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**F. No. 20/6/2020-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi**

Dated 8th September 2020

**INITIATION-NOTIFICATION
(Bilateral Safeguard Investigation)
Case No-(SG) 6/2020**

Subject: Notice of initiation of Bilateral Safeguard Investigation concerning imports of “PVC Suspension Grade Resin” into India from Japan under India-Japan Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017.

F. No. 20/6/2020-DGTR: Whereas, an application has been filed under India-Japan Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017 (hereinafter also referred to as the “said Rules”) by M/s DCW Limited, M/s DCM Shriram Limited and M/s Chemplast Cuddalore Vinyls Limited (herein after referred alleging increased imports of “PVC Suspension Grade Resin” (hereinafter also referred to as the “product under consideration” or “PUC” or subject goods) from Japan (also referred to as subject country) causing serious injury to the domestic producer of like or directly competitive product in India.

Product under Consideration (PUC)

2. The product under consideration in the present investigation is “homo-polymer of vinyl chloride monomer (suspension grade), where various polymer chains are not linked to each other, falling under Customs Classification No. 3904”. The product under consideration excludes 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 also referred to as “Poly Vinyl Chloride (PVC) Resin”, “Suspension Grade” or “PVC Suspension Resin” or “the subject goods” in the present notification.

Like Article

3. Applicants have claimed that there is no known difference in the product produced by the petitioners and exported from the subject countries. Subject goods produced by the domestic industry are comparable in terms of physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods with the subject goods imported from the subject countries. The consumers are using the two interchangeably.

Domestic Industry and Standing

4. The present petition has been filed by M/s DCW Limited, M/s DCM Shriram Ltd. and M/s Chemplast Cuddalore Vinyls Limited whose production constitutes a major proportion in the Indian production. Apart from the applicants, there are two other producers of the subject goods in India namely Reliance Industries Limited and Finolex Industries Limited who have not opposed this petition.
5. The petitioning companies together constitute more than 25% of the Indian production and constitute a major proportion in the Indian production. Keeping in view that, there is no opposition to the application expressed by any other domestic producer of the like product, the Authority has considered the petitioner companies as the domestic industry within the meaning of Rule 2(c) of the Rules. The petitioner companies are hereinafter referred to as Domestic Industry or DI

Period of Investigation

6. The period considered for the purpose of the present investigation is April, 2016 to March, 2020.

Subject country

7. The country involved in the present investigation is Japan.

Increased Imports

8. The Applicants have claimed that imports of the product under consideration from Japan were quite low before the commencement of duty reduction and have increased in absolute terms and in relation to production and consumption. It is noted that the increase in imports of PUC is significant during the POI and is continuing the increasing trend witnessed post the commencement of the tariff reduction with effect from August, 2011. The rate of increase in imports of subject goods is considered significant considering the duration, the quantum, the total imports and the consumption in India.

Serious Injury to the domestic industry

9. The Applicants have claimed that the increased imports of the product under consideration have caused serious injury to it. The applicants claimed that the market share of the DI has declined whereas market share of subject imports has increased. They have also claimed that their profits, cash profits, PBIT and ROI have declined.
10. The Applicants has requested for immediate imposition of bilateral safeguard measure in view of significant increase in imports of subject goods from subject country.

11. The Authority finds that there is prima facie evidence that imports of product under consideration have increased significantly causing serious injury to the DI of the like article in India and there is causal link between increased imports from subject country and the serious injury caused to the DI.

Initiation

12. After determining that there is prima facie evidence to justify initiation of the safeguard investigation, the Director-General considers appropriate to initiate the investigation in order to determine whether the imports of the product under consideration from Japan constitute increased imports and whether the increased imports have caused or are threatening to cause serious injury to the DI.

13. All interested parties may make their views known within a period of 30 days from the date of this notice to:

Director General
Directorate General of Trade Remedies
Jeevan Tara Building,
4th Floor 5, Parliament Street, New Delhi -110001

14. In view of the special circumstances arising out of the COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg11-dgtr@gov.in; and copy to adv12-dgtr@gov.in; jd12-dgtr@gov.in; ad11-dgtr@gov.in

15. All known interested parties are also being addressed separately.

16. Any other party to the investigation who wishes to be considered as an interested party may submit its request so as to reach the Director-General on the aforementioned address within 30 days from the date of this notice.

17. If no information is received within the prescribed time limit or the information received is incomplete, the Director-General may record its findings on the basis of the facts available on record. The information must be submitted in hard copies as well as soft copies.

18. Submission of Information on Confidential Basis – The parties making any submission (including Appendices/Annexure attached thereto), before the authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof. 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 Director-General and the Director-General shall be at liberty to allow the other interested parties to inspect such submissions. Soft copies of both the versions will also be required to be submitted, along with the hard copies, in two (2) sets of each. 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. The information which is 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. 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 summary, and a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Director General. The Director-General may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Director General 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 Page 4 of 4 to authorize its disclosure in generalized or summary form, it may disregard such information. Any submission made without a meaningful non- confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Director-General. The Director-General, on being satisfied and accepting the need for keeping the information provided as confidential shall not disclose it to any party without specific authorization of the party providing such information.

19. Any interested party may inspect the public file containing non-confidential version of the evidences submitted by other interested parties.
20. In case, where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Director-General may 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 & Designated Authority