

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

**F.No. 7/47/2020-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: 12th February, 2021

INITIATION NOTIFICATION

Case No. AD-SSR-28/2020

Subject: Initiation of 4th sunset review investigation concerning imports of “Polytetrafluoroethylene” from Russia.

1. M/s. Gujarat Fluorochemicals Limited (hereinafter also referred to as the “Applicant”) has filed an application before the Designated Authority (hereinafter also referred to as the “Authority”) on behalf of the domestic industry, 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 Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter also referred to as the “Rules”) for initiation of sunset review investigation concerning imports of “Polytetrafluoroethylene” (hereinafter referred to as ‘product under consideration’ or ‘PUC’ or ‘subject goods’ or ‘PTFE’) originating in or exported from Russia (hereinafter referred to as ‘subject country’).
2. The Applicant has alleged continued dumping & injury and likelihood of intensified dumping and injury and have requested for initiation of sunset review and continuation of the anti-dumping duty (ADD) imposed on the imports of the subject goods originating in or exported from the subject country.

A. Background

3. The original anti-dumping investigation was initiated by the Authority vide Notification No. 21/1/98-DGAD dated 22nd January, 1999. On the basis of recommendation made by the Authority, vide Notification No. 21/1/98-DGAD, dated 13th October, 1999 for definitive antidumping duty on the imports of subject goods originating in or exported from Russia, the imposition of antidumping duty was notified vide Custom Notification No. 141/99-Customs, dated 30th December, 1999. The Authority in the 1st SSR investigations recommended vide Notification No. 15/6/2003-DGAD dated 07th October, 2004 for continuation of definitive antidumping duty, that was then imposed by the Central Government vide Customs Notification No. 110/2004-Customs dated 18th November,

2004. The Authority then in the 2nd SSR investigation again recommended for continuation of definitive antidumping duty vide Notification No. 15/30/2008-DGAD dated 26th February, 2010. This was then imposed by the Central Government vide Customs Notification No. 57/2010-Customs dated 03rd May, 2010. The Authority once again recommended continuation of duties vide Notification No. 15/2/2015-DGAD dated 12th April, 2016 which was vide Customs Notification No. 23/2016-Customs dated 06th June, 2016.

4. The Authority has also recommended modification of existing definitive antidumping duty in a mid-term review investigation vide Notification No. 7/10/2020-DGTR dated 18th December, 2020.
5. The Anti-circumvention investigation was concluded vide Final Finding No. 07/22/2020-DGTR dated 27th January 2021 and the Authority *inter alia* recommended extension existing anti-dumping duty on PTFE originating in or exported from Russia to PTFE originating in or exported from Korea RP. Both the recommendations under consideration of the Ministry of Finance.

B. Product under Consideration (PUC)

6. The product under consideration in the present investigation is “Polytetrafluoroethylene (also referred to as PTFE)”. The product under consideration defined in the last sunset review investigation vide Final Findings No. 15/02/2015-DGAD dated 12.04.2017 is as follows:

“9. The scope of the product under consideration is kept the same as was considered by the Designated Authority at the time of previous final findings:

Product under Consideration and Like Article

“5. The product under consideration in the present case is "Polytetrafluoroethylene (also referred to as PTFE) originating in or exported from Russia. PTFE is produced in various grades, such as molding grade, fine powder, aqueous dispersion and compound grades of filled grades. All grades that were included in the scope of the previous case and current duties are within the scope of the present review. PTFE is primarily used in electrical, electronic, mechanical and chemical industries for their unique characteristics which are chemical inertness, electrical and thermal insulation, low coefficient of friction, nontoxic, nonflammable, resistance to radiation, low level of static and dynamic friction and outstanding electrical properties over a wide frequency range.”

7. It has been contended that no significant developments have taken place over the period. The present investigation being a sunset review investigation, product under consideration remains the same as defined in the previously conducted investigation.

C. Like Article

8. The Applicant has submitted that there is no known difference in the subject goods produced by the applicant domestic producers and those exported from the subject country. Both products are comparable in terms of technical characteristics, their similar end uses, their technical and commercial substitutability and tariff classification. The Authority in the previous investigation held that the products being manufactured by the domestic industry is like article to the product being imported into India from the subject country. The present application is for review of the extension of original duty and since the product under consideration for the present and original investigation are same, it is prima facie considered that the subject good produced by the Domestic Industry and the subject good imported from the subject country are "like article".

D. Domestic Industry and Standing

9. The application has been filed by M/s. Gujarat Fluorochemicals Ltd. The Applicant has certified that they have not imported the subject goods from the subject country in the entire injury period nor are they related to any producer or importer of subject goods. As per evidence available on record, the production of the applicant accounts for a major proportion in the domestic production of the like article.
10. 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. Likelihood of dumping

11. The Applicant has claimed that efforts were made to get evidence of price of the product concerned in the domestic market of Russia or any evidence of price from published sources. However, in absence of any publication providing prices of the product under consideration in Russia and the product prices not being publicly available, the applicant has not been able to get any evidence of price in the domestic markets of Russia. Thus, no reasonable, authentic and accurate information could be obtained from published sources about the actual transaction-selling price of PTFE in the domestic markets of Russia. The Applicant accordingly determined normal value in Russia considering facts available with regard to cost of production, after addition for selling, general & administrative expenses and reasonable profits. The claim is found appropriate at this stage and thus normal value has been considered accordingly.
12. The export price has been computed based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been made for freight, insurance, FOB export price, port expenses, bank charges, inland

freight expenses and commission. There is sufficient prima facie evidence with regard to the net export price claimed by the Applicant.

13. Considering the normal value and export price determined as above, dumping margin has been determined. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country is higher than the export price, indicating, prima facie, that the subject goods are being dumped into the Indian market. The dumping margin is not only above *de minimis* but also substantial.

F. Likelihood of Injury

14. Applicant has claimed likelihood of continuation of injury on the grounds of significant volume of subject imports despite existence of duties, positive price undercutting during the entire injury period, reduction of prices by Russian producer without decline in cost, dumped and injurious price of subject imports, suppressing/depressing effect of subject imports in the market, ineffectiveness of duties due to circumvention and change in circumstances warranting enhancement of duties. The Authority has concluded that (a) the domestic industry continues to suffer injury and the duties need to be enhanced in the recently concluded MTR investigation on imports of subject goods from Russia vide Notification dated 18th Dec 2020 and (b) producers in Russia are circumventing the duties and thereby undermining the remedial effects of anti-dumping duties in the recently concluded anti-circumvention investigation against imports of subject goods originating in Russia but being exported through Korea vide Notification dated 27th Jan 2021.

G. Initiation of Sunset Review Investigation

15. On the basis of the duly substantiated application by the domestic industry, and having satisfied, on the basis of the prima facie evidence submitted by the applicant substantiating likelihood of continuation of dumping and injury to the domestic industry, in accordance with Section 9A (5) of the Act, read with Rule 23(1B) of the Rules, the Authority hereby initiates 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 country and to examine whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and consequent injury to the Domestic Industry.

H. Subject Country

16. The subject country for the present investigation is Russia.

I. Period of Investigation (POI)

17. The period of investigation (hereinafter also referred to as "POI") for the present investigation is 1st April 2019 to 30th September 2020 (18 Months). For assessment of injury to the Domestic Industry the Authority shall cover the periods 2016-17, 2017-18, 2018-19 and the POI.

18. The Authority has considered it appropriate to consider 18 months as period of investigation, in order to assess one full financial year and also cover the most recent period for which the information was available i.e. from April 2020 to September, 2020 (6 months). Further, since trade and business were affected due to COVID pandemic during the six-month period from April 2020 to September 2020, it is appropriate to consider a longer period.

J. Procedure

19. The review investigation will cover all aspects of the Final Findings published vide Notification No. 15/2/2015-DGAD dated 12th April, 2016 recommending and continuing imposition of Anti-Dumping Duty on imports of Polytetrafluoroethylene from Russia. The Authority will also undertake likelihood analysis of dumping and injury as required.
20. 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.

K. Submission of Information

21. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email address adg11-dgtr@gov.in and dd13-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.
22. The known exporters, Government 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
23. 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 on the email address mentioned in Para 19 above.
24. 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.

L. Time Limit

25. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the email address adg11-dgtr@gov.in and dd13-dgtr@gov.in within thirty days from the date of 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 Rule, the notice calling for information and other documents shall be deemed to have been received within one week from the date on which it was sent by the Designated 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 findings on the basis of the facts available on record in accordance with the Rules

26. 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.

M. Submission of Information on Confidential Basis

27. 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.
28. 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.
29. 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.
30. 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.
31. 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.
32. 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.
33. 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.

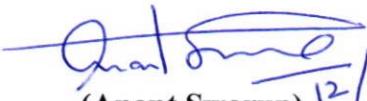
34. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

N. Inspection of Public File

35. 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.

O. Non-Cooperation

36. 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.


(Anant Swarup) 12/2/2021
Designated Authority