

Ministry imposes anti-dumping duty on import of PTA

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The government has imposed anti-dumping duty on purified terephthalic acid (PTA), a raw material for polyester production, in the range of \$23.75 to \$117.09 a tonne, on imports from China, Korea, Thailand and the European Union. The move has divided PTA producers and polyester companies. A notification by the department of revenue under the ministry of finance said anti-dumping duty of \$62.82 a tonne has been imposed on the import of PTA from China and \$23.75 from the European Union. The duty will range from \$19.05 a tonne to \$117.49 a tonne from South Korea, depending on who is the exporter. The duties will vary from \$27.49 a tonne to \$99.51 from Thailand. These have come into effect from July 25.

The duty was imposed six months after the Directorate General of Anti-Dumping & Allied Duties, under the commerce and industry ministry recommended it on June 19, after its preliminary investigations. The investigations were conducted after a petition was filed by Reliance Industries Ltd and Mitsubishi Chemical Corporation PTA India. The decision has split the industry. While Reliance Industries and MCC had filed petitions for imposing anti-dumping duty, PTA Users Association said that the move would create a non-level playing field for polyester producers in the country vis-a-vis imports.

They accused PTA producers like Reliance Industries and MCC PTA India of lobbying to impose the duties.

The move might hit companies such as Indo Rama Synthetics, Filatex, and JBF and Wellknown, which are facing high raw material costs.

The PTA user industry said Indian polyester fibre producers are already at a \$ 100 PTA cost disadvantage which comprises of around \$ 50 because of customs duty of 5 per cent, \$35-\$40 as freight differential and \$ 10/MT as other levies like port handling charges etc. In view of this, there is no justification of anti-dumping duty, they said.