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Government of India
Ministry of Commerce & Industry
Department of Commerce Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, NewDelhi-110001

Dated:31st August 2020

**INITIATION NOTIFICATION
Case No.AD-SSR-13/2020**

**Subject: Initiation of Sunset Review investigation concerning imports of “Normal Butanol”
from European Union, Malaysia, Singapore, South Africa and United States of America**

1. M/s The Andhra Petrochemicals Limited (hereinafter referred to as the “applicant”) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”), in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred 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 as the “Rules”), for sunset review of anti-dumping investigation concerning the imports of Normal Butanol (hereinafter referred as the “subject goods” or “product under consideration”), originating in or exported from European Union, Malaysia, Singapore, South Africa and United States of America (hereinafter referred to as the “subject countries”).
2. The Applicant has alleged likelihood of continuation or recurrence of dumping of subject goods, originating and exported from the subject countries and consequent injury to the domestic industry and has requested for review and continuation of the anti-dumping duty imposed on the imports of subject goods, originating in or exported from the subject countries.

Background

3. The original investigation concerning the imports of the subject goods from the subject countries was initiated by the Authority vide Notification No. 14/4/2013-DGAD dated 20th November 2014. The Authority notified final findings vide Notification No. 14/4/2013-

DGAD dated 19th February 2016 recommending definitive antidumping duty on the imports of Normal Butanol from the subject countries. The definitive antidumping duty was imposed on the subject goods vide Notification No. 13/2016-Customs (ADD) dated 13th April 2016. The said duties are said to expire on 12th April 2021.

Subject Countries

4. The investigation being a sunset review, the scope of the subject countries is confined to the subject countries in the original investigation i.e. against the subject goods originating in or exported from European Union, Malaysia, Singapore, South Africa and United States of America.

Product under consideration

5. The product under consideration in the present SSR application, is same as defined in the original investigation i.e. 'Normal Butanol'. As per the original investigation carried out by the Designated Authority earlier, the product has been defined as under:

"5. The product under consideration in the present investigation is "Normal Butanol". Normal Butanol is a basic organic chemical normally classified under Chapter 29 of the Customs Tariff Act. Normal Butanol is a primary alcohol with a 4-carbon structure and molecular formula C₄H₉OH.

6. Normal Butanol is an excellent solvent for acid-curable lacquers and baking finishes derived from urea, melamine or phenolic resins. A large part of Normal Butanol is converted into derivatives for use as solvent in coating industries and printing inks. Normal Butanol also finds application as extractant in production of drugs and natural substances, additive in polishes and cleaners, solubilizer in the textile industry, additive in deicing fluids, anti-icing additive in gasoline, humectant for cellulose nitrate, feedstock in the production of glycol ethers and flotation aids (Butyl Xanthate) and as starting material for the production of Butyl mono Carboxylates, Butyl Acetate, Butyl butyrate.

7. The product is classified under Customs Tariff heading No. 29051300. However, the said Customs classification is indicative only and in no way binding on the scope of the present investigation."

6. The present investigation being a sunset review investigation, the product under consideration remains the same as in the previously conducted investigation. The subject goods fall under Chapter 29 of the Customs Tariff under Subheading No. 29051300. However, the customs classification is indicative only and is in no way binding on the scope

of the present investigation.

Like Article

7. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the product under consideration manufactured by the applicant. 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 participating companies in India are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic industry and standing

8. The application has been filed by M/s The Andhra Petrochemicals Limited. The applicant has claimed to be the sole producer of the product under consideration in India. The applicant has claimed that it is not related to any exporter or producer of the subject goods in the subject countries or any importer of the product under consideration in India. On the basis of the information available, the Authority holds that the applicant 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.

Basis of likelihood of continuation or recurrence of dumping.

a. Normal Value

9. The normal value for the subject countries has been considered based on estimates of cost of production in the subject countries on the basis of cost of production, duly adjusting selling, general & administrative expense with reasonable profit.

b. 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 and handling charges.

c. Dumping margin

11. Considering the normal value and export price determined as above, dumping margin has been determined, in accordance with Section 9 A(1)(a) of the Act. There is sufficient prima

facie evidence that the normal value of the subject goods in the subject countries are higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject countries.

Likelihood of continuation or recurrence of injury and causal link

12. The Authority notes that there is prima facie evidence of dumping and consequential injury to the domestic industry on account of volume effect i.e. increase in imports, decline in production, capacity utilization, sales and market share and price effect due to price undercutting, price depression and price underselling leading to reduction in profits, cash profits and return on capital employed. Further, the data provided by the applicant on the increased imports inspite of duties imposed, third countries dumping, price attractiveness of the Indian market, injurious exports to other countries, export orientation of the producers in the subject countries, capacity expansion and significant share in demand in India of the imports from the subject countries also prima facie indicate a likelihood of dumping and consequential injury on cessation of the anti-dumping duty.

Initiation of Sunset Review

13. On the basis of the duly substantiated application of the applicant, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, substantiating the likelihood of continuation/ recurrence of dumping and injury, and in accordance with Section 9A(5) of the Act read with Rule 23 (1B) of the Rules, the Authority hereby initiates a sunset review investigation to review the need for continued imposition 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 (POI) for the present investigation is 1st April, 2019 to 31st March, 2020 and the injury period will cover the periods 1st April, 2016- 31st March, 2017; 1st April, 2017- 31st March, 2018; 1st April, 2018- 31st March, 2019, and the POI. The Authority may, also consider post-POI data, as considered necessary to undertake the likelihood analysis..

Procedure

15. The review will cover all aspects of the final findings published vide Notification No.

14/4/2013-DGAD dated 19th February 2016, recommending imposition of anti- dumping duty on imports of normal butanol from European Union, Malaysia, Singapore, South Africa and United States of America. The Authority would also undertake likelihood analysis of dumping and injury as required.

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. 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 adg11-dgtr@gov.in and dd17-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 interested parties.

Time Limit

21. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the email address adg11-dgtr@gov.in and dd17-dgtr@gov.in 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 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.

Non-Cooperation

32. 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.



(Bidyut Behari Swain)
Special Secretary & Director General