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F. No. No. 6/29/2024-DGTR

Government of India

Department of Commerce

Ministry of Commerce & Industry

(Directorate General of Trade Remedies)

4th Floor, Jeevan Tara Building 5, Parliament Street, New Delhi – 110001

Dated: 26 September 2024

INITIATION NOTIFICATION

Case No. AD (OI) – 27/2024

Subject: Initiation of anti-dumping investigation concerning imports of Acrylonitrile Butadiene Rubber (NBR) originating in or exported from China PR, European Union, Korea RP and Russia.

1. **F. No. No. 6/29/2024-DGTR:** Having regards to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred 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'), Apcotex Industries Limited (hereinafter referred to as the 'applicant') has filed an application before the Designated Authority (hereinafter referred to as the 'Authority'), for initiation of an anti-dumping investigation on imports of Acrylonitrile Butadiene Rubber (NBR) in bale form with ACN Content between 25% to 42%, specifically excluding Carboxylated, Hydrogenated and Oil-extended NBR bales (hereinafter referred to as the 'product under consideration' or 'subject goods'), originating in or exported from China PR, European Union, Korea RP and Russia (hereinafter referred to as the 'subject countries').
2. The applicant has alleged that material injury is being caused to the domestic industry due to the dumped imports, originating in or exported from the subject countries and has requested for the imposition of anti-dumping duties on the imports of the product under consideration from the subject countries.

A. Product under consideration.

3. The product under consideration in the present application is Acrylonitrile Butadiene Rubber (NBR) in bale form with ACN content (Bound Acrylonitrile %) between 25% to 42%, specifically excluding Carboxylated, Hydrogenated and Oil-extended NBR bales.
4. The product under consideration is imported under the HS code 40025900.

5. The parties to the present investigation may provide their comments on the product under consideration and propose PCNs (with justification), if any, within 30 days of circulation of the receipt of intimation of initiation of the investigation.

B. Like article.

6. The applicant has submitted that there are no significant differences in the product produced by the applicant and exported from the subject countries and both are like articles. The product produced by the applicant and imported from the subject countries are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process & technology, functions & usage, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and have been using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules. Thus, for the purposes of initiation of the present investigation, the product produced by the applicant has been *prima facie* considered as like article to the product being imported from the subject countries.

C. Domestic industry & standing.

7. The application has been filed by Apcotex Industries Limited. The applicant is the sole producer of the product in India. It has been stated that the applicant has not imported the product under consideration from the subject countries and is not related to any exporters in the subject countries nor to any importers in India.
8. Based on the information provided, it is seen that the applicant constitutes 'domestic industry' within the meaning of Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

D. Subject countries.

9. The subject countries in the present investigation are China PR, European Union, Korea RP and Russia.

E. Period of investigation.

10. The period of investigation (POI) for the investigation is from 1st April 2023 – 31st March 2024 (12 months). The injury examination period is 2020-21, 2021-22, 2022-23 and the period of investigation.

F. Basis for alleged dumping

Normal value for China PR

11. The applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol and has claimed that China PR should be treated as a non-market economy and that producers from China PR should be directed to demonstrate that market economy conditions prevail in the industry with regard to the production and sales of the product under consideration. Unless the producers from China PR show that such market

economy conditions prevail, their normal value should be determined in accordance with Para 7 and 8 of Annexure-I to the Anti-Dumping Rules, 1995.

12. The applicant has submitted that data relating to cost and price in market economy third country is not available and therefore, the applicant claimed normal value based on best estimates of the cost of production in India duly adjusted with selling, general and administrative expenses, along with a reasonable profit margin. The normal value methodology claimed by the applicant has been considered for the purpose of initiation.

Normal value for European Union, Korea RP and Russia.

13. The applicant has claimed that it does not have access to any evidence of selling price in the subject countries. Therefore, applicant has proposed normal value based on the best estimates of cost of production, duly adjusted with selling, general and administrative expenses, along with a reasonable profit margin. The normal value methodology claimed by the applicant has been considered for the purpose of initiation.

Export price

14. The export price of the product under consideration has been determined by considering the CIF price of the product under consideration as reported in DG Systems data. Adjustments have been claimed for ocean freight, marine insurance, commission, bank charges, port expenses and inland freight expenses.

Dumping margin

15. 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 with respect to the product under consideration imported from the subject countries. 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. Injury and causal link

16. 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 absolute as well as relative terms. The applicant has not claimed volume injury. The impact of increased imports has been claimed on only prices. The price undercutting from the subject countries is positive. The price suppression and depression caused by dumped imports have been preventing the applicant from moving its prices in line with changes in cost. It has been claimed that because of the dumped imports from the subject countries, the profitability of the applicant has been significantly impacted. There is sufficient *prima facie* evidence of material injury being caused due to dumped imports from the subject countries to justify the initiation of the anti-dumping investigation.

H. Initiation of anti-dumping investigation.

17. On the basis of the duly substantiated written application submitted by the applicant and having reached satisfaction based on the *prima facie* evidence submitted by applicant concerning the dumping of the product under consideration originating in or exported from the subject countries, the consequential injury to the domestic industry as a result of the alleged dumping of the product under consideration and the causal link between such injury and the dumped imports, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree, and effect of the dumping with respect to the product under consideration originating in or exported from the subject countries and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. Procedure

18. The provisions stipulated in Rule 6 of the Anti-Dumping Rules shall be followed in this investigation.

J. Submission of information

19. All communication should be sent to the Designated Authority via email at email addresses dd19-dgtr@gov.in and dd15-dgtr@gov.in with a copy to adv11-dgtr@gov.in and adv12-dgtr@gov.in. It must 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 in the subject countries, the government of the subject countries through its Embassy in India, and the importers and users in India who are known to be associated with the product under consideration are being informed separately to enable them to ale all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.

21. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.

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 directed to regularly visit the official website of the Directorate General of Trade Remedies (<https://www.dgtr.gov.in/>) to stay updated and apprised with the information as well as further processes related to the investigation.

K. Time limit.

24. Any information relating to the present investigation should be sent to the Designated Authority via email at email dd19-dgtr@gov.in and dd15-dgtr@gov.in with a copy to adv11-dgtr@gov.in and adv12-dgtr@gov.in within 30 days from the date on which the non-confidential version of the documents filed by the applicant would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting countries as per Rule 6(4) of the Rules. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and 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 matter and file their questionnaire responses within the above time limit as stipulated in this notification.
26. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules, 1995 and such request must come within the time stipulated in this notification.

L. Submission of information on confidential basis.

27. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
28. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as 'non-confidential' information by the Authority, and the Authority shall be at liberty to allow 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 the 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.

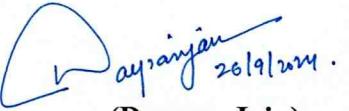
31. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 7 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 including the domestic industry can offer their comments on the issues of confidentiality claimed by the other 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 7 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 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.
35. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.

M. Inspection of public file.

36. 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 to all other interested parties.

N. Non-cooperation.

37. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.



(Darpan Jain)

Designated Authority