

F.No.7/14/2017-DGAD
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Anti-Dumping & Allied Duties
Jeevan Tara Building, New Delhi-110001

Dated the 22nd September, 2017

INITIATION NOTIFICATION

Case No. SSR- 14/2017

(Sunset Review Investigation)

Subject: Initiation of Sunset Review Anti-dumping investigation concerning imports “Melamine” originating in or exported from European Union, Iran, Indonesia and Japan.

F. No. 7/14/2017-DGAD: Having regard 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):

2. Where the designated Authority Vide notification No. F.NO. 14/35/2010-DGAD dated 01.06.2012 recommended imposition of Anti-dumping duty on imports of Melamine originating in or exported from European Union, Iran, Indonesia and Japan. On the basis of such recommendation ministry of Finance imposed definitive duty vide notification no. 48/2012-Customs (ADD) dated 08.10.2012.

Request for Review

3. Whereas, in terms of Section 9 A (5) the Customs Tariff Act, 1995, read with Rule 23 of the Rules, the antidumping duty imposed under the said Act shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, unless in a review, initiated before the expiry of the duty, the Designated Authority concludes that the cessation of the duties is likely to lead to continuation or recurrence of dumping and injury. In accordance with the above, the Authority is required to review, on the basis of a duly substantial request made by or on behalf of the domestic industry within a reasonable period of time prior to the date of the expiry of the measure, as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

4. And whereas Gujarat State Fertilizers & Chemicals Ltd.(hereinafter referred to as the petitioner) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) for initiation of sunset review anti-dumping investigation

and continuation of anti-dumping duties concerning imports of ‘Melamine’ (hereinafter also referred to as subject goods), originating in or exported from European Union, Iran, Indonesia and Japan (hereinafter also referred to as the subject countries)

Grounds for review

5. The request is for continuation of the antidumping duties in force on the grounds that dumping subject goods from the subject countries/territories have continued and is likely to continue and recur if the duties are revoked because of the excess capacities in the subject countries/territories and other factors.

6. And whereas, on finding prima facie that sufficient evidence in the petition to initiate an investigation to examine the likelihood of continuation or recurrence of dumping and injury, to justify an initiation of sunset review anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry concerning imports of the subject goods from subject countries.

Product under consideration and Like Article

7. The product under consideration on which duties are in force is ‘Melamine’.

8. The Designated Authority defined the scope of the product under consideration as follows in the Final Finding dated 01.06.2012:

“7. The product under consideration in the present petition is Melamine, a tasteless, odourless, and non-toxic substance. Melamine formaldehyde resin is used for laminates as its offers good hardness, resistance to scratch, stain, water and heat. Laminated used in some electrical applications possess high mechanical strength, good heat resistance and good electrical insulating properties. Asbestos filled Melamine resins possess very high dielectric strength and high resistance. Beside the best dimensional stability, Melamine Formaldehyde moulding powder gives clear and bright colours, easily mouldable and offers resistance to surface scratching. Melamine is reacted with formaldehyde and made into resins or moulding powder for making innumerable products of beauty and utility. Melamine is used for making melamine formaldehyde, which in turn is used in producing the downstream products.

8. The subject goods is classified under chapter 29 of the Customs Tariff Act at subheading no. 29336100. The customs classification is however is for reference purpose only and will have no binding on the scope of the present investigation.”

9. The petitioner has claimed that there is no known difference between the subject goods exported from subject countries and that produced by the petitioner. As submitted by the petitioner, subject goods 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 petitioner has further claimed that 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 petitioner in India as 'Like Article' to the product being imported from the subject countries

Domestic Industry

10. The present petition seeking sunset review of anti-dumping duties on subject countries is being filed by Gujarat State Fertilizers & Chemicals Ltd. Petitioner have claimed that they are the sole manufacturer of subject goods in India. The same was also the finding in the original investigation. The production of petitioners accounts for "a major proportion" in total production of the product under consideration in India. Petition therefore, satisfies standing and petitioners constitute Domestic Industry within the meaning of the Rules.

Initiation of Sunset Review

11. Having satisfied itself, on the basis of the positive prima facie evidence submitted by the domestic industry indicating likelihood of continuation or recurrence of dumping and consequent injury, the Authority hereby initiates a Sunset Review investigation in accordance with Section 9 A (5) of the Act, read with Rule 23 of Antidumping Rules, to examine whether the expiry of the duties on the subject goods extended/imposed, vide customs notification No. 48/2012-Customs (ADD) dated 08.10.2012, would likely to lead to continuation or recurrence of dumping and injury to the domestic industry and whether continued imposition of duties is warranted.

Subject Countries

12. The countries involved in the present investigation are European Union, Iran, Indonesia and Japan (referred to as the "subject countries").

Normal Value

13. The petitioners have submitted that in the absence of availability of reliable information in the public domain on domestic prices of the subject goods in the subject countries, the Normal values in the subject countries have been estimated on the basis

of cost of production; taking into account prevailing international prices of raw materials and conversion costs of the domestic industry, duly adjusted on account of selling, general & administration expenses, plus reasonable profit.

Export Price

14. The petitioner has claimed export price for the subject goods on the basis of DGCI&S published data. Adjustments have been claimed on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to arrive at net export price at ex-factory level. There is sufficient prima facie evidence with regard to the export price claimed by the petitioner.

Dumping Margin

15. The normal value has been compared with the export price at ex-factory level. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries are higher than the ex-factory export price, indicating that the subject goods are being dumped into the Indian market by the exporters from the subject countries. The dumping margin so estimated is above de minimis levels and is significant. In case of Indonesia, where there are no imports, the Authority has prima facie examined likelihood of dumping and injury.

Injury and Causal Link

16. Information furnished by the petitioner has been considered for assessment of injury to the domestic industry. The petitioner 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, price underselling and consequent significant adverse impact in terms of profits, return on capital employed and cash flow of the domestic industry. There is prima facie evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject countries and/or its recurrence on cessation of existing anti-dumping duty to justify initiation of a sunset investigation, to consider continuance of the existing ADD.

Period of Investigation (POI)

17. The period of investigation (POI) for the present investigation is from 1st April-2016 to 31st March 2017(12 months). However, for the purpose of analyzing injury, the data of previous three years, i.e. Apr'13-Mar'14, Apr'14-Mar'15, Apr'15-Mar'16 and the period of investigation has been considered. Further, for likelihood analysis post POI data would be considered.

Submission of information

18. 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.**

19. 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

20. 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.

21. 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 Non-Confidential basis

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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

28. 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

29. 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.

(Sunil Kumar)
Additional Secretary & Designated Authority