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**File No. 06/20/2020-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: 27<sup>th</sup> May 2020**

**INITIATION NOTIFICATION**

**Case No. ADD-OI-17/2020**

**Subject: Initiation of Anti-Dumping Investigation concerning imports of “Rubber Chemical PX-13” from China PR, Korea RP and USA.**

1. M/s NOCIL Limited (hereinafter also referred to as Applicant) has filed an application seeking initiation of anti-dumping investigation concerning imports of “Rubber Chemical PX-13” (hereinafter also referred to as “subject goods” or “product under consideration” or “PUC”) from China PR, Korea RP and USA (also referred to as “subject countries”) before the Designated Authority (hereinafter also referred to as the “Authority”) in accordance with Customs Tariff Act, 1975 as amended from time to time (herein 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”).
2. The Applicant has alleged that material injury to the Domestic Industry is being caused due to dumped imports from China PR, Korea RP, and USA, and has requested for imposition of anti- dumping duty on the imports of the subject goods from these countries.

**Product under Consideration (PUC)**

3. The product under consideration is “Rubber Chemicals PX-13” (hereinafter also referred to as PX-13) also known as 6PPD, Antioxidant 6PPD, Kumanox 13, Santoflex 6PPD, Sirantox 6PPD, Vulkanox 4020, Antioxidant 4020, Dussantox 6PPD, Antage 6C, N-1,3-Dimethylbutyl)-N'-Phenyl-P-Phenylenediamine, etc.
4. PX-13 is an alkyl-aryl-PPD antidegradant most widely used in the tyre and non-tyre sector of the rubber industry. PX-13 offers excellent resistance to rubber vulcanizates against degradative forces such as ozone (static as well as dynamic), flex-cracking and fatigue, oxidative heat ageing, metal-ion catalyzed oxidative ageing, UV light and weathering. It is used as antioxidants in treating natural rubber, synthetic rubber (SBR, Butadiene Rubber, Nitrile Rubber, Carboxylated Rubber) and other

synthetic rubber-based compounds used for manufacture of various rubber products to achieve the desired life cycle of the rubber product. PX-13 is manufactured by reductive alkylation of 4ADPA and MIBK.

5. The product is classified under the Chapter 38 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) under the tariff custom classification 3812. However, there are also imports for the product under consideration under the Chapter 29 of the First Schedule. 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 countries and that produced by the domestic industry. Subject goods produced by the domestic industry and imported from the 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.

#### **Domestic Industry & Standing**

7. The Application has been filed by M/s NOCIL Limited. The Applicant has claimed that they have 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. Considering the information on record, the Applicant accounts for a major proportion of the Indian production. 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.

#### **Basis of Alleged Dumping**

##### **a. Normal Value for China PR**

8. 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 Para 8(2) of Annexure I of the Rules and has stated that the Chinese producers should be directed to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure I of the Rules. The Applicant has claimed that for China, normal value should be determined in accordance with para 7 and 8 of Annexure I of the Rules. The prices or constructed value of the product under consideration in the appropriate market economy third country or the prices from such third country to other countries, including India, has neither been made available by the Applicant nor is this

information available with the Authority from any public source. Thus, normal value has been determined on the basis of price paid or payable in India, duly adjusted to include profit, which has been determined considering cost of production in India, after addition for selling, general & administrative expenses and reasonable profits.

**b. Normal Value for USA & Korea**

9. The Applicant has claimed that the data relating to price in USA and Korea is not available. The Applicant has not provided information regarding the appropriate third country. This information is also not available with the Authority from any public source. The normal value for of USA and Korea has been estimated on the basis of best estimates of cost of production in these countries along with associated selling, general and administrative expenses, and reasonable profit.

**c. Export price**

10. The Authority has computed the export price for subject goods for the subject countries 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, inland freight expenses (and VAT in case of China PR).

**d. Dumping margin**

11. 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 is significant in respect of the PUC from the subject countries. There is sufficient prima facie evidence that the PUC from subject countries is being dumped into the Indian market by the exporters from the subject countries.

**Evidence of 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 resulting from the alleged dumping of dumped imports during the Period of Investigation in the form of increase volume of dumped imports in absolute terms and in relation to production and consumption, price undercutting and price suppressing effect on the domestic industry. The Applicant has claimed that their performance has been adversely impacted resulting in decline in production, capacity utilisation, domestic sales volumes, market share, profitability, cash flow and return on capital employed as a result of increase in imports of product under consideration from subject countries at a price below the selling price, and non-injurious price of the domestic industry. The Applicant has also claimed that there is a further threat of injury to the domestic industry in view of significant capacities of subject goods in subject countries, and suppressing and depressing effect of import prices on domestic selling prices. There is sufficient prima facie evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject countries.

**Initiation of Anti-Dumping Investigation**

13. 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 subject goods 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 an investigation to determine the existence, degree and effect of any alleged dumping in respect of the subject goods originating in or 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.

### **Subject Countries**

14. The subject countries for this investigation are China PR, Korea RP and USA.

### **Period of Investigation (POI)**

15. The period of investigation (POI) for the present investigation is 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 (12 Months). The injury investigation period will cover the periods 1<sup>st</sup> April 2016- 31<sup>st</sup> March 2017, 1<sup>st</sup> April 2017- 31<sup>st</sup> March 2018, 1<sup>st</sup> April 2018- 31<sup>st</sup> March 2019 and the POI.

### **Procedure**

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

### **Submission of Information**

17. 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 [adg13-dgtr@gov.in](mailto:adg13-dgtr@gov.in) and [adv12-dgtr@gov.in](mailto:adv12-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.
18. The known exporters, their Government through their 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.
19. 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 17 above.
20. 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**

21. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses [adg13-dgtr@gov.in](mailto:adg13-dgtr@gov.in) and [adv12-dgtr@gov.in](mailto:adv12-dgtr@gov.in) 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 Rules.
22. 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**

23. 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.
24. 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.
25. 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.
26. 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.
27. 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.

28. 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.
29. 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.
30. 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**

31. 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.

#### **Non-cooperation**

32. In case where an interested party refuses access to, or otherwise does not provide 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**