

**TO BE PUBLISHED IN THE GAZETTE OF INDIA – EXTRAORDINARY-PART-I,  
SECTION-1**

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Directorate General of Anti Dumping & Allied Duties)  
**No.14/1012/2012-DGAD**

5<sup>th</sup> October 2012

**Initiation Notification**

**Subject: Initiation of Anti-Dumping investigation concerning imports of Polyvinyl Chloride (PVC) Suspension Grade Resin from European Union and Mexico.**

M/s DCW Limited (DCW), Chemplast Sanmar Limited (Chemplast), Reliance Industries Ltd (RIL) and DCM Shriram Consolidated Ltd. (DCM), have filed an application before the Designated Authority (hereinafter referred to as the petitioners or applicants) in accordance with the Custom Tariff Act, 1975 as amended from time to time (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 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of Anti-Dumping investigations concerning imports of Polyvinyl Chloride (PVC) grade Suspension Resin (hereinafter referred to as the subject goods) originating in or exported from European Union and Mexico (hereinafter also referred to as the subject countries).

**Product under consideration**

1. The Product under consideration in the present 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. 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.

### **Domestic Industry & Standing**

3. The petition has been jointly filed by DCW Limited (DCW), Chemplast Sanmar Limited (Chemplast), Reliance Industries Ltd (Reliance) and DCM Shriram Consolidated Ltd. (DCM). M/s 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 have 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.
4. 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 determines that the applicant companies 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.

### **Like Articles**

5. 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 investigation.

### **Subject Countries**

6. The present application has been filed in respect of alleged dumping of the product under consideration from European Union and Mexico (hereinafter referred to as subject countries).

### **Normal value**

7. The petitioners have for the purpose of determining normal value for European Union and Mexico referred to the prices quoted in the Harriman Chemsult report. For European Union, the petitioners have considered the price quoted for Benelux (Belgium,

Netherland and Luxemborg), France, Germany, Italy, Spain and UK. Petitioners have determined month-wise normal value by considering the average of the highest and the lowest price given in the report. Further, the petitioners have claimed that the prices in some of the months of the investigation period were significantly below the cost of production and have additionally determined normal value considering cost of production for those months where the sales are claimed to be below estimates of cost of production. The selling price of the product during the relevant months have been compared with the estimates of cost of production for those months.

8. The petitioners have also determined normal value on the basis of estimates of cost of production of the foreign producers by considering international price of VCM, estimates of the conversion cost and overhead costs. There is sufficient prima facie evidence of normal value of the subject goods in the subject countries/territory.

### **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 sea 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/territory are significantly higher than the net export prices, prima-facie, indicating that the subject goods originating in or exported from the subject countries are being dumped, to justify initiation of an antidumping investigation.

### **Injury and Causal Link**

12. The petitioners have claimed that domestic industry has suffered 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 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 ‘injury’ caused to the domestic industry by dumped imports from subject countries/territory to justify initiation of an anti-dumping investigation.

### **Initiation of Anti Dumping Investigations**

13. The Designated Authority, in view of the foregoing paragraphs, holds that sufficient evidence of dumping of the subject goods originating in or exported from the subject countries, injury to the domestic industry and causal link between the alleged dumping and injury exist to justify initiation of an anti-dumping investigation. The Authority hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry in terms of Rule 5 of the AD Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti-dumping duty, which if levied would be adequate to remove 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> April 2011 to 31<sup>st</sup> March 2012 (12 months). However, the period for injury examination would cover periods from 1<sup>st</sup> April 2008 to the end of the POI i.e. 2008-09, 2009-10, 2010-11 and 2011-12(POI).

### **Submission of Information:**

15. 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.

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 AD 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's responses and offer their comments to the domestic industry's application regarding the need to impose anti-dumping measures within 40 days from the date of initiation of this investigation.

**Submission of information on 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 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.
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, 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.
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 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**