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**File No. 6/42/2019-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**

Date 24th January, 2020

**Case No (OI) 33/2019)
INITIATION NOTIFICATION**

Subject: Initiation of Anti-Dumping Investigation concerning imports of Aniline from China PR.

1. M/s Gujarat Narmada Valley Fertilizers & Chemicals Limited (hereinafter referred to as “petitioner” or “applicant”) has filed an application before the Designated Authority (herein referred to as the “Authority”) in accordance with Customs Tariff Act 1975 as amended from time to time (herein 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 (herein also referred to as the “Rules”) for original Anti-Dumping investigation on imports of Aniline (hereinafter referred to as or “product under consideration” or PUC or “subject goods”) originating in or exported from China PR (hereinafter referred to as “ Subject country”)
2. The Applicant has claimed that material injury and a threat of material injury to the domestic industry is being caused due to dumped imports from China PR and has requested for imposition of anti-dumping duty on the imports of the subject goods originating in or exported from China PR.

Product under consideration

3. The product under consideration for the purpose of present investigation is “Aniline” which is also known as “Aniline Oil”. Aniline is a transparent, oily liquid and is a primary amine compound. Its colour transforms to light pale-yellow liquid when freshly distilled. Its colour darkens when exposed to light or air. Aniline is a basic organic chemical, essential for vital industries such as drugs, pharmaceuticals, dyes and dye intermediates.

4. The subject products are classified under Chapter Heading 29 under the code 29214110. The customs classification is indicative only and in no way it is no way binding upon the product scope.

Like article

5. The Applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. It has been stated that there is no significant difference in the subject goods produced by the Applicant and those exported from subject country. The Applicant has claimed that the two are technically and commercially substitutable. For the purpose of present investigation, the subject goods produced by the Applicant are being treated as 'like article' of the subject goods imported from the subject country.

Domestic industry

6. The application has been filed by M/s Gujarat Narmada Valley Fertilizers & Chemicals Limited. The Applicant is the sole producer of the subject goods in India. The Applicant has claimed that neither they have imported the PUC from the subject country nor they are related to any exporter or producer of PUC in the subject country or any importer of the PUC in India. On the basis of the information available, the Authority notes that the application has been made by or on behalf of the domestic industry in terms of the provisions contained in Rule 2(b) and Rule 5(3) of the Rules.

Basis for Alleged Dumping

Normal value

7. The Applicant has submitted that China PR should be treated as a non-market economy and normal value should be determined as per the paragraph-7 of Annexure I of the Rules. The Applicant has cited and relied upon Article 15(a)(i) of China's Accession Protocol and stated that the Chinese producers should be directed to show that market economy conditions prevail in the industry producing the subject goods. The Applicant has claimed that Chinese domestic costs and prices cannot be accepted unless the Chinese exporters pass the tests of market economy. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from China, normal value of the Subject Goods in China PR has been estimated in terms of Para 7 of Annexure I of the Rules.
8. The Applicant has claimed that EU may be taken as a market economy third country for construction of normal value for China PR and has provided information regarding the selling price from Belgium to Germany.
9. All interested parties are advised to offer their comments on this issue within 30 days from the date of issuance of initiation notification. Pending detailed examination of the

claim of EU as a surrogate country for China for this investigation, the Authority, for the purpose of initiation of the present investigation, has taken the selling price from Belgium to Germany for determining the normal value of China PR.

Export Price

10. The Authority has computed the export price for the subject country based on the DGCI&S transaction wise import data. Adjustments have been made on account of ocean freight, marine insurance, commission, bank charges and port expenses.
11. The normal value and the export price have been compared at ex-factory level, which prima facie shows significant dumping margin in respect of the PUC from the subject country. There is sufficient prima facie evidence that the PUC are being dumped into the Indian market by the exporters from the subject country.

Injury and Causal Link

12. Information furnished by the Applicant has been considered for assessment of injury to 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 performance 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. Applicant has also claimed that there is a further threat of injury to the domestic industry in view of significant rate of increase in imports from China, significant capacities of subject goods in China and depressing effect of import prices on domestic selling prices. There is sufficient prima facie evidence that the injury exists and is being caused to the domestic industry by dumped imports from subject country.

Initiation of Anti-Dumping Investigation

13. On the basis of the duly substantiated written application by the domestic industry, and having satisfied itself, on the basis of prima facie evidence submitted by the domestic industry, about dumping of the product under consideration originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged dumping and injury and in accordance with the 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 injury to the domestic industry.

Subject Country

14. The subject country in the present investigation is China PR.

Period of Investigation (POI)

15. The Applicant proposed the Period of Investigation (hereinafter also referred to as POI) 01st April 2019 to 30th September 2019 (6 months). The Authority has also considered the POI as 01st April 2019 to 30th September 2019 (6 months). The injury investigation period will cover the period 2016-17, 2017-18, 2018-19 and POI.

Procedure

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

Submission of information

17. Known exporters in the subject county, their government through its embassy in India, the importers and users in India known to be concerned with the PUC 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.
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. The information/submission may be submitted to :

**The Designated Authority
Directorate General of Trade Remedies
Department of Commerce
Ministry of Commerce & Industry
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi – 110001**

19. 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.

Time limit

20. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above within thirty days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping 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 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 within the above time limit.

Submission of information on confidential basis

22. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof:
 - i. one set marked as Confidential (with title, number of pages, index, etc.), and
 - ii. the other set marked as Non-Confidential (with title, number of pages, index, etc.).
23. 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. Soft copies of both the versions will also be required to be submitted, along with the hard copies in four (4) sets of each.
24. 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.
25. 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.
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 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.

27. 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.
28. 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

29. In terms of Rule 6(7) of the Anti-Dumping Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

Non-cooperation

30. 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.

(Bhupinder S. Bhalla)
Additional Secretary & Designated Authority