

F. No. 6/35/2024-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:04.12.2024

To,

All Interested Parties

Subject: Scope of the product under consideration (PUC) and the product control number (PCN) methodology in the anti-dumping investigation on imports of “Calcium Carbonate Filler Masterbatch” originating in or exported from Vietnam.

1. Reference is invited to the above-cited subject. The Authority had, on 30th September 2024, initiated the said anti-dumping investigation vide Notification F. No. 6/38/2024-DGTR, wherein the product under consideration (hereinafter referred to as “PUC”) was defined in Section A of the notification and an excerpt of details of the PUC is indicated as under:

“3. The product under consideration in the present investigation is "Calcium Carbonate Filler Masterbatch" which is also known as "Filler Masterbatch" or "Calcium Carbonate Compound.”

4. Calcium Carbonate Filler Masterbatch is a mix of calcium carbonate (a mineral), base plastic materials like polypropylene or polyethylene, and other additives. The said mixture is extruded at a certain temperature to produce the Calcium Carbonate Filler Masterbatch in compound granules form. The PUC majorly constitutes calcium carbonate, with the rest being plastics and other additives.

5. Calcium Carbonate Filler Masterbatch is a special material used in the plastic industry for enhancement of properties of plastic items. Its main job is to be a cost effective and eco-friendly filler imparting specific physical and chemical properties.

6. Many industries use Calcium Carbonate Filler Masterbatch, such as packaging, construction, automotive and consumer goods. When added to plastics, Calcium Carbonate Filler Masterbatch can make them stronger, less likely to break, better at keeping their shape, and less likely to shrink.

7. *Calcium Carbonate Filler Masterbatch can also change how plastic feels on the surface, how it handles heat, and how easy it is to work with. It is often used to make plastic films, sheets, pipes, shaped items, and other plastic goods.*”

2. The non-confidential version of the application filed by Compounds and Masterbatch Manufacturers Association of India (hereinafter collectively referred to as “CMMAI”) and Masterbatch Manufacturers Association (hereinafter collectively referred to as “MMA”) (hereinafter collectively referred to as “domestic industry”) was circulated to all interested parties *vide* email and letter dated 16.10.2024. The interested parties were granted an opportunity to present their comments on the scope of the PUC and propose PCNs, if required, within a period of 30 days from the date of the initiation of the subject investigation. Further, the Authority *vide* notification dated 30 October 2024 extended the timeline of filing comments/ submissions on the PUC/ PCN to 08 November 2024.
3. The Authority then conducted a meeting in this regard on 21th November 2024, pursuant to which additional comments were invited from all the other interested parties.
4. The Authority has received comments on the scope of PUC from the domestic industry, producer/exporter from Vietnam and importers. Name of parties along with their representatives are mentioned below:

S. No.	Interested Parties (filed comments on PUC/PCN)	Legal Representatives
A.	Compounds and Masterbatch Manufacturers Association of India (hereinafter collectively referred to as “CMMAI”) and Masterbatch Manufacturers Association (hereinafter collectively referred to as “MMA”) (Domestic Industry)	Lakshmikumaran Sridharan Attorneys
B.	a. Rishabh Colours Pvt. Ltd., b. Rushabh Plastic, c. Blaze Decorative Pvt Ltd, d. Asian Tradelinks Pvt Ltd, e. Konkan Speciality Poly Products Pvt Ltd, f. A One Trading Co., g. Fine Tech Industries (importers collectively)	Economic Law Practice
C.	ADC plastic., joint stock company. (producer/exporter)	M.S.Pothal & Associates
D.	1. European plastic joint stock company, 2. Polyfill joint stock company,	

	3. Nghe an european plastic one member limited liability company, 4. Yen bai european plastic joint stock company (producers/exporters)	World Trade Consultants & Advocates
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Comments on product exclusion

5. European Plastic Joint Stock Company, Polyfill Joint Stock Company, Nghe An European Plastic One Member Limited Liability Company and Yen Bai European Plastic Joint Stock Company, who are the producers / exporters of the subject goods from Vietnam has sought clarification that Filler Masterbatch produced using Calcium Oxide and Barium Sulphate (BaSO₄) + Calcium Carbonate (CaCO₃) are beyond the scope of PUC. It has been stated that Filler Masterbatch can be manufactured using three different main raw materials, namely:
 - (a) Calcium Carbonate (CaCO₃),
 - (b) Calcium Oxide (CaO) mixed Calcium Carbonate (CaCO₃) and
 - (c) Calcium Carbonate (CaCO₃) mixed Barium Sulphate (BaSO₄).

6. Producers/exporters stated that Filler Masterbatch produced through all three base material have different characteristics, cost of production and price. Whereas the filler masterbatch with a CaO base is hygroscopic, meaning it has the ability to absorb moisture from the environment, on the other hand, Filler masterbatch with a BaSO₄ base is a transparent filler.

7. Rishabh Colours Pvt. Ltd., Rushabh Plastic, Blaze Decorative Pvt. Ltd. Asian Tradelinks Pvt. Ltd., Konkan Specialty Poly Products Pvt. Ltd. and A One Trading Co. Fine Tech Industries, who are the importers/users has sought exclusion of the following grades of PUC alleging that the domestic industry does not produce this in India:
 - a. Grades produced using HDPE Polymers.
 - b. Specialty LLDPE Compound Filler (Grade SRB FORUMULA 1) with calcium carbonate content of 55-65%
 - c. Grade PE 1009, PE-BB02, Supermax – used for industrial tarpaulins

8. The domestic industry has disputed the request for exclusions of PUC on the following basis:
 - a. The domestic industry has submitted that CaO-based masterbatches (commercially known as Desiccant Masterbatch) and BaSO₄-based masterbatches (known as transparent filler masterbatches) are distinct products with different chemical compositions, functional properties, and end-use applications from the PUC, and are not covered under the scope of PUC when these constituents form the majority content (more than 50% by volume).

- b. However, a product with majority CaCO₃ content and small CaO/BaSO₄ addition as additive is covered in PUC scope. The chemical composition and functionality of such a mixture would remain fundamentally that of a calcium carbonate filler masterbatch with a primary purpose of cost reduction in the plastic material. Additions of small amounts of CaO/BaSO₄ will not change the main product characteristics and likeness with the PUC. Therefore, allowing any exclusions of such mixture would create opportunities for circumvention of anti-dumping duties through minor additions of these constituents while maintaining CaCO₃ as the primary component.
 - c. No evidence has been provided by the exporters regarding actual imports of such mixture products during the Period of Investigation. Further, no technical evidence has been submitted to demonstrate that such mixtures, where CaCO₃ remains the majority constituent, perform different functions from the PUC.
 - d. It is also stated that the Vietnamese producers' own product literature and market presentations clearly distinguish between CaCO₃-based filler masterbatches, desiccant masterbatches (CaO-based), and transparent filler masterbatches (BaSO₄-based) as separate product categories with distinct applications and compositions. The technical specifications provided by these producers indicate that their desiccant masterbatches typically contain 75% (±2%) CaO content, while their transparent filler masterbatches contain 78-82% (±2%) BaSO₄ content.
 - e. The domestic industry has submitted documentary evidence demonstrating they manufacture and supply CaO based desiccant masterbatch and Transparent Filler Masterbatches based on BaSO₄/Na₂SO₄ but such products where CaO/ BaSO₄ /Na₂SO₄ are the major constituents are already excluded from the PUC scope.
 - f. With respect to the allegation of grades of PUC not manufactured by the domestic industry, it has been submitted by the domestic industry with evidence that they manufacture and supply PUC using HDPE as the base polymer resin, filler masterbatches with varying calcium carbonate content, including compositions matching the range claimed for Specialty LLDPE grade (55-65%).
 - g. Further, the domestic industry also manufactures and commercially supplies PUC specifically designed for Tarpaulin applications, meeting all technical requirements including size, strength parameters, weather resistance properties, and necessary processing characteristics.
9. Having regard to the facts presented, the Authority notes that there are different uses of “Filler Masterbatch with CaO base” and “Filler Masterbatch with BaSO₄ base” (where these chemicals constituent major proportion). In this regard, the Authority has gone through the product brochure available on the website of the certain domestic Indian producers as well Vietnamese producer/exporters of masterbatch. It is evident that the CaO based filler masterbatch is a desiccant masterbatch used for its ability to absorb

moisture from the environment. On the other hand, BaSO₄ based filler masterbatch is a transparent filler masterbatch. The exporters in their submission have also admitted the above facts.

10. Both the product namely “Filler Masterbatch with CaO base” and “Filler Masterbatch with BaSO₄” have different characteristics and end use applications as compared to calcium carbonate based filler masterbatch.
11. In the import data there is no such import of Filler Masterbatch with CaO base from the subject country. With respect to BaSO₄ based masterbatch, there are couple of import entry from Vietnam, however, the description of such import suggests these to be different product than CaCO₃ based filler masterbatch.
12. The Authority notes that CaO or BaSO₄ based filler masterbatches wherein the content of CaO or BaSO₄ are in major proportion (more than 50% by volume) are NPUC in the present case. Similarly, CaCO₃ based filler masterbatches wherein the major constituent is CaCO₃ are covered in the scope of PUC.
13. For removal of doubt, the Authority clarifies the PUC as below –

The product under consideration in the present investigation is "Calcium Carbonate Filler Masterbatch" which is also known as "Filler Masterbatch" or "Calcium Carbonate Compound" wherein Calcium Carbonate (CaCO₃) is major constituent i.e., more than 50% by volume.

Additionally, with regard to the exclusion claim for various grades of the subject goods. Importers supported their claim by producing a certificate wherein M/s Makers & IQ Industries Pvt. Ltd. mentions that they are purchasing Calcium Carbonate Filler Masterbatches PE 1009 from Asian Tradelinks Pvt. Ltd for last one year, as the same is not available with most of the local manufacturers. However, domestic industry has provided copy of invoices and certificate of analysis to demonstrate that it produces and sells PUC with base polymer as HDPE, PUC with varying calcium carbonate content, including compositions matching the range claimed for Specialty LLDPE grade and PUC specifically designed for Tarpaulin applications. Therefore, no such exclusions are allowed from the scope of PUC.

Comments on PCN Methodology

PCN Based on CaCO₃ content -

14. With regard to the PCN Methodology in the subject investigation, the Authority received submissions from producers/exporters from Vietnam namely, European Plastic Joint Stock Company, Polyfill Joint Stock Company, Nghe An European Plastic One Member Limited Liability Company, Yen Bai European Plastic Joint Stock Company, ADC PLASTIC., JSC, as well as from importers/users namely, Rishabh Colours Pvt. Ltd., Rushabh Plastic, Blaze Decorative Pvt. Ltd. Asian Tradelinks Pvt.

Ltd., Konkan Specialty Poly Products Pvt. Ltd. and A One Trading Co. Fine Tech Industries.

15. The producers/exporters from Vietnam have submitted that PCN must be created on the basis of calcium carbonate content contained in the PUC. Similar arguments were made by the importers/users in India.
16. However, different submissions were made to the Authority regarding the range of CaCO₃ content for creating the PCNs. European Plastic Joint Stock Company, Polyfill Joint Stock Company, Nghe An European Plastic One Member Limited Liability Company and Yen Bai European Plastic Joint Stock Company proposed a 10% range to be adopted as below -

Calcium Carbonate content (%) (CaCO ₃)	Below 70%	1
	above 70% and upto 80%	2
	above 80% and upto 90%	3
	over 90%	4

17. While another producer exporters from Vietnam namely, ADC PLASTIC., JSC proposed a 3% range to be adopted for the PCN for calcium carbonate content. Similarly, the importer/users have prescribed a 3% range as below –

Calcium Carbonate content (%) (CaCO ₃)	83-88%	A
	79-82%	B
	75-78%	C

18. The domestic industry acknowledges that calcium carbonate content influences the cost and pricing of the product. The domestic industry submits that the PCNs may be based on the following calcium carbonate content ranges:
- Less than 75% CaCO₃
 - 75-85% CaCO₃
 - More than 85% CaCO₃
19. The domestic industry submitted that the proposed 3% interval PCN structure is technically unfeasible and administratively impractical, given the production tolerance

range of $\pm 2\%$ in calcium carbonate content. This tolerance range would create overlapping categories, making product classification ambiguous and potentially placing products with a particular calcium carbonate content in multiple PCN categories. Such granular differentiation would unnecessarily burden the domestic industry without serving any legitimate purpose in ensuring fair price comparisons.

20. The domestic industry proposed PCN categorization with ranges of 75-85% calcium carbonate content suggesting that this proposal aligns with market realities, as evidenced by both domestic industry practices and Vietnamese producers' websites showing standard calcium carbonate content of 78-82% ($\pm 2\%$). Additional PCN categories may be created for grades with calcium carbonate content below 75% (higher polymer grades) and above 85% (lower polymer grades) to address specific applications with limited demand.

PCN based on different base polymers -

21. One of the producer/exporters from Vietnam namely ADC PLASTIC., JSC also submitted that PCNs should be created on the type of base polymer used as it influences the cost the production of PUC. The same suggestions are also made by the importers/users.
22. In this regard, the domestic industry submitted that there are inconsistent cost difference claims (varying from 3-5% to 3-10%) without supporting evidence by the interested parties. The actual data of polymer prices on record demonstrates that the price difference between different polymers is approximately only 2%. In fact, some of the major producers from Vietnam like Euro Plas have not even asked for PCN based on different polymers (PP/PE/HDPE).

PCN based on application -

23. ADC PLASTIC., JSC also submitted that PCNs should be created on the basis of end use application of PUC. It is submitted that the decision on CaCO_3 powder content and the type of base plastic material to be used depends on the application. Further, PUC based of PP and PE route with different CaCO_3 powder content have identifiable and distinct applications.
24. The domestic industry submitted that the creation of PCNs based on end-use applications is deemed inappropriate as it: (a) does not impact cost and pricing; (b) allows identical masterbatch compositions to be used across multiple applications; (c) maintains consistent product characteristics and costs regardless of final application; (d) presents implementation challenges due to impossibility of segregating import data by application; and (e) carries risk of misdeclaration in reporting since applications are not mentioned in invoices/documents.
25. Having regard to the facts presented, the Authority has noted that calcium carbonate content influences the cost and pricing of the product. Therefore, it is necessary to

create PCN based on the content of the CaCO₃. With regard to the % range to be adopted for the PCN for calcium carbonate content, the Authority notes that there is a tolerance range of $\pm 2\%$ in calcium carbonate content. The same is also acknowledged by the producer/exporters in their own submissions. This means a product targeted at 78% CaCO₃ content could potentially contain between 76-80% CaCO₃. Therefore a 3% CaCO₃ content range would create overlap between categories, making product classification unworkable from both technical and administrative perspectives.

26. Further, the major producers/exporter participating in the investigation from Vietnam have supported the creation of PCNs with 10% ranges in calcium carbonate content. Additionally, the Authority, based on the catalogue and invoices submitted by Vietnamese producer as well as domestic industry observes that mostly the standard range of CaCO₃ is 78% to 82% ($\pm 2\%$). In fact, one of the exporters has also submitted that it generally deals in 75-88% CaCO₃ content PUC.
27. Considering the above fact, the Authority considers it appropriate to create the PCN in the present investigation on the basis of calcium carbonate content with following three categories:

Criteria	PCN Code
Less than 75% CaCO ₃	A
75-85% CaCO ₃	B
More than 85% CaCO ₃	C

28. As far as PCN creation based on different polymer base is concerned, the Authority notes that the actual data of polymer prices submitted by the domestic industry on record for the POI demonstrates that the price difference between different polymers is approximately only 2%. None of the other interested parties have provided any satisfactory contrary evidence or supporting documents to counter the submissions made by the domestic industry.
29. With regard to creation of PCN based on application, the Authority notes that there is no evidence placed on record by the interested parties to substantiate such claim. The Authority understands that the content of calcium carbonate and polymer will eventually be based on the application of the product. Since PCN is already being created based on calcium carbonate content, there is no need to create any additional PCN based on application.
30. Certain interested parties have raised issues regarding the quality of the PUC supplied by the domestic industry arising out of differences in production technology. The Authority notes that it is a well-settled principle that quality is not a criterion for

defining the product scope in an antidumping investigation. Further, the process of manufacture is of no consequence in a trade remedy investigation as the same goods may be produced with different production and technology processes. However, the Authority will verify the claims regarding the quality of the PUC supplied by domestic industry during the investigation.

31. All interested parties i.e., producers/exporters/importers/users etc. are requested to file respective questionnaire responses within 15 days from the date of this notice.
32. As trade remedial investigations are time-bound in nature, no further extension of time will be granted in the captioned matter.
33. This issue with the approval of the Designated Authority.

Sd/-
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