COUNTERVAILING / PRELIMINARY FINDINGS

DGTR recommends provisional countervailing duty on PVC suspension resin from China

DGTR's preliminary findings recommend provisional countervailing duty of USD 83.72 to USD 143.82 per MT on PVC suspension resin from China.

THE DIRECTORATE GENERAL of Trade Remedies (DGTR) has issued preliminary findings, dated October 26, 2026, in its countervailing duty investigation concerning imports of "PVC Suspension Resin" originating in or exported from China (Case No. CVD (OI)-07/2025, SETU Application No. CVD/OI/15122025/01). The investigation was initiated on February 26, 2026, on an application by Chemplast Cuddalore Vinyls Limited, DCM Shriram Limited and DCW Limited. The initiation notification gave the case number and SETU ID incorrectly, and these findings give the correct ones.

KEY FACTS

MEASURE
Countervailing

STAGE
Preliminary findings

COUNTRIES
China

DATED
October 26, 2026

REFERENCES

Case No. CVD (OI)-07/2025

F. No. 06/67/2025-DGTR

CG-DL-E-28102026-277455

HS CODES 8

3904	3904 10 20
3904 10 10	3904 10 90
3904 21 00	3904 22 00
3904 90 10	3904 90 90

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Case No. CVD (OI)-07/2025 · Preliminary findings · October 26, 2026

The Directorate General of Trade Remedies (DGTR) has issued preliminary findings, dated October 26, 2026, in its countervailing duty investigation concerning imports of "PVC Suspension Resin" originating in or exported from China (Case No. CVD (OI)-07/2025, SETU Application No. CVD/OI/15122025/01). The investigation was initiated on February 26, 2026, on an application by Chemplast Cuddalore Vinyls Limited, DCM Shriram Limited and DCW Limited. The initiation notification gave the case number and SETU ID incorrectly, and these findings give the correct ones.

The product is suspension-grade PVC homopolymer with a K-value above 55 and up to 77, whether made by the ethylene route or the calcium carbide route, classified under heading 3904 (principally tariff item 3904 10 20). The period of investigation is October 1, 2024 to September 30, 2025. The two other Indian producers, Finolex Industries Limited and Reliance Industries Limited, imported the product in significant quantities and are provisionally excluded from the domestic industry, so the three applicants make up all eligible domestic production; they account for 30-40% of total Indian production.

DGTR determined subsidy margins for ten cooperating producer groups and rejected the responses of the CNSIG Jilantai, Zhongtai and Shaanxi Beiyuan groups. Drawing inferences from the missing information of the Government of China on suppliers and prices, it treats in-country electricity and land prices as distorted and measures them against Thailand benchmarks. Ethylene bought below the producers' own import prices from State-owned or State-invested domestic suppliers, a practice not specifically identified in the application, is also countervailed provisionally, and the Government of China is being offered consultations on it. Subsidy margins range from 10-20% to 70-80% for the cooperating groups and are 90-100% for all others.

Subject imports rose by 91% over the injury period against a 22% rise in demand, lifting their share of demand from 23% to 36%. Their landed price fell by about 34% and, in the POI, undercut the domestic industry's prices by 0-10%, and the domestic industry cut its selling price by 25% against a 22% fall in its cost of sales. It incurred losses throughout the injury period, the highest in the POI, with cash losses and a negative return on capital employed in the POI. DGTR provisionally finds material injury caused by the subsidized imports.

DGTR recommends provisional countervailing duty at the lower of the subsidy and injury margins, from USD 83.72 per MT for Yibin Haifeng Herui Co., Ltd. to USD 136.25 per MT for Inner Mongolia Yihua Chemical Industry Co., Ltd. among the listed producers, and USD 143.82 per MT for all others, for such period as the Central Government may determine. The applicants' request for retrospective duty will be examined at the final stage. Interested parties may comment within twenty days of publication; an oral hearing, further verification as needed and a disclosure of essential facts will follow before the final findings.

Measure	Countervailing
Stage	Preliminary findings
Case number	Case No. CVD (OI)-07/2025
File number	F. No. 06/67/2025-DGTR
Dated	October 26, 2026
Published in the Gazette	October 26, 2026
Put online	October 28, 2026
Gazette ID	CG-DL-E-28102026-277455
Product	PVC Suspension Resin
What it covers	Homopolymer of Vinyl Chloride Monomer (suspension grade), also known as PVC Suspension Resin, manufactured through the suspension polymerization process with K-value above 55 and up to 77, as finalized by the Authority on April 2, 2026. PVC produced through the ethylene route as well as the carbide route is covered. Excluded are Ultra-Low K-Value PVC Suspension Resins (K-value up to 55), Ultra-High K-Value PVC Suspension Resins (K-value above 77), cross-linked PVC, chlorinated PVC (CPVC), vinyl chloride - vinyl acetate copolymer (VC-VAC), PVC paste resin/emulsion resins, Mass Polymerization PVC and Polyvinyl Chloride Blending Resins, and PVC resins made through emulsion polymerization, bulk mass polymerization or micro suspension polymerization. No PCNs were adopted. The customs classification is indicative only and not binding on the scope.
Customs codes	3904, 3904 10 20, 3904 10 10, 3904 10 90, 3904 21 00, 3904 22 00, 3904 90 10, 3904 90 90
Countries	China
Applicant	Chemplast Cuddalore Vinyls Limited, DCM Shriram Limited and DCW Limited
Period of investigation	October 1, 2024 to September 30, 2025 (12 months)
Injury period	2022-23, 2023-24, 2024-25 and the POI
Findings	• The initiation notification of February 26, 2026 inadvertently gave the case number as "CVD 02/2025" and the SETU Case ID as "CVD/OI/1522025/01"; the correct case number is CVD (OI)-07/2025 and the correct SETU Application No. is

CVD/OI/15122025/01, which interested parties are to quote in all further correspondence and submissions.

- Finolex Industries Limited and Reliance Industries Limited, the two other Indian producers, imported the subject goods in significant quantities during the POI and are provisionally excluded from the domestic industry under Rule 2(b); the three applicants account for 100% of eligible domestic production and 30-40% of total Indian production. DCW Limited's small imports, only from Taiwan, are treated as negligible, and the effect of Erdos's sale of the product to one of the applicants will be examined at the final stage.
- By notice dated October 5, 2026, the Authority withdrew an earlier sample of three and decided to determine individual subsidy margins for thirteen producers/exporters, including their related parties. It rejected the responses of CNSIG Jilantai and the Zhongtai group, because about one-half of their exports to India (40-50% and 50-60%) went through unrelated intermediaries that neither responded nor had their resale information furnished, and of Shaanxi Beiyuan, because its reported purchases of principal inputs and utilities do not reconcile with its consumption; these groups are assigned the residual duty.
- The Government of China did not furnish supplier ownership, market-share or price-formation information for the water, land, steam coal and electricity programs, or eligibility criteria for the grants. On facts available, the Authority provisionally infers that the grid companies and the lending banks are public bodies, that in-country electricity and land prices are distorted, warranting out-of-country benchmarks, and that the grants are specific; it adopts Thailand benchmarks for electricity (the national average tariff for the POI, RMB 0.8836/kWh excluding VAT) and land.
- Of the alleged programs, numbered (i) to (lxv), the Authority countervails electricity, steam coal and land-use rights at less than adequate remuneration, preferential lending and bill discounting, grants, income-tax and VAT concessions, the Export-Import Bank of China's export seller's credit to the Junzheng group and a SINOSURE premium refund to Tianjin Bohua. The electricity subsidy rate ranges from 1-5% for Tianjin Bohua to 70-80% for the Tianchen group. Water, SINOSURE premiums and a capital contribution to Yihua are not quantified at this stage, and no benefit is found on caustic soda and chlorine, which the producers make themselves.
- Ethylene bought from State-owned or State-invested domestic suppliers at prices below the producers' own import prices, a

practice not specifically identified in the application, is provisionally countervailed at 0-1% for the Chlor-Alkali group, Tianjin Bohua and the Wanhua group; the Authority is informing the Government of China and affording it an opportunity for consultations, and Qingdao Haiwan is required to furnish its ethylene purchases.

- The subsidy margins are 10-20% for Qingdao Haiwan, Tianjin Bohua, the Junzheng group, the Chiping Xinfa group and the Chlor-Alkali group; 30-40% for the Wanhua group and the Yibin Tianyuan group; 50-60% for Erdos and Yihua; and 70-80% for the Tianchen group. The residual margin, the sum of the highest rate found for each program among the cooperating groups, is 90-100%. None is below the de minimis level of 1% ad valorem.
- No anti-dumping duty is in force on the product, the anti-dumping final findings of August 14, 2025 not having been given effect, so no double-remedy adjustment under Section 9B of the Act arises at present for the export-contingent subsidies found.
- Subject imports rose by 91%, from 7,95,569 MT in 2022-23 to 15,23,004 MT in the POI, while demand grew by 22%; their share of demand rose from 23% to 36% and their share of total imports from 36% to 51%. Subject imports rose every year, while imports from other countries declined after 2023-24.
- The landed price of subject imports fell by about 34%, to INR 65,592/MT in the POI, and undercut the domestic industry's prices by 0-10%; the domestic industry's selling price fell by 25% against a 22% fall in its cost of sales, indicating price depression. The domestic industry incurred losses throughout the injury period, the highest in the POI, with cash losses from 2023-24, losses at the PBIT level and a negative return on capital employed in the POI, and average inventories that more than doubled.
- The injury margins are 10-20% for every cooperating group except the Junzheng group (20-30%), and 20-30% for the residual category. In the POI, imports from other countries were priced above the subject imports, and no other known factor is found to break the causal link, subject to verification of the domestic industry's data.

Recommendation

The Authority recommends provisional countervailing duty under Rule 15 of the CVD Rules read with Section 9(2) of the Act on imports of the subject goods originating in or exported from China, equal to the lower of the subsidy margin and the injury margin for each producer group, for such period as the Central Government may determine. The applicants' request for retrospective imposition of countervailing duty will be examined at the final stage.

Duty expressed as	USD per MT
For how long	For such period as the Central Government may determine in accordance with the Act and the Rules
Time limits	Interested parties to comment on the preliminary findings: within twenty days from the date of their publication
What happens next	The Authority will hold an oral hearing under Rule 7(6) of the Rules, with the date to be published on the DGTR website (https://www.dgtr.gov.in), carry out further verification of the interested parties as needed, and disclose the essential facts before issuing its final findings. Interested parties may also comment on public interest, including the likely impact of the duty on downstream users. The individual rates apply only on presentation of a commercial invoice carrying the prescribed declaration; otherwise the duty for all other producers applies.

The duty table

Country	Producer	Duty
China PR (country of origin), exported from any country including China PR	Qingdao Haiwan Chemical Co., Ltd.	USD 86.75 per MT
China PR (country of origin), exported from any country including China PR	Tianjin Bohua Chemical Development Co., Ltd.	USD 90.73 per MT
China PR (country of origin), exported from any country including China PR	Inner Mongolia Junzheng Chemical Industry Co., Ltd.; Ordos Junzheng Energy & Chemical Industry Co., Ltd.	USD 99.06 per MT
China PR (country of origin), exported from any country including China PR	Chiping Xinfa Huaxing Chemical Co., Ltd.; Chiping Xinfa Polyvinyl Chloride Co., Ltd.	USD 106.46 per MT
China PR (country of origin), exported from any country including China PR	Wanhua Chemical (Fujian) Co., Ltd.; Wanhua Chemical Group (Yantai) Olefins Co., Ltd.	USD 99.95 per MT
China PR (country of origin), exported from any country including China PR	Inner Mongolia Erdos Electric Power and Metallurgy Group Co., Ltd. Chlor-Alkali Chemical Branch Company	USD 135.55 per MT
China PR (country of origin), exported from any country including China PR	Guangxi Huayi Chlor-Alkali Chemical Co., Ltd.; Shanghai Chlor-Alkali Chemical Co., Ltd.	USD 90.55 per MT

China PR (country of origin), exported from any country including China PR	Tianchen Chemical Co., Ltd.	USD 89.81 per MT
China PR (country of origin), exported from any country including China PR	Inner Mongolia Yihua Chemical Industry Co., Ltd.	USD 136.25 per MT
China PR (country of origin), exported from any country including China PR	Yibin Haifeng Herui Co., Ltd.	USD 83.72 per MT
China PR (country of origin), exported from any country	Any producer other than S. No. 1 to 10	USD 143.82 per MT
Any country other than China PR (country of origin), exported from China PR	Any	USD 143.82 per MT

The notification (PDF, 1.5 MB)

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IndusDesk

hello@indusdesk.com · +91 11 4141 3939

9th Floor, Hemkunt House, Rajendra Place, New Delhi, Delhi 110008, India

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