

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

**Government of India  
Department of Commerce  
Ministry of Commerce & Industry  
(Directorate General of Anti-Dumping & Allied Duties)  
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi -110001**

Dated the 14<sup>th</sup> January, 2016

**Initiation Notification**

**Subject: Initiation of Anti-dumping investigation concerning imports of Styrene Butadiene Rubber (SBR) of 1500 series and 1700 series, originating in or exported from European Union, Korea RP and Thailand.**

1. No. 14/10/2015-DGAD - Whereas M/s Indian Synthetic Rubber Pvt. Limited and Reliance Industries Limited (hereinafter referred to as the applicants) have jointly filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as the Act) and 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 referred to as the Rules), alleging dumping of Styrene Butadiene Rubber (SBR) 1500 series and 1700 series (herein after referred to as the subject goods) originating in or exported from European Union, Korea RP and Thailand (hereinafter referred to as "subject countries") and requested for initiation of Anti Dumping investigation for levy of anti dumping duties on the product under consideration.
2. Indian Synthetic Rubber Pvt. Limited is a joint venture of Indian Oil Corporation, TSRC, Taiwan and Marubeni Corpn., Japan. The Company is stated to have commenced commercial production in Feb., 2014. The company has claimed that the dumping of the product under consideration in the country is materially retarding establishment of domestic industry in the Country. M/s Reliance Industries Ltd., the co-applicant, has also set up a plant for production of the product under consideration, but yet to declare its commercial production, although selling subject goods in the market.

**PRODUCT UNDER CONSIDERATION**

3. The product under consideration in the present investigation is "Styrene Butadiene Rubber (SBR) of 1500 series and 1700 series", originating in or exported from European Union, Korea RP, and Thailand. It is classified under Chapter 40 of Customs Tariff under the subheading 4002.19. The Customs classification is, however, indicative only and in no way binding on the scope of the present investigation. SBR is essentially a copolymer of styrene and

butadiene. The applicants have submitted that SBR describes a family of synthetic rubbers derived from styrene and butadiene. These materials have good abrasion resistance and good aging stability when protected by additives. SBR is derived from two monomers, styrene and butadiene. The mixture of these two monomers is polymerized by two processes – from solution (S-SBR) or as an emulsion (E-SBR).

4. SBR 1500 series is an SBR used in sidewall, footwear, rubberized fabric, other light coloured products, non-staining type black products, tires, tread, conveyor belt, hose and shoes, while SBR 1700 series is used in tire, water pipes, rubber machinery products, auto accessories, camelback, conveyor belt, hose and other black products. Applicants have submitted that SBR 1500 and 1700 have overlapping use. For instance 1712 grade of SBR can be substituted with 1500 grade and many other grades of rubber falling under 1500 and 1700 series even in tyre tread application. Similarly, 1502 grade of SBR can be substituted with 1500 and many other grades of rubber falling under 1500 and 1700 series in various applications. As stated by the applicants, there is no significant difference in the costs and prices of different grades within SBR 1500 series and SBR 1700 series. However, there is significant difference in cost of production and selling price of SBR 1500 and SBR 1700 series.

#### **LIKE ARTICLE**

5. The applicant has claimed that there are no known differences in subject goods produced by the petitioner and exported from the subject countries. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The goods produced by the domestic industry are comparable to the imported goods from the subject countries in terms of essential product properties. The goods offered by the domestic industry are like article to the goods imported from the subject countries.

#### **DOMESTIC INDUSTRY STANDING**

6. The application has been jointly filed by M/s. Indian Synthetic Rubber Pvt. Limited and Reliance Industries Limited. The applicants are stated to be sole producers of subject goods in the country and thereby account for the entire production in the country and constitute a major proportion in Indian production. The Authority, therefore, determines that the applicants constitute domestic Industry within the meaning of the Rule 2(b) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

## **SUBJECT COUNTRIES INVOLVED**

7. The countries involved in the present investigation are European Union, Korea RP and Thailand.

## **NORMAL VALUE**

8. The applicants have constructed the normal values in respect of the subject countries stating that they were unable to get any documentary evidence or reliable information with regard to the domestic prices of the subject goods in the subject countries. The applicants have claimed the normal value on the basis of cost of production in India after due adjustments for the international price of the major raw material. The normal value for the subject goods has been estimated on the basis of best estimates of cost of production, including selling, general, administrative & finance expenses and reasonable profit.

## **EXPORT PRICE**

9. Export price of the subject goods from the subject countries has been estimated by considering transaction-wise import data as provided by the applicants from the DGCIS and other secondary sources. Adjustments have been made on account of ocean freight, marine insurance, commission, and port expenses in the exporting country to arrive at ex-factory export price.

## **DUMPING MARGIN**

10. Normal value and export price have been compared at ex-factory level, which shows positive dumping margin in respect of the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in subject countries is higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by exporters from the subject countries. The dumping margins are estimated to be above *de minimis*.

## **INJURY AND CAUSAL LINK**

11. M/s Indian Synthetic Rubber Pvt. Limited and Reliance Industries Limited, the applicant domestic producers in the present investigation, have set up new facilities for production of the product under consideration. While M/s Indian Synthetic Rubber Pvt. Limited has commenced commercial production just before the investigation period, M/s Reliance Industries Limited is yet to declare its commercial production, though started selling the product under consideration in the domestic market.

12. The applicants have claimed that dumping of the product under consideration in India is materially retarding the establishment of the domestic industry. They have furnished information on various parameters relating to injury for the period for which commercial production has been commenced. Further, the applicants have provided detailed information with regard to their potential performance on the basis of projections drawn by them before setting up their plants and have compared their potential performance with the actual performance achieved till the investigation period to establish their claim that their performance is substantially below the potential levels envisaged before setting up the plants. The analysis of the vital parameters prima facie show that the applicants have suffered injury on account of the retarding effect of dumping of the subject goods from the subject countries.

### **INITIATION OF ANTI DUMPING INVESTIGATIONS**

13. In view of the above the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject countries, injury to the domestic industry and causal link between the dumping and injury exist and therefore the Authority, in terms of Rule 5 of the Anti Dumping Rules hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry, to determine the existence, degree and effect of any alleged dumping and recommend the amount of anti dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

### **PERIOD OF INVESTIGATION (POI)**

14. The period of Investigation for the purpose of the present investigation is 1<sup>st</sup> October 2014- 31<sup>st</sup> September 2015 (12 months). The injury investigation period will, however, cover the periods. The injury period shall be from the date of commencement of production, i.e., February 2014 and upto POI, by dividing each financial year into four quarters for the purpose of injury analysis.

### **Submission of information**

15. The known exporters in the subject country, the Government of the subject country through their 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:

The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry, Department of Commerce  
4th Floor, Jeevan Tara Building, 5 Parliament Street,  
New Delhi -110001.

16. 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**

17. Any information relating to the present investigation 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 Anti-dumping Rules.

18. 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 and offer their comments to the domestic industry's application regarding the need to continue or otherwise the Antidumping measures within 40 days from the date of initiation of this investigation.

**Submission of Information on Non-Confidential basis**

19. 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.

20. Information supplied without any confidential marking 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 of the confidential version and five (05) copies of the non confidential version must be submitted by all the interested parties.

21. 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.

22. 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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

23. 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.

24. 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**

25. 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**

26. 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.

(A.K. Bhalla)  
Designated Authority