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## **ELP Trade Remedies Update:**

**Recommendation of anti-dumping and countervailing duties on imports of Saturated Fatty Alcohol originating in or exported from Indonesia, Malaysia, and Thailand**

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Recently, the Directorate General of Trade Remedies (**DGTR**) issued its final findings in two parallel trade remedial investigations recommending anti-dumping duties (on 2<sup>nd</sup> Feb, 2023) and countervailing duties (on 7<sup>th</sup> Feb, 2023) on imports of Saturated Fatty Alcohol (**SFA**) from Indonesia, Malaysia, and Thailand (collectively, the **Subject Countries**).

In both these investigations, the DGTR recommended a levy of duty i.e., anti-dumping (**AD**) and countervailing (**CVD**) duties. In order to ensure that the imported SFA is not subject to a double levy of simultaneous AD and CVD duties to compensate for the same situation of dumping and export subsidization under Section 9B of the Customs Tariff Act, 1975, the DGTR has made certain adjustments to the CVD duties. The DGTR also clarified that, in a case where the CVD duty payable is based on injury margin, the levied duty would be the difference between the recommended CVD duty and the AD duty payable on SFA. In other words, for such situations, the DGTR has recommended that the AD or CVD duties should be subsumed into the other based on the larger of the two duties.

The AD and CVD duties recommended by the DGTR will come into effect only upon the issuance of the customs notification by the Ministry of Finance.

Given the different subsummation and duty levy formulae recommended by the DGTR in the above findings, ELP has provided below an illustrative “Duty Calculator” which will enable the importers/users to ascertain the final AD and/or CVD duty payable should the Ministry of Finance accept the DGTR’s recommendation.

Particulars	CIF price at the time of import (USD/MT)*	Basis of CVD duty recommended in final findings	Recommended CVD (% of CIF value)	Calculated CVD duty payable (USD/MT)	Recommended AD duty payable (USD/MT)	Final duty payable (AD+CVD) (USD/MT)	Effective duty payable (%)
<b>Indonesia</b>							
M/s PT Ecogreen Oleochemicals	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty, if any	14%	210	-	210	14.00%
M/s PT Musim Mas	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty, if any	20%	300	-	300	20.00%
M/s PT Wilmar Nabati Indonesia	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty, if any	27%	165	240	405	27.00%
M/s PT. ENERGI SEJAHTERA MAS (ESM)	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty, if any	4%	60	-	60	4.00%
Any other	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty, if any	30%	187	263	450	30.00%
<b>Malaysia</b>							
M/s FPG Oleochemicals Sdn. Bhd.	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty, if any	3%	-	58	58	3.87%
M/s KL - Kepong Oleomas Sdn. Bhd.	1500	CVD = <i>Ad valorem</i> duty	9%	135	122	257	17.13%
Any Other	1500	CVD = <i>Ad valorem</i> duty	11%	165	250	415	27.67%
<b>Thailand</b>							

<b>M/s Global Green Chemicals Public Company Limited (GGC)</b>	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty  (NIL CVD duty in case the above is negative)	3%	-	107	107	7.13%
<b>Any Other</b>	1500	CVD = <i>Ad valorem</i> duty (minus) AD duty  (NIL CVD duty in case the above is negative)	5%	-	180	180	12.00%

\* Note: Column 2 refers to the CIF price at the time of import. The relevant import price at CIF can be inserted in this column with the corresponding producer name to see the applicable duty (AD+CVD) under column G. As of now, an illustrative price of USD 1500/MT has been assumed to demonstrate the calculation.

ELP is honored to have represented ESM, Indonesia, and GGC, Thailand which have been accorded among the lowest duties in both investigations.

The AD final findings and CVD final findings of the DGTR may be accessed [here](#) and [here](#) respectively.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at [insights@elp-in.com](mailto:insights@elp-in.com) or write to our authors:

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