

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)

NOTIFICATION

New Delhi, the 4th April, 2007

Initiation

Subject: Initiation of anti-dumping investigations concerning import of Ceftriaxone Sodium Sterile originating in or exported from China PR.

1. Initiation

F.NO. 14/18/2006-DGAD : WHEREAS M/s Aurobindo Pharma Ltd., Hyderabad, (herein after referred to as the Applicant) has filed an application before the Designated Authority (hereinafter referred to as this Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred as Rules), alleging dumping of Ceftriaxone Sodium Sterile (herein after referred to as subject good), originating in or exported from China PR, (herein after referred to as subject country) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject country, injury to the domestic industry and causal links between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry, in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of alleged dumping, if any, and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

2. Product under consideration

The product under investigation, as requested by the applicant, is Ceftriaxone Sodium Sterile, also known as Ceftriaxone Disodium Hemiheptahydrate-Sterile (C₁₈H₁₆N₈Na₂O₇S_{3.31}/2H₂O). This is a third generation parenteral Cephalosporin Antibiotic. Predominantly 'Ceftriaxone Sodium Sterile' is an active pharmaceutical ingredient (API) used for the formulation of filling the injection for intravenous or intramuscular administration. The product mainly used for the diseases like lower respiratory infection tract infection, skin & skin structure

infection, pelvic inflammatory disease, intra abdominal infection, uncomplicated gonorrhoea infection and surgical prophylaxis.

This product is classified under Customs Heading 2941 & 2942 of the first schedule of the Customs Tariff Act, 1975. The relevant eight digit level classifications are 2941.9090 & 2942.0090.

3. Like article

The applicant has claimed that there is no significant difference between the products manufactured by them and the subject goods imported from the subject country, which can have any impact on price, usage, quality etc. The applicant also claims that there is no material difference in the production process between the petitioner and exporters from China PR. Therefore, for the purpose of present investigation, the goods produced by the petitioner are being treated as Like Articles of the product imported from the subject country within the meaning of the Rules, supra.

4. Domestic industry and Standing

The application has been filed by M/s Aurobindo Pharma Ltd, Hyderabad, Andhra Pradesh, India one of the major producers of the subject goods in India. The Authority notes that there are other small producers of the subject goods in India i.e., M/s Orchid Chemicals, Chennai; M/s Lupin lab, MP; M/s Nectar Life Science, Chandigarh and M/s Koprana Ltd. Mumbai. It has been brought to the notice of the Authority that M/s Orchid Chemicals is a 100% EOU and has imported the subject goods during the POI and therefore, do not qualify to be considered as a domestic industry in terms of Rule 2(b) of the Rules. On the basis of the estimated capacities and production volumes of other domestic producers, the applicant commands a major proportion of the production of the subject goods in India. Therefore, the Authority holds that for the purpose of this investigation the applicant M/s Aurobindo Pharma Ltd. commands the standing in terms of Rule 5(3) and constitutes the domestic industry in terms of Rule 2(b). The Authority may however, call information from other known domestic producers for injury and Injury margin determination.

5. Normal value

The applicant has requested that China PR may be treated as a Non-Market Economy in terms of 8 (1) & (2) of Annexure I of the Rules. Therefore, Normal value in respect of China PR has been estimated in terms of Para 7 of Annexure I of the Rules on the basis of Non-market economy presumption against that country, subject to rebuttal of the above presumption by individual exporters. The Authority

may however, notify an appropriate third country, in the due course, for the purpose of determination of normal value in China PR in terms of the above provision.

6. Export price

The export price of individual products has been estimated on the basis of data collected from secondary data sources after adjusting the same for airfreight and insurance.

7. Dumping margin

On the basis of positive evidence placed by the applicants before the Authority it appears that the Normal Value of the subject goods in the subject country is significantly higher than the net export price to India, indicating prima-facie that the subject goods are being dumped in the Indian market by exporters from the subject country. The dumping margin so estimated, is positive and above de minimis.

8. Injury and causal link

The applicant has furnished information on volume and value of dumped imports from the subject country and various parameters relating to injury to the domestic industry, on account of the product under consideration. Parameters, such as increase in volume of imports both in absolute terms and in relation to the demand of the products, loss in market share, price undercutting and underselling, Price depression, profitability and cash loss in the manufacturing of subject goods, prima-facie indicate that the dumped import of the subject goods from the subject country has injured the Domestic Industry.

In addition to the claim of material injury, the applicant has also made a claim of threat of injury on the grounds that there is a significant rate of increase of dumped imports from the subject country; availability of freely disposable capacities in the country of export which is evident from the rate of increase in exports within a short time; and sharp decline in prices of the subject goods resulting in significant price effects.

9. Procedure

a) **Countries/territories involved: Peoples Republic of China.**

b) **Period of investigation (POI):** The period of investigation (POI) for the purpose of present investigation is **1.10.2005 to 30.9.2006**. The injury investigation period will however, cover the period 2003-04, 2004-05, 2005-06 and the POI.

- c) **Submission of information:** The exporters in the subject Country, the government of Peoples Republic of China, through its embassy in India, the importers and users in India known to be concerned and the domestic industry are requested to submit relevant information in the form and manner prescribed and to make their views known to the:

**The Designated Authority
Directorate General of Anti-Dumping and Allied Duties
Ministry of Commerce and Industry
Government of India
Udyog Bhavan
New Delhi-110011.**

Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

- d) **Time limit:** Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than **forty (40) days** from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are however, required to submit the information within **(40) forty days** from the date of the letter addressed to them.
- e) **Submission of information on Non-confidential basis:** In terms of Rule 6(7), of the Rules the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof is required to be provided. 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 Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.
- f) **Inspection of public file:** Any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties in terms of Rule 6 (7).

**Christy L. Fernandez
Designated Authority**