

To be published in Part-I Section I of the Gazette of India Extraordinary

**F. No. 6/13/2024-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi – 110001**

Dated: 30th September, 2024

**Initiation Notification
Case No. AD(OI)-11/2024**

Subject: Initiation of anti-dumping investigation concerning imports of “Siloxane Polyoxyalkylene Copolymers having viscosity upto 2500cst” originating in or exported from China PR

1. **M/s M/s Momentive Performance Material (India) Pvt. Limited** (hereinafter referred to as the “applicant”), has filed an application before the Designated Authority (hereinafter referred to as the ‘Authority’), on behalf of domestic industry, in accordance with 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’), seeking initiation of anti-dumping duty investigation by alleging dumping of “Siloxane Polyoxyalkylene Copolymers having viscosity upto 2500cst” (hereinafter referred to as the ‘subject goods’ or the ‘product under consideration ‘or the ‘PUC’), originating in or exported from China PR (hereinafter referred to as the ‘subject country’).
- A. **Product under Consideration**
2. The product under consideration in the present investigation is “Siloxane Polyoxyalkylene Copolymers having viscosity upto 2500 cst”
3. Momentive has designed a full range of high performing standard, universal, and specialty silicones to produce flexible polyurethane slab stock and RMS foam, that allows foam producers to tailor solutions to customers, and to offer a broad variety of foam grades. The silicone backbone has an affinity

for hydrophobic / non-polar materials and the polyether pendants are drawn towards more hydrophilic / polar materials.

4. The subject goods are used for slab, molded, rigid foam applications. They are also used in end applications such as bedding and furniture, insulation material, automotive and speciality foams.
5. Product under consideration is used for printing. The subject goods are classified under chapter 3402 and 3910. The custom classification is indicative only and in no way, it is binding upon the product scope.

B. Like Article

6. The applicant has stated that there are no significant differences in the article produced by the applicant and exported from the subject county. The article produced by the applicant and imported from China are comparable in terms of physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the subject goods. The subject goods and the article manufactured by the applicant are technically and commercially substitutable. The applicant has claimed that consumers of the PUC are using the subject goods and the article manufactured by the applicant interchangeably. 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 China PR.

C. Domestic Industry & Standing

7. The application has been filed by M/s Momentive Performance Material (India) Pvt. They are the only producer of the subject goods. Thus, the applicant accounts for a major proportion of the Indian production.
8. The applicants have imported the subject goods from their related parties at prices which are higher than the prices of other suppliers from China. It is, however, seen, that these prices are line with the exports made by the related party to other country and the prices of other non-subject country. It is further claimed by the applicant that the only reason for imports was the fact that the demand of the particular variant may have been very small not justifying a shift in the production schedule at a particular point of time. In any case, the applicant clarified that their related party in China has no interest in the Indian market and shall not be seeking individual treatment.
9. In view of the above, the Authority has prima facie considered applicant domestic producer as domestic industry as defined under Rule 2(b) of the ADD Rules, 1995 and the application satisfies the requirements of Rule 5(3) of the ADD Rules, 1995.

D. Subject Country

10. The application has been filed in respect of alleged dumping of the subject goods originating in or exported from China PR and USA. However, while analyzing the DG Systems import data, it was found that imports from USA were *de-minimus* and therefore, the present investigation is initiated against China PR only.

E. Period of Investigation

11. The applicant has proposed period of investigation as January 2023 to December 2023. However, the Authority has updated the period as 1st April 2023 to 31st March 2024 (12 months). The injury examination period is from 1st April 2020 - 31st March 2021, 1st April 2021 - 31st March 2022, 1st April 2022 - 31st March 2023 and the POI.

F. Normal Value for China PR

12. The applicant has claimed that in terms of Article 15(a)(i) of China's Accession Protocol and Para 7 of the Annexure-I to the AD Rules, the normal value for Chinese producers may be determined based on the cost or domestic selling price prevailing in China PR, only if the responding Chinese producers demonstrate that their cost and price information are based on market-driven principles and allow for fair comparison in terms of paras 1 to 6 of Annexure-I to the ADD Rules, failing which, normal value for the Chinese producers must be determined based on paras 7 and 8 of Annexure-I to the Rules.
13. The applicant has also claimed that the data relating to cost or price in a market economy third country or recourse to other alternative methods is not available. The normal value has been, thereby, constructed based on the best estimates of the cost of the production of the domestic industry of the subject goods as per the best information available after duly adjusting the selling, general and administrative expenses with reasonable profits.

G. Export Price

14. The applicant has claimed the CIF price reported as per market intelligence for the determination of export price. However, the Authority for the purpose of the investigation has relied upon the DG Systems data. Adjustments on account of freight cost, marine insurance, commission, bank charges, port expenses, inland freight, loading and unloading charges have been made to determine the ex-factory export price.

H. 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 and is significant with respect to the product under consideration from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the domestic market of India by the exporters from the subject country.

I. Injury And Causal Link

16. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury as a result of the alleged dumping in the form of increase in volume of dumped imports in absolute as well as in relative terms in comparison to the production and consumption in India, price undercutting and price depressing and suppressing effect on the domestic industry. The price undercutting from the subject country 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 country, 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 country to justify the initiation of the anti-dumping investigation.

J. Initiation of the 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 the applicant concerning the dumping of the product under consideration originating in or exported from the subject country, the consequential injury to the domestic industry as a result of the alleged dumping of the subject goods 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 country and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

K. Submission of Information

18. All communication should be sent to the Designated Authority via email at email addresses dd15-dgtr@gov.in and dd19-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.

19. The known producers/exporters in the subject country, the Government of the subject country through its Embassy in India, and the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file 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.
20. 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.
21. 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.
22. 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.

L. Time Limit

23. Any information relating to the present investigation should be sent to the Designated Authority via email at email address dd15-dgtr@gov.in and dd19-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 application filed by the domestic industry would be circulated by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting country as per Rule 6(4) of the ADD 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.
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 within the above time limit as stipulated in this notification.

25. 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 ADD Rules, 1995 and such request must come within the time stipulated in this notification.

M. Submission of Information on Confidential Basis

26. 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 of the ADD Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
27. 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.
28. 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.
29. 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.
30. The non-confidential summary must be insufficient 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 8 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.
31. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days from the date

of circulation of the non-confidential version of the documents filed before the Authority as indicated in paragraph 24 of this initiation notification.

32. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 8 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
33. 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 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.
34. 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.
35. A list of registered interested parties will be uploaded on the DGTR's website along with the request there in to all of them to email the non-confidential version of their submissions and other information to all other interested parties.

N. Non-Cooperation

36. 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 subsequently time period provided through separate communication, 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