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India, Saudi Arabia talks on PP anti-dumping tax next month

PTI

Dubai, August 23, 2011-- Saudi Arabia and India will resume talks next month on the prospects of lifting an anti-dumping tax imposed on the kingdom's polypropylene exports, a news report has said, quoting informed sources. Saudi Arabia's Commerce and Industry Minister, Abdullah Zainal Alireza, will lead the Saudi delegation for new talks in New Delhi, the Indian trade mission in Geneva said, adding that Finance Minister Pranab Mukherjee will lead the Indian team. According to the Arab News report, analysts have assigned utmost importance to the next round of talks, as previous bilateral negotiations have failed to reach an agreement. New Delhi imposed an anti-dumping tax on Saudi PP exports in July, 2009. India imports 25,000 tonnes of polypropylene from Saudi Arabia annually. Before imposing the anti-dumping tax of 1.5 per cent per tonne, or USD 20-22, Saudi polypropylene was the lowest priced product in the market, the report said. Saudi Export Development Centre (SEDC) Executive Council Chairman Abdul Rahman Al-Zamil described the 22 per cent tax as "unreasonable" and urged New Delhi to reconsider the decision in the light of the strategic trade relations between the two countries. According to Al-Zamil, India imposed anti-dumping taxes on Saudi polypropylene exports, saying it had cheaper feedstock. "The availability of cheap feedstock in the kingdom is quite natural as a result of abundant local gas supply and the location of petrochemical plants closer to gas pipelines," he said.

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Safeguard duty recommended on chemical used in plastic mfg

PTI

New Delhi, 9 October 2011: The Revenue Department has recommended the re-imposition of a safeguard duty on imports of a chemical used in plastic manufacturing with a view to protect the interest of domestic producers. Earlier, the government had imposed a safeguard duty of 25 per cent on Phthalic Anhydride (PAN) in January, 2009, for six months and subsequently, at 15 per cent till December, 2009. The Directorate General of Safeguards (DGS), which is under the Revenue Department, after a preliminary investigation, found that increased imports of Phthalic Anhydride have caused grave injury to domestic producers and it will be in the public interest to impose a safeguard duty. "... Safeguard duty at the rate of 10 per cent ad-valorem, which is considered to be the minimum required to protect the interest of domestic industry, is hereby recommended to be imposed on imports (of PAN)...," the DGS said. A slowdown in the markets of Europe and America from 2009 onward and worsening global conditions in the last five months due to the crises in some European nations has resulted in surplus production of the chemical worldwide. "This has resulted in heavy surpluses for the industry, which are being channelled into India, noticing India's growth prospects amidst a looming global recession," the DGS said. The DGS had conducted a probe into the imports on the basis of a complaint by three of the five domestic producers, which account for 86 per cent of the total country's production. The chemical is imported from a number of countries, mainly Korea, Israel, Iran and Taiwan. Imports of PAN have shown an increasing trend in absolute terms and also had an impact on the market share of domestic producers, the DGS said. The imports increased from 28,098 MT in 2009-10 to 61,965 MT in 2010-11, an increase of nearly 221 per cent in absolute terms, "which is phenomenal", it said. The domestic industry had informed the DGS that their market share had increased in the year 2009-10 due to the imposition of a safeguard duty, but the same declined after the duty expired. The DGS will hold a public hearing on October 18 before making a final determination on the imposition of a safeguard duty. PAN is used to produce Phthalate esters, which function as plasticisers. It is an important chemical intermediate in the plastic industry. In accordance with WTO norms, safeguards protect domestic producers temporary relief while they adjust to the pricing tactics of competitive foreign players.

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Anti-dumping duty on caustic soda imports

Anindita Dey & Rutam Vora, Business Standard

Mumbai/ahmadabad October 16, 2011, 0:42 IST: In a major blow to the manufacturing industry, the finance ministry has imposed an anti-dumping duty on the use of caustic soda till 2013.

The duty will be levied on all imports originating from Saudi Arabia, Korea and the US. While the notification issued by the anti-dumping directorate has not spelt out the duty amount, it has clarified that it would be based on the reference rate which is around $400 and landed cost of the commodity.

Companies such as Hindustan Unilever, Procter & Gamble Hygiene and Health Care, Colgate-Palmolive, Godrej Consumers Products, Nirma, Reckitt Benckiser and Henkel SPIC (India) Ltd are some of the major consumers of caustic soda, besides the paper industry, textiles and pharma sector.

The decision of the Union finance ministry to impose an anti-dumping duty on imports of caustic soda, have failed to impress the domestic industry.

Caustic soda makers termed the quantum of duty “very low” against the already lower international prices, while consumer industries including soap makers, textiles and paper industry cried foul over the sudden spike in caustic soda prices in the domestic market, while import option will be more costly once the government decision comes into effect.

An official with one of the petrochemical companies said: “Caustic soda is a major chemical ingredient and domestic manufacturers have been suppressing a price rise for some time, since import was cheap. Many domestic manufacturers of this chemical refrained from a price rise, even at the cost of lower margins or loss and many industries have leaned down production. But now, with this anti-dumping duty, chemical manufacturers can increase prices which could trigger a price rise of its end products.”

Despite representations by domestic soap makers, including Hindustan Unilever, that their requirements are not met by supplies from domestic companies and they have to resort to imports, the anti-dumping directorate has advocated that the duty is required to provide level-playing field for domestic manufacturers vis- a vis imports.

Caustic soda is a soapy, strongly alkaline, odourless liquid widely used in paper, viscose yarn and staple fibre, aluminium, textiles, toilet and laundry soaps, detergents, dyestuffs, drugs and pharmaceuticals, vanaspati and petroleum refining industry, among others.

Caustic soda companies also see the size of the duty as lower than expected. “The imposition of duty on caustic soda imports is not going to benefit the domestic industry as the quantum of the duty seems to be very low. This duty fails to settle the prevailing disparity between international and domestic prices of caustic soda. Even after paying the duty, international prices would continue to remain lower,” said an industry source.

According to industry insiders, companies that are dependent on imported caustic soda may have to shell out more. Domestic supplies of caustic soda may also get costlier.

It is evident from the fact that soon after the imposition of the duty, the sentiments have already turned bullish as the prices of caustic soda in the domestic markets have started showing upward signs. In the past one week, caustic soda prices have jumped by Rs 3,000 t o Rs 4,000 per tonne.

Caustic soda liquid was priced in the range of Rs 28,000 to Rs 29,000 per tonne, while flax prices hovered around Rs 31,000 to 32,000 per tonne.

“Caustic soda prices have already started rising in the domestic market as a fallout of the imposition of import duty. But it is less likely that consumer industries would pass on this price hike to its finished products, because they are already faced with low demand. Rather they (consumer industry) are more likely to adopt a wait-and-watch strategy for prices to fluctuate," said an Ahmedabad-based leading caustic soda trader.

But to some, the imposition of import duty may prove to be irrelevant. "We have our own caustic soda plant, with all the in-house raw material supplies available. Hence we do not depend on other companies for our requirements. So it is irrelevant to us if the anti-dumping duty stays or goes," said a source at Nirma Limited, India's largest detergent maker.

Meanwhile, sources from Tata Chemicals, India's leading caustic soda maker, maintained that the imposition of duty would benefit the Indian caustic soda industry. "The move will surely help domestic manufacturers. Going forward, there could be some impact on prices as imports would get costlier," said a company official, requesting anonymity.

The anti-dumping directorate was conducting a sunset review of the duty which had expired in 2008.

The initial appellants were Gujarat Alkalies & Chemicals Limited, Grasim Industries Limited , DCM Shriram Consolidated Limited, SIEL Industrial Complex and Bihar Caustic & Chemicals Limited

Later, the petition had been supported by a host of other companies, including Reliance Industries Limited, Kanoria Chemicals & Industries Limited, Gujarat Fluorochemicals Limited, Solaris Chemtech Limited, DCW Limited and Jayshree Chemicals Limited.

Officials said the views of all stakeholders, including importers were taken before the decision was made. Some of the major importers who have responded are National Aluminium Company (NALCO) and Hindusthan Level Ltd.

The anti-dumping duty on imports from Indonesia, European Union and Taiwan had been levied between 2006 and 2008. The directorate initiated a review of the duty in 2010 following representations from the industry.

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India Lifts Anti-Dumping Duty on Import of Saudi Polypropylene

Rajesh Kumar Singh, Bloomberg

2 January 2012: India has lifted an anti-dumping duty imposed on polypropylene imported from Saudi Arabian suppliers, including Saudi Basic Industries Corp., the world's biggest petrochemical maker.

The change is effective from the day the notification is published in the Gazette of India, the official record of government rules, the Central Board of Excise and Customs said in a statement dated Dec. 30 on its website. There was no reason given for the amendment.

India imposed a 6.5 percent anti-dumping duty in November 2010 on polypropylene imports from Saudi Arabia, Oman and Singapore because it said the shipments were valued at less than normal prices and would hurt domestic manufacturers. Reliance Industries Ltd., controlled by Mukesh Ambani, India's richest man, has a 70 percent share of the country's polypropylene market, according to its website.

Saudi companies affected by the duty, including Advanced Petrochemicals Co. and National Industrialization Co., said at the time they would ask the World Trade Organization to pressure India to lift the tax. India and Saudi Arabia would be able to resolve the dispute without going to the WTO, India's Trade Secretary Rahul Khullar said in December 2010.

Central Board of Excise and Customs Chairman S.K. Goel couldn't immediately be reached on his office telephone for comment.

Total petrochemical exports from Saudi Arabia to India amount to $200 million a year, Abdulrahman al-Zamil, a trade representative for Saudi petrochemical makers, said on Nov. 28, 2010.

The statement didn't mention the tax on polypropylene imports from Singapore and Oman. The duty was retroactive to July 30, 2009, and valid for five years from then. Polypropylene is used in straws, carpets and garden furniture.

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Anti-dumping duty on Chinese fragrance chemical

PTI

New Delhi, February 12: The Finance Ministry has imposed anti-dumping duty on Chinese import of a chemical used in preparation of fragrance compounds, with a view to protect domestic industry from the cheap shipments.

The restrictive duty of USD 14.02 per kilogram on import of Coumarin -- used in manufacture of soaps, cosmetics, incense sticks, and fine fragrances -- from the neighbouring country has been imposed for a period of five years (from March 2010), the Revenue Department said.

The Directorate General of Anti-Dumping (DGAD) in the Commerce Ministry had recommended imposition of the duty after its probe found the product was being dumped into India by Chinese producers.

The DGAD had found that "the product under consideration had been exported to India from the subject country (China) below normal values ... (and) the domestic industry had suffered material injury on account of imports..."

The probe into the dumping was carried on a complaint by Nasik-based Atlas Fine Chemicals, the sole domestic producer of Coumarin. There were two more producers but they had closed commercial production of the chemical.

Countries initiate anti-dumping probes to check if the domestic industry has been hurt because of a surge in cheap imports. As a counter-measure, they impose duties under the multilateral WTO regime.

The measures are taken to ensure fair trade and provide a level playing field to domestic players. It is not a measure to restrict imports or cause an unjustified increase in the cost of products.

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Govt initiates probe into chemical dumping by China

PTI

New Delhi, July 15: India has initiated a probe into alleged dumping of a chemical, mainly used in photography and medical applications, by China following complaints by domestic players. The commerce ministry's designated authority, the Directorate General of Anti-Dumping and Allied Duties (DGAD), has started an investigation into alleged dumping of 'Meta Phenylene Diamine' (MPDA).

In a notification, the DGAD said that it has sufficient evidence of dumping of the product from China "to justify initiation of an anti-dumping investigation.

"... the authority (DGAD) hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry ... to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry," the commerce ministry said in a notification.
The period of investigation is from October to December 2011. However, for the purpose of analysing injury, the data of previous three years of 2008-2009, 2009-2010 and 2010-2011 would also be considered, it said.

After completion of the probe, the commerce ministry would recommend the duty and the finance ministry would impose the restrictive duty.

Countries initiate an anti-dumping probe to see whether their domestic industries have been hurt because of a surge in cheap imports. As a counter-measure, they impose duties under the multilateral regime of the WTO.

The duty also ensures fair trading practices and creates a level-playing field for domestic producers vis-a-vis foreign producers and exporters resorting to dumping.

Unlike the safeguard duty, which is levied in a uniform way, anti-dumping duty varies from product to product and country to country.

India has initiated 275 anti-dumping investigations between 1992 and March 2012, involving 42 countries.

The countries prominently figuring in anti-dumping investigations are China, Korea and Singapore and the major product categories on which anti-dumping duty has been levied are chemicals and petrochemicals, pharmaceutical, steel and consumer goods.

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India exempts Japan from anti-dumping duty on PVC Paste Resin

New Delhi, July 28 (PTI) India has exempted Japan from the anti-dumping duty imposed on chemical used in manufacturing of leather products, while confirming that the levy will remain on China, South Korea, Russia, Thailand, Malaysia and Taiwan.

The imposition of duty, which is for a period of five years, is aimed at protecting the interest of domestic players from cheap inward shipments into the country.
The duty ranges from USD 1,471 to USD 1,707 per million tonne of the Poly Vinyl Chloride (PVC) Paste Resin.

"The product had been exported to India from the subject countries (except Japan) below their associated normal values," the Department of Revenue said. The dumped imports of PVC Paste Resin have caused a material injury to the domestic industry, it said.

In June 2010, the Directorate General of Anti Dumping and Allied Duties (DGAD) had imposed a provisional duty on imports of these products from countries, including Japan.

Now, the DGAD again reviewed the situation and concluded that the duty will be imposed for a period of five years (unless revoked, superseded or amended) with a retrospective effect from July 26, 2010. This would not be applicable for Japan.

The chemical is used in artificial leather (Rexene), coated fabrics, tarpaulins, toys, automotive sealant and adhesives.

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