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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 – 110001

INITIATION NOTIFICATION Case No – AD(OI) - 07/2025

Dated: 29th March, 2025

Subject: Initiation of anti-dumping investigation concerning imports of Emulsion Styrene Butadiene Rubber of 1500 series from European Union, Japan, Korea RP, Russia and Thailand.

- 1. Having regards to 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 and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter also referred to as the "Rules or AD Rules"), Reliance Industries Limited (hereinafter referred to as the "applicant" or the "Petitioner") has filed an application before the Designated Authority (hereinafter referred to as the "Authority") for initiation of an anti-dumping investigation concerning imports of "Emulsion Styrene Butadiene Rubber" (hereinafter referred to as the "subject goods" or "product under consideration" or "ESBR" from European Union, Japan, Korea RP, Russia and Thailand ("subject countries").
- 2. The applicant has alleged that material injury and threat of material injury is being caused due to the dumped imports of the subject goods from the subject countries and has requested for the imposition of anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries.

A. Product under Consideration

- 3. The product under consideration is Emulsion Styrene Butadiene Rubber of 1500 series, abbreviated as ESBR -1500.
- 4. A number of grades of SBR are produced, which are characterised by the level of copolymer (% of styrene), emulsifier type, nominal mooney viscosity, coagulation, specific gravity and product stain. They are segregated into series 1000, 1500, 1600, 1700, 1800 and 1900. The product under consideration is ESBR 1500 series only.

- 5. The subject goods are mainly used to manufacture tyres as it has good abrasion resistance and good aging stability when protected by additives. It is also used in conveyer belts, shoe soles, v-belts, moulded rubber goods etc. In comparison to natural rubber, ESBR has better process ability, homogeneity, heat aging and abrasion resistance.
- 6. The product under consideration is classified under Chapter 40, under tariff code 4002 19. The customs classification is only indicative and is not binding on the scope of the present investigation.
- 7. No PCN methodology has been proposed by the applicant. However, the interested parties in the subject investigation may provide their comments on the PUC/PCN methodology, if any, within 15 days from the date of initiation of this investigation.

B. Like article.

8. The applicant has submitted that there are no significant differences in the product produced by the applicant and those exported from the subject countries and both are like articles. The product produced by the applicant and those imported from the subject countries are comparable in terms of essential product characteristics such as physical and chemical characteristics, manufacturing process & technology, functions & usage, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and have been using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules. Thus, for the purposes of initiation of the present investigation, the product produced by the applicant has been *prima facie* considered as like article to the product being imported from the subject countries.

C. Domestic industry and standing.

- 9. The application has been filed by Reliance Industries Limited (RIL). The applicant is one of the two producers of the subject product in India. The production of the applicant accounts for a major proportion in the domestic production of the like article in India. The other producer has also supported the application.
- 10. Based on the information provided, it is seen that the applicant constitutes 'domestic industry' within the meaning of Rule 2(b) of the Rules, and the application satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

D. Subject countries

11. The subject countries for the present anti-dumping investigation are European Union, Japan, Korea RP, Russia and Thailand.

E. Period of investigation

12. The applicant had proposed 1st October 2023 – 30th September 2024 as the period of investigation (period of 12 months). The Authority has considered the period proposed by the applicant for the purpose of the investigation. The injury investigation period will cover the period of 2021-22, 2022-23, 2023-24 and the period of investigation.

F. Basis of alleged dumping

i. Normal value

- 13. The applicant has provided information on the prevailing prices in European Union. The applicant has additionally determined the normal value based on the best estimates of cost of production in India duly adjusted with selling, general and administrative expenses, along with a reasonable profit margin. The applicant has claimed that they do not have access to any evidence of selling price in Japan, Korea RP, Russia and Thailand. Therefore, applicant has determined the normal value based on the best estimates of cost of production in India duly adjusted with selling, general and administrative expenses, along with a reasonable profit margin.
- 14. For the purpose of initiation, the Authority has considered normal value based on cost of production in India.

ii. Export price

15. The export price of the product under consideration has been determined by considering the CIF price of the product under consideration as reported in DG Systems data. Adjustments have been claimed for ocean freight, marine insurance, bank charges, port expenses and inland freight expenses, secondary packaging, credit costs and inventory carrying costs.

iii. Dumping margin

16. The normal value and export price have been compared at the ex-factory level. There is sufficient evidence that the normal value of the subject goods in the subject countries is significantly higher than the ex-factory export price indicating, *prima facie*, that the subject goods are being dumped by the exporters from the subject countries into the Indian market and the dumping margin is above *de-minimis* so as to justify the initiation of the investigation. The applicant has also requested for dumping margin and injury margin be determined on a monthly basis to ensure a fair comparison. The Authority will examine the need for a monthly determination of dumping and injury margin after receiving comments from all interested parties.

G. Evidence of injury and causal Link

17. Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has claimed that it has suffered material injury and there is a threat of further injury as a result of the dumped imports. The information concerning imports and economic parameters of the domestic industry over the injury period show that the imports have increased in absolute terms over the injury period and are significant in relation to the Indian production and consumption. The imports are undercutting the prices of the domestic industry and have prevented price increases, which otherwise would have occurred. As a result, the applicant witnessed decline in profits, cash losses and a low return on its capital employed. There is sufficient *prima facie* evidence of injury being caused to the domestic industry by the dumped imports from the subject countries to justify the initiation of an anti-dumping investigation.

H. Initiation of anti-dumping investigation

18. On the basis of the duly substantiated 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, substantiating dumping of the product under consideration originating in or exported from the subject countries, 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 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 countries and to recommend the amount of anti-dumping duty, which is levied, would be adequate to remove the injury to the domestic industry.

I. Procedure

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19. Principles, as given in Rule 6 of the Rules, will be followed for the present investigation.

J. Submission of information

- 20. All communication should be sent to the Authority via email at the email addresses adv13-dgtr@gov.in, consultant-dgtr@nic.in, dd16-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.
- 21. The known producers/ exporters from the subject countries, their Governments through their Embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic producer 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.
- 22. 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 addresses mentioned hereinabove.
- 23. 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.
- 24. Interested parties are further advised to keep a regular watch on the official website of the Authority https://www.dgtr.gov.in/ for any updated information with respect to this investigation.

K. Time limit

- 25. Any information relating to the present investigation should be sent to the Authority via email at the email addresses adv13-dgtr@gov.in, consultant-dgtr@gov.ontractor.in, dd16-dgtr@gov.in and dd17-dgtr@gov.in within thirty days (30 days) from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping 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 finding on the basis of the facts available on records in accordance with the Rules.
- 26. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant investigation and file their questionnaire response/ submissions within the above time limit.
- 27. 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.

L. Submission of information on a confidential basis

28. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.

- 29. Such submissions must be clearly marked as 'confidential' or 'non-confidential' at the top of each page. Any submission that 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 other interested parties to inspect such submissions.
- 30. 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 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.
- 31. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
- 32. 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 Rules, 1995, 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.
- 33. The interested parties can offer their comments on the issues of confidentiality within 7 days from the date of circulation of the non-confidential version of the documents.
- 34. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
- 35. 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.
- 36. 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.

M. Inspection of public file

37. 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

38. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.

(Darpan Jain)

Designated Authority