

F. No. 6/01/2024-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
Jeevan Tara Building, 4th Floor, Parliament Street, New Delhi

Dated: 12th August, 2024

To,
All interested parties,

Subject: Scope of the product under consideration (PUC) and the product control number (PCN) methodology in the anti-dumping investigation concerning imports of “Insoluble Sulphur” originating in or exported from China PR and Japan.

Reference is invited to the above-cited subject. The Authority had, on 23rd March 2024, initiated the subject anti-dumping investigation vide Notification **F. No. 6/01/2024 DGTR**, wherein the product under consideration (hereinafter referred to as “PUC”) was defined as under:

“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 (CS₂). 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).”

2. Post initiation of the aforesaid investigation, the Authority had received comments from the producer/exporter namely M/s Shikoku Chemicals Corporation (SCC) and Automotive Tyre Manufacturers’ Association (ATMA) requesting exclusion of certain grades.

3. ATMA in its submissions requested the Authority to exclude SHTS grade. It contended that the domestic industry offered its member company the substitute grade "Vulcamax OT-10" for trial, but it showed poor sulphur dispersion and high batch-to-batch rheological variation compared to the regular material. Further, it was mentioned that the domestic industry provided ATMA's other member company with OT-20 UHD as equivalent grade, which was also rejected due to poor sulphur dispersion and low pull-out adhesion.
4. SCC requested to exclude specialty grade i.e., MuCron OT-20 HD-G as its performance is superior in terms of thermal stability, bloom resistance, flame test when compared with general grade.
5. After due examination of the submissions made by the parties and the domestic industry, and considering the facts and circumstances of the present investigation, the Authority observes that:
 - The comparison between Vulcamax OT-10 and SHTS (OT-20) is incorrect as OT-20 and OT-10 are fundamentally distinct.
 - The test results regarding sulphur dispersion reveal methodological inconsistencies in magnification levels. The test results of pull-out adhesion indicate that the performance of the competitor's product/control is superior, the domestic industry's UHD product (like article to SHTS) falls within the technical specification requirements of the domestic industry's customer.
 - The arguments received from SCC lack supporting evidence and could not substantiate that the product for which exclusion has been sought is neither commercially nor technically substitutable with the like article produced by the domestic industry.
6. In view of above, the Authority has decided the PUC and its scope remains same as stated in the initiation notification and does not warrant any PCNs or exclusion. Accordingly, the questionnaire responses are required to be filed on the above basis within **two (2) weeks** from the date of issue of this letter. No further extension of time will be given to file the questionnaire responses.
7. The request in regard to exclusion shall also be examined at length during the course of investigation. The Authority reserves the right to make the final decision based on the investigation's outcomes. Interested parties are, therefore, requested to file all the information in entirety, subject to the clarification communicated vide this letter.
8. This issues with the approval of the Designated Authority.



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