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File No. 06/53/2020-DGTR

Government of India

Department of Commerce

Ministry of Commerce & Industry

(Directorate General of Trade Remedies)

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Dated 25.02.2021

INITIATION NOTIFICATION

(Case No. ADD (OI) - 45/2020)

Subject: Initiation of anti-dumping investigation (Material-Retardation) concerning imports of “N, N’-Dicyclohexyl Carbodiimide (DCC)” originating in or exported from China PR.

File No. 6/53/2020-DGTR- M/s Clean Science and Technology Private Limited Ltd (hereinafter also referred to as the “Applicant”) has filed an application (hereinafter also referred to as the “Petition”) seeking initiation of anti-dumping investigation concerning imports of “N, N’-Dicyclohexyl Carbodiimide (DCC)” (hereinafter also referred to as “subject goods” or the “product under consideration”) originating in or exported from China PR (hereinafter also referred to as “subject country”), citing preliminary reason of material retardation, 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”).

2. The Applicant has alleged that material injury to the domestic industry is being caused due to dumped imports of the subject goods, originating in or exported from the subject country, and has requested for imposition of the anti-dumping duty on the import of the subject goods originating in or exported from the subject country.

Product Under Consideration (PUC)

3. The product under consideration in the present application is Dicyclohexylcarbodiimide, also known as N, N’-Dicyclohexyl Carbodiimide, DCC and 1, 3-Dicyclohexylcarbodiimide (DCC), originating in or exported from the subject country. DCC is an organic compound with chemical formula (C₆H₁₁N)₂C. It is colourless to pale yellow in colour, occurring in liquid or semi solid form and has a sweet odor. Its primary use is to couple amino acids during artificial peptide synthesis. The low melting point of this material allows it to be melted for easy handling. It is highly soluble in dichloromethane, tetrahydrofuran, acetonitrile and dimethylformamide but

insoluble in water and the Chemical Abstracts Service (CAS) Registry number for the subject goods is 538-75-0.

4. This product is mainly used in amikacin, glutathione dehydrants as well as in the synthesis of acid anhydride, aldehyde, ketone and isocyanate. It is also used in the synthesis of peptides, esters, ethers, nitriles etc. It is a key raw material in antiretroviral drugs like Valaciclovir and Amikacin. DCC is widely used in medical, health, make-up and biological products.

5. The PUC is classified under the tariff custom classification 29251900, 29252990. The PUC, however, has been also may imported under other ITC (HS) codes. The customs classification is only indicative and is not binding on the scope of the product under consideration.

Like article

6. The Applicant has claimed that there is no known difference between the subject goods exported from the subject country and that produced by the domestic industry. Subject goods produced by the domestic industry and product under consideration imported from the subject country 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 use the two interchangeably. The Applicant has 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 subject goods produced by the Applicant in India are being treated as 'Like Article' to the product under consideration being imported from the subject countries.

Domestic industry

7. The application has been filed by M/s Clean Science and Technology Private Limited. As per the claim of the Applicant, there is no other manufacturer of the like articles in India. The production by the Applicant constitutes 100% of the domestic production of the like article. The Applicant has claimed that it is not related to an exporter or producer of the subject goods in the subject country or an importer in India either directly or indirectly within the meaning of Rule 2(b) of Anti-Dumping Rules. In view of the same, it is prima facie concluded that the application satisfies the requirements of standing in terms of Rule 5(3), and the applicant constitutes domestic industry within the meaning of Rule 2(b).

Subject Country

8. The subject country for this investigation is China PR.

Period of Investigation

9. The Applicant proposed the Period of Investigation (hereinafter also referred to as "POI") 1st January, 2020 – 30th June, 2020 (6 months). However, the Authority

proposes to consider the POI as 1st January, 2020 to 31st December, 2020 (12 months). The injury investigation period will cover the periods April 2017-March 2018, April 2018- March 2019, April 2019-December 2019 and the POI.

Basis of alleged dumping

Normal Value

10. The Applicant has claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of paragraph-7 of Annexure I of the Rules. The Applicant has cited and relied upon Para 8(2) of Annexure I of the Rules and stated that the Chinese producers should be directed to show that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure I of the Rules. The Applicants have claimed that Chinese domestic costs and prices cannot be accepted unless the Chinese exporters pass the tests of market economy. The Applicant has stated that for China normal value should be determined in accordance with para-7 and 8 of Annexure I of the Rules. In view of the above, subject to rebuttal by the responding exporters from China PR, a presumption has been made regarding non-market economy for China PR and normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules.

11. The Applicant has stated that they are not in a position to obtain any price details for the subject goods prevalent in any of the market economy third country. The Applicant has proposed that, for the purpose of initiation, normal value may be constructed on the basis of actual prices paid or payable in India for the like product. Accordingly, the Authority has, for the purpose of initiation, constructed the normal value for China PR on the basis of cost of production in India and selling, general and administrative expenses along with reasonable addition for profit.

Export Price

12. The Authority has computed the export price for the subject country based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Adjustments have been made for ocean freight, marine insurance, port expenses, bank charges, commission, credit cost and inland freight.

Dumping Margin

13. The normal value and the export price have been compared at ex-factory level, which prima facie shows dumping margin is above the de-minimis level and significant in respect of the product under consideration from the subject country. There is prima facie evidence that the product under consideration from subject country is being dumped into the Indian market by the exporters from the subject country and consequent materially retardation to the nascent stage domestic industry.

Material Retardation, Injury and Causal link

14. The Domestic Industry claimed that it is at the nascent stage and commercial production of PUC was started in January, 2020 onwards and there has been material retardation to the establishment of the industry.

15. Information furnished by the Applicant has been considered for assessment of injury which has materially retarded the domestic industry. The Applicant 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 in India, price undercutting and price suppressing effect on the domestic industry. The Applicant has claimed that its establishment has been adversely impacted in respect of production, sales and consequent decline in profits, return on capital employed, and cash flow, as a result of increase in imports of PUC at a price below selling price and non-injurious price for the domestic industry. There is sufficient prima facie evidence that the material retardation/injury exists and is being caused to the domestic industry by dumped imports from subject country which further hampered the establishment of Domestic Industry.

Initiation of Anti-Dumping Investigation

16. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, about dumping of the product under consideration originating in or exported from the subject country, material retardation/injury to the domestic industry and causal link between such alleged dumping and material retardation/injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates an investigation to determine the existence, degree and effect of any alleged dumping in respect of the product under consideration originating in or exported from the subject country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the material retardation/injury to the domestic industry.

Procedure

17. Principles as given in Rule 6 of the Rules will be followed for the present investigation.

Submission of Information

18. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent by email at email address adg15-dgtr@gov.in, adv12-dgtr@gov.in, jd12-dgtr@gov.in and jd14-dgtr@gov.in. It should 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, Government of the subject country through its Embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed

separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.

20. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below.

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 parties.

22. Interested parties are further advised to keep a regular watch on the official website <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

Time Limit

23. Any information relating to the present investigation should be sent by email at the email addresses adg15-dgtr@gov.in, adv12-dgtr@gov.in, jd12-dgtr@gov.in and jd14-dgtr@gov.in within 30 days from the date of the receipt of the notice as per the Rule 6(4) of the Rules. 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 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.

Submission of information on confidential basis

25. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 8(2) of the Rules. Failure to adhere to the above may lead to rejection of the response / submissions.

26. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.

27. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the 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 information which are 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 is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and 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, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

30. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied the request for confidentiality is not 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.

31. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.

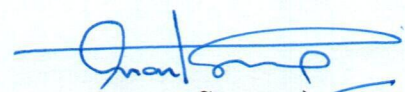
32. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

Inspection of Public File

33. A list of all registered interested parties will be uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file will not be accessible physically due to ongoing global pandemic.

Non-cooperation

34. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.


(Anant Swarup)
Designated Authority