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**F. No. 7/22/2021-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: 13<sup>th</sup> September, 2021

**INITIATION NOTIFICATION**

**(Case No. AD (SSR) – 18/2021)**

**Subject: - Initiation of sunset review investigation concerning imports of “Hydrogen Peroxide” originating in or exported from Bangladesh and Thailand.**

M/s. National Peroxide Limited (hereinafter also referred to as the "applicant" or "petitioner") has filed an application seeking initiation of sunset review investigation in respect of the anti-dumping duty imposed on the imports of "Hydrogen Peroxide" (hereinafter also referred to as the "subject goods" or "product under consideration"), originating in or exported from Bangladesh and Thailand (hereinafter also referred to as "subject countries") 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. In terms of Section 9A (5) of the Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the same, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
3. The applicant has alleged that the dumping of the subject goods from the subject countries has continued even after the imposition of the anti-dumping duty and that there is likelihood of continuation/recurrence of the dumping and injury in the case of cessation of the duties. The applicant has requested for extension of the duties on the imports of the subject goods, originating in or exported from the subject countries.

4. The applicant has provided the relevant information in the petition. The petition has been examined for sufficiency of the information and the evidence of the dumping and the consequent injury to justify initiation of investigation. Since the petition is duly documented and contains sufficient prima facie evidence of likelihood of the dumping and the injury if the existing duty is allowed to expire, the Authority initiates the sunset review investigation of the anti-dumping duty already imposed on the imports of the subject goods originating and exported from the subject countries.

**A. Background**

5. The original anti-dumping investigation concerning the imports of the subject goods from Bangladesh, Taiwan, Korea RP, Indonesia, Pakistan and Thailand was initiated by the Authority vide Notification No. 14/3/2015-DGAD dated 14th January, 2016 by the Authority. The final findings were issued by the Authority vide Notification no. 14/03/2015-DGAD dated 11th April, 2017 whereby the Authority found that the subject goods imported from all the subject countries, except Indonesia, are being dumped into India and injuring the domestic industry. On the basis of the recommendations made by the Authority in the final findings, definitive anti-dumping duty was imposed by the Central Government vide Notification No. 28/2017-Customs (ADD) dated 14th June, 2017 on the imports of the subject goods, originating in or exported from Bangladesh, Taiwan, Korea, Pakistan and Thailand for a period of five years from the date of the Notification.
6. The said findings were challenged before the Hon'ble CESTAT. In pursuance of the CESTAT order No. 58470-58474/2017 dated the 20th December, 2017, the Authority vide its final findings Notification No. 14/3/2015-DGAD dated 17th April, 2018, re-determined the Non-Injurious Price (NIP) and recommended the revised anti-dumping duty on the import of Hydrogen Peroxide originating in or exported from the subject countries. On the basis of the recommendations made by the Authority in the final findings, revised anti-dumping duty was imposed by the Central Government vide Notification No. 33/2018-Customs dated 01st June, 2018 on the imports of the subject goods, originating in or exported from Bangladesh, Taiwan, Korea, Pakistan and Thailand for a period of five years with effect from 14th June, 2017. The existing duties will expire on 13th June, 2022.
7. The domestic industry has filed the present application for sunset review investigation to seek the continuation of duty only on imports from Bangladesh and Thailand.

**B. Product under consideration**

8. The product under consideration in the present investigation is "Hydrogen peroxide of concentration below 90%". Hydrogen peroxide can be produced in different concentrations. The product under consideration is sold in both loose and packed conditions. Commercially, the product is produced and sold in 35%, 50%, 60% and

70% concentration. It is generally produced and sold on 50% basis. Hydrogen Peroxide (H<sub>2</sub>O<sub>2</sub>) is produced through the process of hydrogenation. At the first stage, the process results in H<sub>2</sub>O<sub>2</sub> with concentration level of around 45% - 46%. Rest is water.

9. The product is distilled to obtain the required concentration of H<sub>2</sub>O<sub>2</sub>. Commercially, the product is produced and sold in 35%, 50%, 60% and 70% concentration. H<sub>2</sub>O<sub>2</sub> is an extremely hazardous/ material. Therefore, from safety point of view, the concentration should be as low as possible. However, transportation of lower concentration means paying additional freight on transportation of water. Therefore, from a commercial point of view, concentration level should be as high as possible.
10. Hydrogen peroxide has strong oxidizing properties and is therefore a powerful bleaching agent that has found use as a disinfectant, as an oxidizer, and in rocketry (particularly in high concentrations as high – test peroxide (HTP) as a monopropellant) and in bipropellant systems and finds application in odour control, corrosion control, inorganic and organic oxidation, toxicity reduction/ biodegradability improvement, disinfection/bio-control, paper and pulp bleaching, manufacture of peroxides and epoxides, therapeutic uses as an antiseptic and antibacterial agent.
11. Hydrogen Peroxide is classified under Chapter 28 under sub heading 28470000 of Customs Tariff Act, 1975. It is also to be noted that the customs classification is indicative only and in no way, it is binding on the scope of the investigation.
12. The present petition being for sunset review investigation, as per the settled jurisprudence and the past practices of the Authority, the product under consideration remains the same as defined in the original investigation.
13. The applicant has proposed for the adoption of Product Control Numbers (PCNs) considering concentration, packing material, price basis and customer location/region of delivery (north, south, east and west). The PCN parameters and the values are explained below. The interested parties, however, can provide their comments/suggestions for the finalization of PCNs for the purpose of this investigation within 15 days from the date of the initiation of this investigation.

SN	Field Description	Specification
1	Concentration	35%
		50%
		60%
		70%
2	Price basis	Delivered
		Ex-factory
3	Packing	Loose

		Packed
4	Region of delivery	North
		South
		East
		West

**C. Like article**

14. The applicant has claimed that the goods produced by the domestic industry are identical to the subject goods exported from the subject country to India. The subject goods produced by the domestic industry are comparable to the imported goods from subject country in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the domestic industry are being treated as 'Like Article' to the subject goods being imported from the subject country.

**D. Domestic industry & standing**

15. The application has been filed by M/s. National Peroxide Limited. It is supported by (i) M/s Indian Peroxide Limited, (ii) M/s Hindustan Organic Chemicals Limited; (iii) M/s Gujarat Alkalies and Chemicals Limited; (iv) M/s Meghmani Finechem Limited and (v) M/s Chemplast Sanmar Limited. The applicant has claimed that it has neither imported the subject goods from the subject countries nor is related to any exporter or producer of subject goods in the subject countries or any importer of the PUC in India.

16. As per evidence available on record, the applicant account for a major proportion in the domestic production of the like article in India. In view of the above and after due examination, the Authority notes that the applicant constitutes eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules supra.

**E. Normal Value**

**Normal Value in Bangladesh**

17. The applicant has obtained the transactions wise price of the subject goods from the domestic tariff area to the special economic regions within Bangladesh. For the purpose of the present initiation, the Authority has considered the normal value on the basis of

the domestic selling price in the subject country by adopting the prices of the transactions from the domestic tariff area to the special economic regions within Bangladesh.

**Normal value in Thailand**

18. The applicant has submitted that efforts were made to obtain the comparable price for the like product in Thailand. However, the price lists or the commercial invoices for the sales in the local market, being commercially sensitive and confidential in nature, were not readily available to the applicant. Further, the evidence with regard to the domestic selling price prevailing during the period of investigation was also not available. However, the applicant has obtained the evidence regarding the import price of the subject goods in Thailand, which is a comparable representative price of the like article in the subject country in the ordinary course of trade as per Section 9A (1)(c).
19. For the purpose of the present initiation, the Authority has considered the normal value on the basis of the import price of the subject goods in Thailand, which is a comparable representative price of the like article in the subject country in the ordinary course of trade.

**F. Export Price**

20. The export price for the subject goods for the subject countries has been computed based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. The price adjustments have been made for ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges and handling.

**G. Dumping Margin**

21. Considering the normal value and the export price determined as above, the dumping margin determined is not only above de-minimis level but also significant. There is prima facie evidence that the normal value of the subject goods in the subject countries is significantly higher than the net export price, thereby indicating that the subject goods originating in or exported from the subject countries have continued to be exported at the dumped prices, in spite of the antidumping duty in force.

**H. Likelihood of continuation / recurrence of dumping and injury**

22. There is prima facie evidence of the likelihood of continuation/recurrence of the dumping and the injury to the domestic industry in the event of cessation of duty, considering the continued significant import quantities and the price of the imports of the subject goods from the subject countries; increased and significant unutilized capacities in the subject countries; export orientation of the exporters; the anti-dumping

duties imposed by the other countries on Bangladesh and Thailand and the price attractiveness of the Indian market. It is prima facie noted that there is likelihood of continuation/recurrence of the dumping and the injury to the domestic industry in the event of cessation of the anti-dumping duty.

**I. Initiation of the sunset review investigation**

23. On the basis of the duly substantiated written application by and on behalf of the domestic industry, and having satisfied itself on the basis of the prima facie evidence submitted by the domestic industry, substantiating likelihood of continuation/recurrence of dumping of the product under consideration originating in or exported from the subject countries and consequent injury to the domestic industry, and in accordance with Section 9A(5) of the Act read with Rule 23(1B) of the Rules, the Authority, hereby, initiates the 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 such duty is likely to lead to continuation or recurrence of the dumping and the injury to the domestic industry.

**J. Subject Countries**

24. The subject countries for the present sunset review investigation are Bangladesh and Thailand.

**K. Period of Investigation (POI)**

25. The applicant has proposed the period from 1st April, 2020 to 31st March, 2021 (12 months). The injury investigation period has been considered as the period 2017-18, 2018-19, 2019-2020 and the POI.

**L. Procedure**

26. The review investigation will cover all aspects of the final findings published vide Notification No. 28/2017-Customs (ADD) dated 14th June, 2017 and Notification No. 14/3/2015-DGAD dated 17th April, 2018, recommending imposition of anti-dumping duty on the imports of the subject goods from the subject countries. The Authority will also undertake the likelihood analysis of the dumping and the injury as required.

27. 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.

### **M. Submission of Information**

28. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Authority via email at the email addresses adg15-dgtr@gov.in, adv12-dgtr@gov.in, jd13-dgtr@gov.in, and dd15-dgtr@gov.in.
29. The known producers/exporters in the subject countries, their governments through their Embassies in India, the importers and users in India known to be connected 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 below.
30. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within in the time limit set out below.
31. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to other interested parties.

### **N. Time Limit**

32. In view of the special circumstances arising out of COVID-19 pandemic, any information relating to the present investigation should be sent to the Authority via email at the email addresses adg15-dgtr@gov.in, adv12-dgtr@gov.in, jd13-dgtr@gov.in, and dd15-dgtr@gov.in within 30 days from the date of the receipt of the notice as per rule 6 (4) of the Rules. It may, however, be noted that in terms of explanation of the said Rules, the notice calling for information and other documents shall be deemed to be have been received within one week from the date on which it was sent by the Authority or transmitted to the appropriate diplomatic representative of the exporting country. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its finding on the basis of the facts available on records in accordance with the Rules.
33. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant investigation and file their questionnaire response/submissions within the above time limit.

### **O. Submission of information on confidential basis**

34. 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 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.

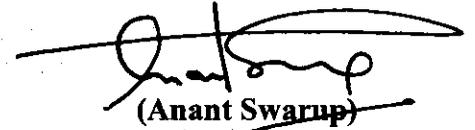
35. The parties making any submission (including Appendices/Annexures attached thereto) before the Authority, including questionnaire response, are required to file confidential and non-confidential versions separately.
36. The "confidential" or "non-confidential" submissions must be clearly marked as "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 a liberty to allow the other interested parties to inspect such submissions.
37. 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 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.
38. 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.
39. 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 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.
40. 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.
41. 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.

**P. Inspection of Public File**

42. In terms of Rule 6(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

**Q. Non-cooperation**

43. 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)

**Joint Secretary & Designated Authority**