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Committee on Safeguards

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**NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON
SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND
THE REASONS FOR IT**

INDIA

PVC Suspension resins with residual VCM above 2 PPM

The following communication, dated and received on 11 October 2022, is being circulated at the request of the delegation of India.¹

Pursuant to Article 12.1(a) of the WTO Agreement on Safeguards (Safeguards Agreement), India notifies that a safeguard investigation has been initiated as follows:

1. Specify the date when the investigation was initiated

India initiated the investigation on 16 September 2022. A copy of Notice of Initiation of the investigation, as published in Part-I Section I of the Gazette of India Extraordinary is attached.²

2. Period of Investigation

The Period of investigation (POI) considered for the purpose of present investigation is from 1 April 2019 to 30 June 2022. The Investigating Authority has taken six months period (i.e. 1 January 2022 to 30 June 2022) as the most recent period.

3. Product under Consideration

The product under consideration (PUC) is "Poly Vinyl Chloride (PVC) Suspension Resins with Residual Vinyl Chloride Monomer (RVCM) above 2 PPM" and is used in pipes, packaging, wiring and insulations, medical products, automotive applications, artificial leather for diverse applications like upholstery, furnishing, jackets, purse, belts, shoes, consumer goods etc. For more details, kindly see the copy of the attached Notice of Initiation of investigation.

4. Reasons for initiation of investigation

The investigation has been initiated following the examination of the safeguard petition of the Domestic Industry (DI) alleging serious injury and threat thereof caused by sudden sharp and recent increase in the volume of imports of the PUC. Relevant factors having significant bearing on the serious injury and/or threat of serious injury to domestic industry, *inter alia*, are as below:

- The imports are undercutting the prices of the domestic industry and have taken over its market share;

¹ A copy of the Gazette of India Extraordinary, has been submitted electronically.
[https://egazette.nic.in/\(S\(mbam2hqe4m3fuuzuxrtyfgvo\)\)/SearchMinistry.aspx?id=329680](https://egazette.nic.in/(S(mbam2hqe4m3fuuzuxrtyfgvo))/SearchMinistry.aspx?id=329680).

² To consult this document, please contact Ms Richards (anne.richards@wto.org) of the Rules Division.

- The production quantity, sales quantity, capacity utilization and market share of the domestic industry etc. have fallen considerably;
- In the most recent period, the domestic industry has been forced to sell the subject goods at losses.
- There is a significant increase in imports of PUC during the most recent period (January-June, 2022) as a result of unforeseen developments such as increase in cost of petrochemical products including VCM leading to increase in cost of production of PVC suspension resin produced through VCM route, no material increase in cost of production of the product produced through coal route etc.

Accordingly, it has been found that *prima-facie* increased imports of PUC have caused or are threatening to cause serious injury to the domestic producers of PUC. Hence, it has been decided to initiate the safeguard investigation under Rule 5 of the Safeguard Measures (Quantitative Restrictions) Rules, 2012.

5. Point of contact for the investigation

All interested parties have been requested to make their views known within a period of 30 days from the date of the notice issued (i.e. 16 September 2022) to the Designated Authority on email addresses adg15-dgtr@gov.in, adv11-dgtr@gov.in, dir16-dgtr@gov.in, dd15-dgtr@gov.in.

All known interested parties have been addressed separately. It may 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 Authority or transmitted to the appropriate diplomatic representative of the exporting country.

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 Rules.
