the subject goods imported from subject countries.

#### **Domestic industry and standing**

5. The application has been filed by M/s Reliance Industries Limited (RIL) on behalf of domestic industry. It is also noted that M/s India Glycols Limited has supported the present petition. It is also noted that M/s Reliance Industries Limited (RIL), has imported low volume of imports of PUC during period of investigation (POI) due to periodic catalyst change out which requires complete plant shut down and to support local market.
6. The matter has been examined. Considering the small volume of imports by the Reliance Industries Limited, the Authority has considered M/s Reliance Industries Limited as eligible domestic industry within the meaning of Rule 2(b). The application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

#### **Countries involved**

7. The present investigation is in respect of alleged dumping of the product under consideration from Kuwait, Oman, Saudi Arabia, UAE and Singapore.

#### **Normal value**

8. The applicant has submitted that particular market situation exists in Kuwait, Oman, Saudi Arabia and UAE as producers get basic feedstock at differential and discounted prices. Due to the distorted prices of raw material, the applicant claimed that such prices cannot be considered for determination of normal value as they do not reasonably reflect the costs associated with the production of the subject goods. Accordingly, the applicant has claimed that the cost of raw material should be benchmarked to international prices.

9. For the purpose of initiation, the normal value for Kuwait, Oman, Saudi Arabia, and UAE has been constructed on the basis of international price of its major raw material (Ethylene) and conversion cost of the domestic industry, with reasonable addition for profits. The normal value for Singapore has been computed on the basis of Asia Pacific prices available in ICIS published report.

#### **Export price**

10. The applicant has claimed export price on the basis of DGCI&S published import data. The net ex-factory export price has been determined after due adjustments towards ocean freight, marine insurance, port expenses, commission and inland freight expenses.

#### **Dumping margin**

11. The normal value has been compared with export price at ex-factory level. There is prima facie evidence that the normal value of the subject goods in the subject countries is higher than the ex-factory export price, showing that the subject goods are being dumped into the Indian market by the exporters of the subject countries. The dumping margin as determined is above de minimis.

#### **Evidence of injury and causal link**

12. The petitioners have claimed that domestic industry has suffered material injury by way of adverse price effects as evidenced by price undercutting and price depression leading to accumulation of inventories, deterioration in profits, decline in return on capital employed and cash profits. The petitioners have claimed that the material injury has been caused due to the dumped imports from the subject countries. The Authority considers that there is sufficient prima facie evidence of material injury caused to the domestic industry by dumped imports from subject countries/territory to justify initiation of an anti-dumping investigation.
13. There is sufficient prima facie evidence of injury being caused to the domestic industry by dumped imports from the subject countries to justify initiation of investigation.

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

14. The Authority finds sufficient prima facie 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, to justify initiation of an anti-dumping investigation 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. Accordingly, the Authority hereby initiates

an investigation into the alleged dumping and consequent injury to the domestic industry in terms of Para 5 of the Rules.

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

15. The period of investigation for the purpose of the present investigation is January 2019 to September 2019 (9 months). The injury investigation period shall, however, cover 2016-17, 2017-18, 2018-19 and the period of investigation.

### **Submissions of information**

16. Known exporters in the subject countries, Government of the subject countries through their embassy in India, the importers and users in India known to be concerned with the product 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:

**The Designated Authority**  
Directorate General of Trade Remedies  
Department of Commerce  
Ministry of Commerce & Industry  
4th Floor, Jeevan Tara Building,  
5 Parliament Street, New Delhi – 110001

17. 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**

18. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-dumping Rules. It may, however, be noted that in terms of explanation of the said sub rule, the notice calling for information and other documents shall be deemed to have been received one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country. 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.

19. 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 within the above time limit.

**Submission of information on non-confidential basis**

20. 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.
21. 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. Four (4) copies of the confidential version and two (2) copies of the non-confidential version must be submitted by all the interested parties.
22. 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.
23. 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.
24. 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.
25. 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**

26. 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**

27. 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.

(Bhupinder S. Bhalla)  
Additional Secretary & Designated Authority