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**No. 14/41/2016-DGAD
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi -110001**

Dated the 17th March, 2017

INITIATION NOTIFICATION

Case No. OI- 15/2017

Subject: Anti-dumping investigation concerning imports of 'Dimethylacetamide' originating in or exported from China PR and Turkey.

No 14/41/2016-DGAD: M/s Rashtriya Chemicals and Fertilizers Ltd and M/s Balaji Amines Ltd (hereinafter referred to as the applicants/domestic industry) have jointly filed an application before the 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 Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter also referred to as the Rules) for initiation of anti-dumping investigation and imposition of anti-dumping duty concerning imports of 'Dimethylacetamide' (hereinafter also referred to as the subject goods), originating in or exported from China PR and Turkey (hereinafter also referred to as the subject countries).

Domestic Industry & Standing

2. The Application has been jointly filed by M/s Rashtriya Chemicals and Fertilizers Ltd and M/s Balaji Amines Ltd as the domestic industry as defined in the Rules.

3. The applicants submitted that they are the sole producers of the subject good in India. Thus, as per the evidence available on record, the production of the applicant companies constitutes "a major proportion" of the domestic production; in fact 100% share of domestic production. The Authority, therefore, determines that the applicant company constitutes eligible domestic industry within the meaning of Rule 2 (b) of the Anti-Dumping Rules and the application satisfies the criteria of standing in terms of Rule 5 (3) of the anti-dumping Rule

Product under consideration

4. The product under consideration is '**Dimethylacetamide**' [**N, N-Dimethylacetamide**] [hereinafter also referred to as "subject goods" or "PUC"] originating in or exported China PR and Turkey [hereinafter also referred to as "subject countries"]. Dimethylacetamide is the organic compound with the formula $\text{CH}_3\text{C}(\text{O})\text{N}(\text{CH}_3)_2$ and bears the chemical nomenclature '**N, N-Dimethylacetamide**'. Abbreviations like DMAC or DMA is also used to denote the product under consideration in the market parlance.
5. '**Dimethylacetamide**', which is also the medical subheading used to refer to the PUC, is a clear, colorless to yellow liquid soluble in water and other organic substances with a pale amine like or ammoniacal odor and bears the Chemical Abstract Service (CAS) number 127-19.5.
6. The subject goods is used as a solvent in the manufacture of Acrylic fibre, solvent in the manufacture of polyester films, as a paint remover, and used as a solvent in Paint stripping because of its very rapid removal action and used both as a solvent as well as reactant in drug industry. The product is a hazardous chemical and is generally packed in UN approved HDPE drums.
7. Product under consideration is an organic chemical falling under Chapter 29 of the Customs Tariff Act, 1975 and further under custom sub-heading no. 29241900 which is not a dedicated subheading for the PUC. The petitioner submitted that the PUC is primarily declared under Customs subheading 29241900 at the time of imports however, the subheading is indicative only and is not binding on the scope of the PUC since the imports of PUC are reported under numerous other subheadings also. As per the petition, the imports of the PUC have been taking place under other subheadings also such as 29021100, 29051990, 29110090, 29152990, 29153990, 29211110, 29211190, 29212990, 29225090, 29241900, 29242190, 29242990, 29269000 and 20420090.
8. The Customs classification is, however, indicative only and in no way binding on the scope of the proposed investigation and any measures to be recommended to be imposed.

Like Article

9. The applicants have claimed that there is no known difference between the subject goods exported from subject countries and that produced by the domestic industry. As submitted by the applicants, the product under consideration produced by the domestic industry and imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable.
10. The applicants have further claimed that the two are technically and commercially substitutable and, hence, should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the Authority treats the subject goods produced by the

applicant domestic industry in India as 'Like Article' to the product under consideration being imported from the subject countries.

Countries involved

11. The present investigation is in respect of dumping of the product under consideration from China PR and Turkey.

Normal Value

12. The Applicants have claimed that China PR should be treated as a non-market economy country and its normal value be determined in accordance with Para 7 and 8 of Annexure I of the Rules.

13. The applicants have claimed normal value for subject countries on the basis of cost of production in India, duly adjusted. 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 applicants for the purpose of this initiation.

14. However, while submitting the questionnaire response producers/exporters may have to demonstrate prevalence of market condition related to manufacture, production, and sales of subject good in the domestic market and in export to India and other countries. For this purpose, the producer/exporter, may clarify and provide sufficient information on the following:

- a) Decision in regard to price, cost, input including raw material, cost of technology and labour, output, sales and investment, are without significant state interference and whether cost of major inputs substantially reflect market value.
- b) Production costs and financial situation does not suffer for any distortion.
- c) The producer/exporter are subject to bankruptcy and property law which guarantees legal certainty and stability for the operation of the firms.
- d) Exchange rate conversions are carried out at the market rate.

Export Price

15. The applicants have determined the export price on the basis of import data procured from IBIS in the application since the DGCI&S summary data for the subheading does not pertain solely to the PUC and the DGCI&S transaction wise data was not available to the applicants as per their claims. However, the Authority has obtained DGCI&S transaction wise import data for the PUC and the same is relied upon for the purpose of this initiation. Price adjustments have been claimed on account of Ocean freight, Marine insurance, Inland freight, D/O Charges, Handling & clearing charges.

Dumping Margin

16. The normal value and the export price have been compared at ex-factory level, which show significant dumping margin in respect of both the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the producers/exporters from the subject countries.

Injury and Causal Link

17. Information furnished by the applicants has been considered for assessment of injury to the domestic industry. The applicants has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption, price suppression, price underselling and consequent significant adverse impact in terms of decline in capacity utilisation, increase in inventories, significant financial losses, negative ROI, negative growth in various parameters etc. There is sufficient prima facie evidence of the 'material injury' suffered by the domestic industry caused by dumped imports from subject countries to justify initiation of an antidumping investigation.

18. From the foregoing, the Authority prima facie finds sufficient 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 exist to justify initiation of an anti-dumping investigation in terms of Para 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

Initiation of anti-dumping investigation

19. The Designated Authority, in view of the foregoing paragraphs, initiates antidumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

Period of Investigation (POI)

20. The applicants had proposed 1st April 2015 to June 30th 2016 (15 months) as the POI in their application. However, for enabling the Authority to make required analysis on the basis of more recent data, the Authority determines the POI as 1st April 2015 to September 30th 2016 (18 months). The injury investigation period will however, cover the periods 2012-13, 2013-14, 2014-15 and the POI.

Submission of information

21. The known exporters in the subject countries, the 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 Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry, Department of Commerce
4th Floor, Jeevan Tara Building, 5 Parliament Street,
New Delhi -110001.

22. 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.

Time limit

23. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above 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 Authority may record its findings on the basis of the facts available on record in accordance with the Anti-dumping Rules.

24. 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 and offer their comments to the domestic industry's application regarding the need to continue or otherwise the Antidumping measures within 40 days from the date of initiation of this investigation.

Submission of Information on Non-Confidential basis

25. 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.

26. 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. Two (2) copies of the confidential version and five (05) copies of the non- confidential version must be submitted by all the interested parties.

27. 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.

28. 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.

29. 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.

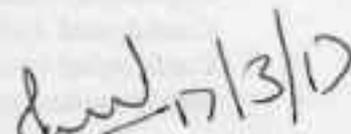
30. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

Inspection of Public File

31. 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

32. 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.


(Dr. Inder Jit Singh)

Additional Secretary & Designated Authority