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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: 28th September, 2020

INITIATION NOTIFICATION
Case No. (AD-OI – 21/2020)

Subject: Initiation of Anti-Dumping Investigation concerning imports of “Persulphates” originating in or exported from China PR and USA.

1. M/s Calibre Chemicals Pvt and M/s VR Persulphates, (hereinafter also referred to as “Applicants”) have 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 the 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”) for Original Investigation of Anti-dumping Duty concerning imports of “Persulphates” (hereinafter also referred to as “subject goods” or specifically as “product under consideration” or “PUC”, originating in or exported from china, and U.S.A. (hereinafter also referred to as the “subject countries”).
2. Applicants, subsequently, withdrew the application against Japan on the ground that the volume of import for subsequent period (Jan-March 2020) had declined and became *de minimis* for the period April 2019-March 2020. Accordingly, the present investigation is being initiated against imports of the subject goods from China PR and USA (hereinafter referred as “subject countries”).
3. The Applicants have alleged material injury and threat of material injury to the Domestic Industry due to dumped imports from the subject countries and have requested for imposition of anti-dumping duty on the imports of the subject goods, originating in or exported from the subject countries.

A. Product under consideration

4. The product under consideration is 'Peroxisulphates' commonly known as 'Persulphates'. Persulphates are a group of closely related compounds. These are produced as Alkali Metal salts which include Ammonium Persulphates (APS), Potassium Persulphates (PPS) and Sodium Persulphates (SPS).
5. The Chemical Formula of these Persulphates are, respectively, $(\text{NH}_4)_2\text{S}_2\text{O}_8$, $\text{K}_2\text{S}_2\text{O}_8$, $\text{Na}_2\text{S}_2\text{O}_8$. The three types of Persulphates have the same end-uses as an initiator and oxidizing agent in the textile and chemical industries and one can be substituted for another. All three salts are one and same product.
6. The cost of production, selling price of three types varies significantly. These are considered as three different grades of the product under consideration. Persulphates is used as an initiator and oxidizing agent in the textile and chemical industries.
7. Persulphates is classified in Chapter 28 of the Customs Tariff Act, 1975 under subheading 2833 40 and under subheading 283340 00. However, the said customs classifications are only indicative, and the same are not binding on the scope of the investigation.

B. Like Article

8. The Applicant has claimed that that there is no known difference between the subject goods exported from the subject countries and that produced by the domestic industry. Subject goods produced by the domestic industry and PUC 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 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 subject goods being imported from the subject countries.

C. Domestic Industry

9. The Application has been filed by M/s Calibre Chemicals Pvt and M/s VR Persulphates. The Applicants have claimed that they has neither imported the subject goods from the subject countries nor are related to any exporter or producer of subject goods in the subject countries

or any importer of the PUC in India. On the basis of information on record, it is noted that the Applicants constitute 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.

D. Basis of Alleged Dumping

Normal Value for China PR

10. The Applicants have submitted that China PR should be considered as a non-market economy and the normal value should be determined in terms of paragraph-7 of Annexure I of the Rules. The applicants have suggested Turkey as appropriate market economy third country for China PR and has considered price into Turkey and exports from Turkey as the basis of normal value.
11. Applicants have also provided normal value for China PR on the basis of the price actually payable in India by considering cost of production in India, after addition for selling, general & administrative expenses and reasonable profits. The same has been considered appropriate for the purpose of present initiation. There is sufficient evidence of the normal value claimed by the Applicants for China PR.

Normal value for USA

12. The applicants have submitted that they made efforts to get evidence of price of product concerned in the domestic market of USA. However, such price was not available in public domain. The normal value for USA has been determined based on the imports of subject goods into USA considering the import price into USA as the consumption price prevailing in USA.
13. Owing to significant difference in price and cost of different grades of subject goods, normal value for each grade, i.e., Ammonium Persulphates (APS), Potassium Persulphates (PPS) and Sodium Persulphates (SPS) has been determined separately for each subject country.

E. Export price

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

F. Dumping Margin

15. The normal value and the export price have been compared at ex-factory level, which *prima facie* shows dumping margin, which is above the de-minimis, and is significant in respect of the PUC from the subject countries. There is sufficient *prima facie* evidence that the PUC from subject countries are being dumped into the Indian market by the exporters from the subject countries.

G. Injury and Causal Link

16. Information furnished by the Applicants have been considered for assessment of injury to the domestic industry. The Applicants have 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, price suppression and depression on the domestic industry. The Applicants have claimed that its performance has been adversely impacted in respect of increase in inventories, and decline in profits, and ROI, as a result of increase in imports of subject goods at a price below selling price and non-injurious price for the domestic industry.

17. The applicants have also claimed that imports are causing threat of material injury, considering significant increase in imports in the POI, significant positive price undercutting, significant surplus capacities in subject countries, high export orientation of producers in subject countries, ability to scale up production in short span.

18. There is sufficient *prima facie* evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject countries.

H. Initiation of Anti-Dumping Investigation

19. 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 countries, injury to the domestic industry and causal link between such alleged dumping and injury, and in accordance with Section 9A of the Act read with Rule 5 of the Rules, the Authority, hereby, initiates investigation to determine the existence, degree and effect of alleged dumping in respect of the product under consideration originating and exported from the subject countries and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

I. Subject Countries

20. The subject countries in the present investigation are China PR, and USA.

J. Period of Investigation

21. The applicants have proposed period of investigation (POI) as April 2019-December 2019 (9 months). The injury investigation period has been considered as the periods 2016–2017, 2017-2018, 2018-19 and POI. In view of explanation to amended Rule 22 (3), the period of investigation (POI) is being proposed as April 2019- March 2020 (12 months) and the injury period will cover the periods April 2016- March 2017, April2017- March 2018, April 2018-March 2019 and the POI.

K. Procedure

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

L. Submission of Information

23. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv13-dgtr@gov.in, dir12-dgtr@gov.in and dd15-dgtr@gov.in.

24. The known producers/exporters in the subject countries, their Governments through their Embassies 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.

25. 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.

26. Any party making any confidential submission before the Authority is requested to make a non-confidential version of the same available to the other interested parties.

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

M. Time Limit

28. Any information relating to the present investigation should be sent in writing so as to reach the Authority via email at the email addresses mentioned above 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 sub 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.
29. 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.

N. Submission of information on confidential basis

30. 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.
31. 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: one set marked as Confidential (with title, number of pages, index, etc.), and the other set marked as Non-Confidential (with title, number of pages, index, etc.).
32. 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.
33. 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.

34. 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.
35. 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.
36. 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.
37. 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

O. Inspection of Public File

38. 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.

P. Non-cooperation

39. 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.

(B B Swain)
Special Secretary & Designated Authority