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F. No. 6/47/2024-DGTR Government of India Ministry of Commerce and Industry Directorate General of Trade Remedies 4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi – 110001

Date: 26 June 2025

INITIATION NOTIFICATION (Case No. AD(OI) - 44/2024)

Subject: Initiation of anti-dumping investigation concerning imports of "Para-Tertiary Butyl Phenol" originating in or exported from China PR and Taiwan

- Having regard to the Customs 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 for Determination of Injury) Rules, 1995 as amended from time to time (hereinafter referred to as the "Rules" or the "Anti-dumping Rules"), M/s Vinati Organics Limited has filed an application before the Designated Authority (hereinafter also referred to as the "Authority") for initiation of an anti-dumping investigation concerning imports of "Para-Tertiary Butyl Phenol" (hereinafter referred to as "product under consideration" or "PUC" or "subject goods"), originating in or exported from China PR and Taiwan (hereinafter referred to as "subject countries").
- 2. The applicant has alleged that dumped imports of the subject goods from China PR and Taiwan are causing injury to the domestic industry and has requested the imposition of anti-dumping duties on the import of the subject goods from the subject countries. The applicant has also sought interim duties on imports of subject goods from subject countries.

A. Product Under Consideration (PUC)

- 3. The product under consideration (PUC) is "Para-Tertiary Butyl Phenol" or "PTBP" conforming to CAS no. 98-54-4. PTBP is also known as 4 tert butylphenol/ p tert butylphenol/ PTBP Chemical/ para tert butyl phenol.
- 4. The product under consideration is an organic aromatic compound with the chemical formula (C10H14O). It occurs in a white crystalline solid form and has a distinct phenolic odour. PTBP chemical is usually prepared by a reaction of phenols and isobutylene.
- 5. PTPB is prepared by incorporating a gaseous of isomer butenes into phenols in the presence of an acid activated clay as a catalyst. This product is mainly used to manufacture

a perfumery raw material para tertiary butyl cyclo hexyl acetate (PTBCHA). It is also used to manufacture a range of resins including epoxy, polycarbonate resins and phenolic resins.

6. The product under consideration is classified under Chapter 29 under customs subheading no. 2907 1940. However, the customs classification is indicative only and in no way binding on the scope of the product under consideration in the present investigation.

B. Like Article

7. The applicant has submitted that there is no known difference in the production process adopted by the applicant and that adopted by the producers of the subject goods in the subject countries. The product produced by the Applicant and the one that is being imported from the subject countries have comparable characteristics in terms of parameters such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the subject goods. The imported subject goods and the article manufactured by the applicant are technically and commercially substitutable. The applicant has claimed that consumers of the subject goods are using the imported subject goods and the article manufactured by the applicant, the Authority treats the subject goods produced by the applicant in India as "like article" to the product under consideration being imported from the subject countries.

C. Subject Countries

8. The subject countries in the present investigation are China PR and Taiwan.

D. Period of Investigation (POI)

9. The applicant has proposed April 2024 – December 2024 (9 months) as the period of investigation. It has been claimed that the period of 9 months i.e., from April 2024 to December 2024 is appropriate for determining the injury to the applicant in the present case. The dumped imports from the subject countries started entering the domestic market only from the month of April 2024 i.e., after the imposition of anti-dumping duties on dumped imports of the subject goods from Korea RP, Singapore and USA vide Customs Notification No. 04/2024 Customs (ADD) dated 14th March 2024. However, the Authority has considered the period of investigation (POI) for the present investigation as April 2024 – March 2025 (a period of 12 months). The injury investigation period will cover the periods 2021 – 2022, 2022 – 2023, 2023 – 2024, and the period of investigation.

E. Domestic Industry and Standing

10. The application has been filed by M/s Vinati Organics Limited (VOL). The applicant is the sole producer of the subject goods in India and started commercial production of the

subject goods in July 2020. The production of the applicant constitutes 100% of the Indian domestic production. The applicant has certified that it has neither imported the subject goods from the subject countries nor is it related to any importer or exporter thereof. The Authority, therefore, determines that the applicant company constitutes an eligible domestic industry within the meaning of Rule 2(b) of the Anti-dumping Rules and the application satisfies the criteria of standing in terms of Rule 5(3) of the Anti-dumping Rules.

F. Basis of Alleged Dumping

a. Normal Value for China PR

- 11. The domestic industry has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The domestic industry has claimed that the producers in China PR must be asked to demonstrate that market economy conditions prevail in the industry producing the subject goods in terms of Para 8(3) of Annexure I of the Rules with regard to the manufacture, production and sale of the product under consideration. It has been stated by the domestic industry that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market driven, the normal value should be calculated in terms of provisions of para 7 and 8 of Annexure I to the Rules.
- 12. The domestic industry has claimed that the data relating to cost or price in market economy third country or recourse to alternative methods are not available. The domestic industry has determined normal value for China PR based on the best estimates of cost of production in India with reasonable addition for selling, general & administrative expenses, and profits. Normal value for China PR, for the purpose of initiation of the investigation, has been constructed based on the best estimates of the cost of the production of the domestic industry after duly adjusting the selling, general and administrative expenses and profits.

b. Normal Value for Taiwan

13. The applicant claimed that it made efforts to get information of price of the subject goods in the domestic market of Taiwan or any evidence of price from published sources. However, data relating to the price in Taiwan was not available. There is no publication which provides prices of the product under consideration in the global market including Taiwan. Further the import price into Taiwan or export price from Taiwan to third countries is also not available publicly. Therefore, the normal value for Taiwan has been proposed considering estimates of the cost of production in Taiwan, after addition for selling, general & administrative expenses and reasonable profits and the same has been considered for the purpose of initiation.

However, for the purposes of initiation, the Authority has determined the normal value for Taiwan based on the best available information, having regard to the cost of production in India, duly adjusted for selling, general and administrative expenses with reasonable profits. The Authority will further examine the evidence provided by the interested parties and the applicant for the determination of normal value during the investigation.

c. Export Price

14. The applicant has determined the export price for the subject countries by considering the volume and value of imports as per published DGCI&S data for imports reported under the dedicated classification for the period of investigation. For the purposes of the initiation, the Authority has considered DG Systems data. However, adjustments on account of ocean freight, marine insurance, bank charges, port & inland freight expenses, handling charges, credit period, warehousing expenses, inland insurance and commission have been made.

d. Dumping Margin

15. The normal value and export price have been compared at ex-factory level, which prima facie shows that dumping margin is not only above de-minimis level but also significant. There is sufficient prima facie evidence that the subject goods from the subject countries are being dumped into the Indian market by the exporters from the subject countries.

e. Sampling of exporters

16. In view of the potential participation of a large number of exporting producers from the subject countries, the applicant has requested for sampling of exporters. In order to complete the investigation within the prescribed time limits, and in terms of Rule 17 of the Rules, the Authority may resort to sampling i.e., limiting its findings either to a reasonable number of interested parties or articles by using statistically valid samples based on information available at the time of selection or to the largest percentage of the volume of exports from the subject countries.

G. Evidence of Injury and Causal Link

17. Information furnished by the domestic industry has been considered for the assessment of injury to the domestic industry. The applicant has provided sufficient *prima facie* evidence with respect to the injury suffered by it because of dumped imports. The imports from subject countries have increased significantly in the POI i.e., after imposition of duties on Korea RP, Singapore and USA, which are now attracting anti-dumping duty. Imports in relative terms have also increased significantly in the POI. The subject imports have had a suppressing effect on the prices of the domestic industry. The production, sales, and capacity utilization of the domestic industry have increased; however, the domestic industry continues to incur losses and negative ROI. The level of inventories has also increased in the POI despite sufficient demand in the market.

- 18. The domestic industry has also contended that it is in the process of recovering from past ill-effects of dumping. The domestic industry was earlier prevented from establishing itself because of dumped imports from Korea RP, Singapore and USA, it is now being prevented from establishing itself because of shifting of the source of dumped imports from countries presently attracting duties to the subject countries i.e., China PR and Taiwan.
- 19. The Authority notes that there is sufficient *prima facie* evidence of injury being caused to the domestic industry due to dumped imports from the subject countries.

H. <u>Retrospective Imposition of Duties</u>

- 20. The applicant has requested for retrospective imposition of the anti-dumping duty on imports of the product under consideration from the subject countries. The applicant has claimed that retrospective imposition is necessary due to the following:
 - a. There is a history of dumping in India as is evident from the fact of past investigation on the product under consideration.
 - b. The importer should have been aware of dumping, based on experience from the past investigation which established the price levels at which dumping was determined.
 - c. There is significant dumping in a relatively short period. The dumped imports from China PR and Taiwan have increased significantly as soon as trade remedial measures were imposed against the imports from Korea RP, Singapore and USA.
 - d. Non imposition of duty is likely to undermine the remedial effects of dumping.

I. Initiation of Anti-Dumping Investigation

21. On the basis of the duly substantiated written application filed by or on behalf of the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the applicant, concerning the dumping of the subject goods originating in or exported from the subject countries, injury to the domestic industry and the causal link between such alleged dumped imports and injury, and in accordance with Section 9A of the Act read with Rule 5 of the AD Rules, the Authority, hereby, initiates an anti-dumping investigation to determine the existence, degree and effect of the dumping with respect to the product under consideration originating in or exported from the subject countries and to recommend the appropriate amount of anti-dumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

J. Procedure

22. The principles as given in Rule 6 of the Rules will be followed for the present investigation.

K. Submission of Information

23. All communication should be sent to the Designated Authority via email at the email addresses <u>dd15-dgtr@gov.in</u> and <u>dir16-dgtr@gov.in</u> with copy to <u>adv13-dgtr@gov.in</u>. It

must be ensured that the narrative part of the submission is in searchable PDF/MS Word format and data files are in MS Excel format. Submissions requiring special software to access the files will not be accepted.

- 24. The known producers/exporters in the subject countries, the governments of the subject countries through their embassies in India, and the importers and users in India known to be concerned with the subject goods 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.
- 25. 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. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

L. TIME LIMIT

- 26. Any information relating to the present investigation should be sent to the Designated Authority via email at the following email addresses dd15-dgtr@gov.in, dir16-dgtr@gov.in and adv13-dgtr@gov.in within 30 days from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting countries as per Rule 6(4) of the AD 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 countries. 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.
- 27. 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.
- 28. 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, 1995 and such request must come within the time stipulated in this notification.

M. SUBMISSION OF INFORMATION ON A CONFIDENTIAL BASIS

29. Any party making any confidential submission or providing information on a 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 AD Rules. Failure to adhere to the above may lead to the rejection of the response I submissions.

- 30. 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. In case, the submission is made in multiple parts, it is instructed to provide an index table in each part outlining the contents of all parts/emails and documents enclosed. Please ensure page numbering on all submissions.
- 31. Where the original documents are in a language other than Hindi and English, the interested parties are requested to ensure that the true translated version is provided along with the original documents.
- 32. 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.
- 33. 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 a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to a summary, and a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority. The other interested parties may offer their comments on the confidentiality claimed within 7 days of receiving the non-confidential version of the documents.
- 34. 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 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.
- 35. Any submission made without a meaningful non-confidential version thereof or a good cause statement on the confidentiality claim shall not be taken on record by the Authority.
- 36. The interested parties can offer their comments on the issues of confidentiality claimed by the domestic industry within 7 days from the date of circulation of the non-confidential version of the documents in terms of relevant paragraphs of this initiation notification.
- 37. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.

N. INSPECTION OF PUBLIC FILE

38. A list of registered interested parties will be uploaded on 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. The non-confidential version of the questionnaire response or other submissions should preferably be circulated to all other interested parties on the same day and, in no case, later than the day following the filing of submissions on a confidential basis. Failure to circulate a non-confidential version of submissions/responses/information might lead to the consideration of an interested party as non-cooperative.

O. NON-COOPERATION

39. 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 based on the facts available to it and make such recommendations to the Central Government as deemed fit.

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Siddharth Mahajan (Designated Authority)