

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

**Case No. SSR 16/2017
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: 20th November, 2017

INITIATION NOTIFICATION

(Sunset Review)

Initiation of Sunset Review of Anti-dumping Duty imposed on imports of Caustic Soda originating in or exported from Saudi Arabia and the United States of America.

File No. 7/16/2017-DGAD: Whereas, the present petition has been filed by M/s Alkali Manufacturers' Association of India (AMAI) on behalf of India producers. The petitioner Association have provided relevant financial information, by domestic producers namely DCW Limited, Grasim Industries Limited and SIEL Chemical Complex, to file this application for the extension of period, modification and enhancement of existing anti-dumping duties on imports of Caustic Soda (hereinafter referred to as subject good) from Iran, Japan, Saudi Arabia and the United States of America (hereinafter referred to as subject countries).

BACKGROUND

2. Whereas, the original investigation concerning imports of the subject goods from the subject countries was initiated by the Authority vide Notification 56/1/99-DGAD, dated 26th May, 2000 and the final finding was notified by the Authority vide Notification No. 56/1/99-DGAD dated 14th May, 2001. Accordingly, Customs Notification No. 69/2011-Customs (ADD) dated 26th June, 2001 was issued imposing duty. The anti-dumping duty initially levied was renewed under sunset review vide Notification No. 15/29/2004-DGAD dated 1st August, 2006 and notified vide Customs Notification No. 98/2006 dated 13th September, 2006.
3. Upon completion of five years, a Sunset Review investigation was initiated by the Designated Authority against the imports of Caustic Soda from Saudi Arabia, USA, Japan, Iran and France vide notification 15/28/2010 dated 2nd September, 2011. The Designated Authority vide notification 15/28/2010-DGAD dated 31st August, 2012 recommended

continuation of anti-dumping duties against imports from Saudi Arabia, Iran and USA. The ADD against imports from Japan was recommended as Nil and ADD against imports from France was terminated. Accordingly, a customs Notification No. 49/2012 – Customs (ADD), dated 26th November, 2012 was issued valid for a period of 5 years.

4. Another mid-term review was initiated by the Authority vide notification 15/19/2015 dated 22nd January, 2016, against the imports from USA, Iran and Saudi Arabia. The Designated Authority conducted detailed investigations in respect of three subject countries, i.e. Saudi Arabia, Iran and USA; and recommendations were issued vide notification No. 15/19/2015 dated 20th June, 2017. The Authority recommended modifications in duty which were notified vide customs notification no. 39/2017-Customs (ADD) dated 23rd August, 2017.

Subject Countries

5. After due examination of various vital information and facts in the petition the Authority has decided to initiate the investigation only against Saudi Arabia and USA and not initiate the investigation against Japan and Iran in view of lack of sufficient evidence of dumping and injury against them. Therefore, the countries involved in the present review investigation are Saudi Arabia and USA.

Product under Consideration

6. The product under consideration in the present investigation is Sodium Hydroxide (chemical nomenclature NaOH), commonly known as Caustic Soda (referred to as caustic soda in the present investigation). The product under consideration is the same as considered in the original investigation.
7. Caustic soda is an inorganic, soapy, strongly alkaline and odourless chemical and finds application in various fields like manufacture of pulp and paper, newsprint, viscose yarn, staple fibre, aluminum, cotton, textiles, toilet and laundry soaps, detergent, dyestuffs, drugs and pharmaceuticals, petroleum refining etc. Caustic soda is produced in two forms, i.e., lye and solids by three technological processes, i.e., mercury cell process, diaphragm process and membrane process. The difference in these processes does not lead to a difference in product in terms of various characteristics.
8. Caustic soda is classified under Chapter 28 of the Customs Tariff Act, 1975 under Customs heading 2815 11 and 2815 12. As per ITC eight digit classifications, the product is classified under the Customs Heading 2815 11 10, 2815 11 90 and 2815 12 00. The classification is however, indicative only and is in no way binding on the scope of the present investigation.

Like Article

9. Rule 2(d) with regard to like article provides as under: -

"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another

article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;

10. Petitioner has claimed that there is no known difference in subject goods exported from subject countries and that produced by the Indian industry. Both the products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc.

Domestic Industry & Standing

11. The petition has been filed by M/s Alkali Manufacturers' Association of India (AMAI) on behalf of 3 major producers of the subject goods i.e. DCW Limited, Grasim Industries Limited and SIEL Chemical Complex. M/s Grasim Industries has given data of 6 manufacturing units. It has been stated that the production of petitioner companies is 25.06% of Indian production of the subject goods in the Countries. On the basis of information furnished, the Authority notes that the petitioner companies have not made any imports of the subject goods from the subject country during the POI. Therefore, the Authority has considered the petitioner company as Domestic Industry within the meaning of the Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

Initiation of Sunset Review

12. WHEREAS, in view of the duly substantiated application filed and in accordance with Section 9 A (5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority hereby initiates a Sunset review investigation to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the subject countries and to examine whether the expiry of existing duty is likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry.

Period of Investigation

13. The period of investigation (POI) proposed by the applicant was from April, 2016 – March, 2017 and the injury investigation period was for the periods April 2013-March 2014, April 2014 to March 2015, April 2015 to March 2016. However, for enabling the Authority to make required analysis on the basis of more updated data, the Authority hereby determines the POI as April 2016 to June 2017 (15 Months). The injury investigation period will be the same i.e. 2013-14, 2014-15, 2015-16 and POI. The data beyond POI will also be examined to determine the likelihood of dumping and injury.

Procedure

14. The review will cover all aspects as notified under Notification No. 15/28/2010-DGAD dated 31st August, 2012 and 15/19/2015 dated 20th June, 2017.

15. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules supra shall be mutatis mutandis applicable in this review.
16. While submitting questionnaire response, producer/ exporter may have to demonstrate prevalence of market condition related to manufacture, production and sale 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 made in response to market signal reflecting supply and demand and without significant state interference and weather cost of major inputs substantially reflect market value.
 - b) Production costs and financial situation does not suffer from 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.

Submission of Information

17. The known exporters in the subject country, the Government of the subject country through its 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:

**Government of India
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18. 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. Any party making any confidential submission before the Authority is required to submit a non-confidential version of the same to be made available to the other parties.

Time Limit

19. Any information relating to the present review 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.

20. 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 Anti-dumping measures within 40 days from the date of initiation of this investigation.

Submission of information on confidential basis

21. In case confidentiality is claimed on any part of the questionnaire 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 and accompanied with soft copies.
22. 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 two (02) copies of the non-confidential version must be submitted by all the interested parties.
23. 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.
24. 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.
25. 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.
26. 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

27. In terms of rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidences submitted by other interested parties.

Non-cooperation

28. 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.

(Shri Sunil Kumar)

Additional Secretary and Designated Authority