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SECTION-1**

**Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti Dumping & Allied Duties)**

5th October 2012

Notification

Initiation (Sunset Review)

No.21/29/2011-DGAD

Subject: Initiation of Sunset Review of Anti-Dumping duty on imports of Polyvinyl Chloride (PVC) Suspension Grade Resin originating in or exported from Taiwan, People's Republic of China, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA.

Having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter 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 (hereinafter referred to as the Rules), the Designated Authority (hereinafter referred to as the Authority) recommended imposition of Anti Dumping Duty on imports of Polyvinyl Chloride (PVC) Suspension Grade Resin (hereinafter referred to as the subject goods) originating in or exported from Taiwan, People's Republic of China, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA (hereinafter referred to as the subject countries). The final findings notification of the Authority was published vide notification No.14/8/2006-DGAD dated 26th December 2007. On the basis of the findings, anti dumping duties on the subject goods imported from the subject countries were imposed by the Department of Revenue vide Notification No.11/2008-Customs dated 23rd January, 2008.

WHEREAS, M/s DCW Limited (DCW), Chemplast Sanmar Limited (Chemplast), Reliance Industries Ltd (RIL) and DCM Shriram Consolidated Ltd. (DCM) (hereinafter referred to as the petitioners), have filed a duly substantiated application before the Authority, on behalf of the producers of the subject goods in India, in accordance with the Act and the Rules, alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from the subject countries and consequent injury to the domestic industry and have requested for review, continuation and enhancement of the anti-dumping duties, imposed on the imports of the subject goods, originating in or exported from the subject countries.

Product under Consideration

1. Product under consideration in the present review investigation is homopolymer of vinyl chloride monomer (suspension grade), where various polymer chains are not linked to each other, falling under customs classification no. 3904, known as PVC suspension resin. The product under consideration excludes specialty PVC suspension resins such as cross-linked PVC, chlorinated PVC (CPVC), vinyl chloride – vinyl acetate copolymer (VC-VAc), PVC paste resin and PVC blending resin. The product under consideration has been referred to as “Poly Vinyl Chloride (PVC) Resin Suspension Grade” or “PVC Suspension Resin” or “the subject goods”).
2. Since the current investigation is a Sunset Review investigation into anti-dumping duties currently in force, the scope of the product under consideration is the same as that in the original investigation.
3. The petitioners have submitted that the product under consideration does not have dedicated HS Code and the imports are cleared under different HS Codes falling under 3904. The customs classification is indicative only and in no way binding on the scope of the present investigation and proposed measures.

Domestic Industry & Standing

4. The petition has been jointly filed by DCW Limited (DCW), Chemplast Sanmar Limited (Chemplast), Reliance Industries Ltd (Reliance) and DCM Shriram Consolidated Ltd. (DCM). Finolex Industries Limited, the sole other known producer of the subject product in India has supported the petition. The petitioners have stated that none of the petitioner companies except DCM Shriram Consolidated Ltd have imported the product under consideration during period of investigation. Further they submitted that petitioner company who is importing the subject goods is not resorting to imports in order to benefit from dumping. Thrust of this petitioner company has not turned to imports. The company’s thrust continues to be on own production.
5. The Authority has examined the matter and holds that none of the Petitioner companies are a trader per se and have not resorted to imports in order to take advantage of dumping. The focus of the petitioner companies continues to be that of a producer of the subject goods. The Authority after examining the information on record has determined that the petitioner companies constitute domestic Industry within the meaning of the Rule 2(b) and the petition satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

Like Articles

6. The petitioners have claimed that the product produced by them is a like article to the product imported from the subject countries in terms of physical and technical characteristics, manufacturing process and technology, functions & uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable, and consumers use the two interchangeably. Subject goods

produced by the petitioners are being treated as 'like article' to the goods being imported from the subject countries for the purpose of the present review investigation.

Subject Countries

7. The present application has been filed in respect of alleged continued dumping of the product under consideration from Taiwan, People's Republic of China, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA (hereinafter referred to as subject countries).

Normal value

8. The petitioners for the purpose of determining normal value of product under consideration in Taiwan, Korea RP, USA, Malaysia, Japan, Indonesia and Thailand, have referred to the prices quoted in the Harriman Chemsult report. The petitioners have determined month-wise normal value by considering the average of the highest and the lowest price given in the report. Additionally, the petitioners have determined cost of production of the foreign producers and found that the selling prices were below the cost of production in some of the months of the proposed POI. Wherever selling prices were above cost of production, the petitioners had adopted selling price as normal value. They have claimed that China should be treated as a non-market economy country and the normal value should be determined in terms of Annexure I (7) of the AD Rules, which provides for determination of normal value in a non-market economy. Petitioners have determined Normal Value in China on the basis of cost of production in India; duly adjusted. The Authority, after examination, has considered the normal value of subject goods in subject countries as made available by the applicant.

Export Price

9. The export price has been determined as the weighted average import price from subject countries based on the transaction wise import data provided by the International Business Information Services (IBIS). Price adjustments have been claimed on account of ocean freight, marine insurance, port expenses, inland freight, bank charges and commission to arrive at the net export price. In view of significant variation in the prices with time period, the petitioners have determined separate export price for each of the months of the proposed investigation period.

Dumping Margin

10. In view of the significant variation in the prices over the time period, the petitioners have determined separate dumping margin for each month of the investigation period.
11. Petitioners have provided sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, prima-facie,

indicating that the subject goods originating in or exported from the subject countries continue to be dumped, to justify initiation of a review investigation.

Injury and Causal Link

12. The petitioners have claimed that domestic industry continues to suffer material injury by way of adverse price effects as evidenced by price undercutting and price suppression leading to deterioration in profits to negative levels, decline in return on capital employed and cash profits, etc. The petitioners have claimed that the continued material injury has been caused due to the dumped imports from the subject countries. The Authority considers that there is sufficient prima facie evidence of continued injury caused to the domestic industry by dumped imports from subject countries to justify initiation of a review investigation.

Initiation of Sunset Review of Anti Dumping Duty

13. In view of the above information and the duly substantiated application filed, and in accordance with Section 9 A (5) of the Act read with Rule 23 of the Anti-dumping Rules, the Authority hereby initiates a Sunset Review investigation to review the need for continued imposition and enhancement 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 dumping and injury to the domestic industry.

Period of Investigation (POI)

14. The Period of Investigation for the purpose of the present review investigation is 1st April 2011 to 31st March 2012 (12 Months). The injury investigation period has however, been considered as the period from 1st April 2008 to the end of the POI, that is, 2008-09, 2009-10, 2010-11 and POI.

Procedure

15. The present sunset review covers all aspects of the final findings of the original investigation published vide Notification No.14/8/2006-DGAD dated 26th December 2007.

16. 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.

Submission of Information

17. The known exporters in the subject countries, the government of the subject countries through its embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

Government of India
Ministry of Commerce and Industry
Directorate General of Anti-Dumping and Allied Duties
Department of Commerce
Room No.243, Udyog Bhawan,
New Delhi-110107.

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.

Time Limit:

19. Any information relating to the present review and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 days) from the date of publication of this Notification. 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 AD Rules.

20. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire's responses and offer their comments to the domestic industry's application regarding the need to continue or otherwise the AD measures within 40 days from the date of initiation of this review investigation.

Submission of information on confidential basis.

21. In case confidentiality is claimed on any part of the questionnaire's response/ submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

22. Information supplied without any mark shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.

23. For information claimed as confidential; 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 and/or why summarization of such information is not possible.

24. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / 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, party submitting the confidential information may indicate that such information is not susceptible of summary; a

statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

25. 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 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.
26. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. 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

27. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

Non-cooperation

28. 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 record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

(Vijaylaxmi Joshi)
Designated Authority