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Government of India, Department of Commerce
Ministry of Commerce & Industry
(Directorate (General of Trade Remedies))
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Date: 30.09.2024

INITIATION NOTIFICATION

Case No. AD(OI)-36/2024

Subject: Initiation of Anti-dumping investigation concerning imports of Calcium Carbonate Filler Masterbatch from Vietnam.

F.No.06/38/2024-DGTR- Compounds and Masterbatch Manufacturers Association of India (hereinafter collectively referred to as "CMMAI") and Masterbatch Manufacturers Association (hereinafter collectively referred to as "MMA") (hereinafter collectively referred to as "applicants" or "petitioners") have filed a petition before the Designated Authority (hereinafter referred to as the "Authority"), on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping duty on Dumped Articles for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the "Rules" or the "AD Rules") for initiation of an anti-dumping investigation concerning imports of "Calcium Carbonate Filler Masterbatch" (hereinafter referred to as the "subject goods" or the "product under consideration"), originating in or exported from Vietnam (hereinafter referred to as the "subject country").

2. The applicants have alleged that the subject goods are being imported into India, originating in or exported from the subject country at dumped prices in significant quantities for a prolonged period, causing material injury and threat of material injury to it and have requested for imposition of anti-dumping duty on the import of the subject goods from the subject country.

A. PRODUCT UNDER CONSIDERATION

3. The product under consideration in the present investigation is "Calcium Carbonate Filler Masterbatch" which is also known as "Filler Masterbatch" or "Calcium Carbonate Compound."
4. Calcium Carbonate Filler Masterbatch is a mix of calcium carbonate (a mineral), base plastic materials like polypropylene or polyethylene, and other additives. The said mixture

is extruded at a certain temperature to produce the Calcium Carbonate Filler Masterbatch in compound granules form. The PUC majorly constitutes calcium carbonate, with the rest being plastics and other additives.

5. Calcium Carbonate Filler Masterbatch is a special material used in the plastic industry for enhancement of properties of plastic items. Its main job is to be a cost effective and eco-friendly filler imparting specific physical and chemical properties.
6. Many industries use Calcium Carbonate Filler Masterbatch, such as packaging, construction, automotive and consumer goods. When added to plastics, Calcium Carbonate Filler Masterbatch can make them stronger, less likely to break, better at keeping their shape, and less likely to shrink.
7. Calcium Carbonate Filler Masterbatch can also change how plastic feels on the surface, how it handles heat, and how easy it is to work with. It is often used to make plastic films, sheets, pipes, shaped items, and other plastic goods.
8. The product under consideration is classifiable under tariff item 3824 99 00 of the first schedule to the Customs Tariff Act, 1975. Major imports are cleared under tariff item 3824 99 00. The customs classification is indicative only and is not binding on the scope of the product under consideration in the present petition.
9. The applicants have not proposed the Product Control Numbers (PCNs) in the present investigation. The interested parties, however, can provide their comments/suggestions on the proposed PUC/PCNs for the purpose of this investigation within 30 days from the date of initiation of this investigation.

B. LIKE ARTICLE

10. The applicants have claimed that there is no known significant difference in the product produced by the domestic industry and those exported from the subject country. The product produced by the domestic industry and imported from the subject country is comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, specifications, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially substitutable and are used by consumers interchangeably. Hence, for the purpose of the present investigation, the subject goods produced by the applicants are being treated by the Authority as 'like article' to the subject goods being imported from the subject country.

C. SUBJECT COUNTRY

11. The subject country in the present investigation is Vietnam.

D. DOMESTIC INDUSTRY AND STANDING

12. The application has been filed by the two associations CMMAI and MMA on behalf of the member companies that are domestic producers of PUC. It has been claimed that most of the Indian manufacturers of the subject goods are small and in the unorganized sector. The applicants have stated that their member companies constitute more than 90% of the total production of product under consideration in India.
13. There are twelve applicant domestic producers of subject goods who have filed the required information in Annexure-I to Trade Notice 9/2021 for fragmented industries. It has been claimed that these twelve applicant domestic producers comprise more than 35% of the total domestic production of subject goods in India during the POI. From the information available, the applicants' production constitutes more than 25% of the total domestic production of PUC.
14. Further, it has been claimed that the twelve applicant domestic producers along with the twenty-one expressly supporting companies who have provided the required data in supporters' format constitute more than 55% of the total domestic production of subject goods in India.
15. Out of the twelve applicant domestic producers and twenty-one expressly supporting companies only one company has imported miniscule quantities of subject goods from subject country. None of the applicant domestic producers and expressly supporting companies are related to producers/ exporters of subject goods in subject country.
16. The applicants have certified that there is 0.23% of imports of the product under consideration by the petitioner companies from the subject country. On the basis of the information available, the Authority notes *prima facie* that the applicants constitute "domestic industry" under within the meaning of Rule 2(b) read with Rule 5(3) of the AD Rules.

E. BASIS OF ALLEGED DUMPING

i. Normal Value

17. To evaluate the normal value for Vietnam, the applicants have claimed that the data relating to the domestic selling prices or the cost of production of the product under consideration in Vietnam is not available in the public domain at this stage. Therefore, the applicants have constructed the normal value for Vietnam as per the best available estimates of the cost of production, as adjusted for reasonable profit margin.
18. To construct the normal value, the applicants have taken the available estimates of raw material costs in Vietnam with addition of conversion cost of domestic industry and reasonable profit margin to arrive at the ex-factory normal value.

ii. Export Price

19. The applicant has claimed the CIF price reported as per market intelligence for the determination of export price. However, the Authority for the purpose of the investigation

has relied upon the DG Systems data. Adjustments on account of freight cost, marine insurance, commission, bank charges, port expenses, inland freight, loading and unloading charges have been made to determine the ex-factory export price.

iii. Dumping Margin

20. The normal value and the export price have been compared at the ex-factory level, which *prima facie* shows that the dumping margin is above the de-minimis level and is significant in respect of the product under consideration from the subject country. Thus, there is sufficient *prima facie* evidence that the product under consideration from the subject country is being dumped in the Indian market by the exporters from the subject country.

F. INJURY AND CAUSAL LINK

21. Information furnished by the applicants has been considered for assessment of injury to the domestic industry. The applicants have furnished evidence regarding the injury as a result of the alleged dumping in the form of significant increase in volume of dumped imports in absolute as well as in relative terms in comparison to the production and consumption in India, price undercutting and price depressing and suppressing effect on the domestic industry. The applicants have claimed that their performance has been adversely impacted in respect of production, sales, capacity utilisation, market share, profits, cash profits, and return on capital employed due to the significant imports of the product under consideration from the subject country at dumped prices. The applicants have also claimed a further threat of material injury on account of significant increase of dumped imports and excess capacity and production in the subject country targeted for export markets at dumped prices. There is sufficient *prima facie* evidence of injury being caused to the domestic industry by dumped imports of subject goods from the subject country.

G. INITIATION OF ANTI-DUMPING INVESTIGATION

22. On the basis of the duly substantiated written application filed by the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, about the dumping of the product under consideration originating in or exported from the subject country, 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 AD 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 country and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

H. PERIOD OF INVESTIGATION

23. The period of investigation for the present investigation is from 1st April 2023 to 31st March 2024 (12 months). The injury investigation period will be 1st April 2020 to 31st March 2021, 1st April 2021 to 31st March 2022, 1st April 2022 to 31st March 2023 and the POI.

I. PROCEDURE

24. The principles as stipulated under Rule 6 of the AD Rules shall be followed in the present investigation.

J. SUBMISSION OF INFORMATION

25. All communication should be sent to the Authority via email at email addresses dir14-dgtr@gov.in, dd15-dgtr@gov.in, adv11-dgtr@gov.in and 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.

26. The known producers/exporters in the subject country, the Government of the subject country through its embassy in India, the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the AD Rules and the applicable trade notices issued by the Authority.

27. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed by this initiation notification, the AD Rules and the applicable trade notices issued by the Authority within the time-limit mentioned in this initiation notification.

28. 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.

29. Interested parties are further advised to keep a regular watch on the official website of the Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

K. TIME LIMIT

30. Any information relating to the present investigation should be sent to the Authority via email at the email addresses dir14-dgtr@gov.in, dd15-dgtr@gov.in, adv11-dgtr@gov.in and adv12-dgtr@gov.in within thirty days from the date on which it was sent by the Authority or transmitted to the appropriate diplomatic representative of the exporting country as per of Rule 6(4) of the AD Rules. 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.

31. 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 as stipulated in this notification.
32. Where an interested party seeks additional time for filing of submissions, it must demonstrate sufficient cause for such extension in terms of Rule 6(4) of the AD Rules and such request must come within the time stipulated in this notification.

L. SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

33. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, it is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the AD Rules and in accordance with the relevant trade notices issued by the Authority in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.
34. 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.
35. The submissions must be clearly marked as "confidential" or "non-confidential" at the top of each page. Any submission which has been made to the Authority without such markings shall be treated as "non-confidential" information by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
36. 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.
37. The non-confidential version of the information filed by the interested parties 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.
38. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a 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 containing a sufficient and adequate explanation in terms of Rule 7 of the AD Rules and appropriate trade notices issued by the Authority, as to why such summarization is not possible must be provided to the satisfaction of the Authority. The other interested parties can offer their comments on the confidentiality claimed within seven 7 days of receipt of the non-confidential version of the documents.

39. 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.
40. Any submission made without a meaningful non-confidential version thereof or without a good cause statement in terms of Rule 7 of the AD Rules and appropriate trade notices on the confidentiality claim shall not be taken on record by the Authority.
41. 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.

M. INSPECTION OF PUBLIC FILE

42. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties.

N. NON-COOPERATION

43. In case where an interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority, 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.



(Darpan Jain)
Designated Authority