SAFEGUARD / FINAL FINDINGS

DGTR recommends withdrawing CEPA tariff concession on DOTP and DEHCH from South Korea

DGTR recommends withdrawing the India-Korea CEPA concession on DOTP and DEHCH plasticizers for two years after imports from South Korea rose 550%.

THE DIRECTORATE GENERAL of Trade Remedies has issued final findings dated May 27, 2026 in the bilateral safeguard investigation concerning imports of Non-Phthalate Plasticizers in the form of Dioctyl Terephthalate (DOTP) and Diethylhexyl Cyclohexane (DEHCH) from South Korea (Case No. – (SG) – 01/2025), under the India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017. The investigation was initiated on September 30, 2025 on an application by KLJ Plasticizers Limited, supported by Payal Plastichem Private Limited and Payal Polyplast Private Limited.

KEY FACTS

MEASURE
Safeguard

STAGE
Final findings

COUNTRIES
South Korea

DATED
May 27, 2026

REFERENCES

Case No. – (SG) – 01/2025

F. No. 22/01/2025-DGTR

CG-DL-E-01062026-273034

HS CODES 8

2917 20 00	2917 39 20
2917 13 90	2917 32 00
2917 33 00	2917 39 30
2917 39 50	2917 39 90

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Case No. – (SG) – 01/2025 · Final findings · May 27, 2026

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Under the CEPA, the basic customs duty on these goods from Korea has been zero since 2017. Other interested parties sought the exclusion of DEHCH as a distinct product; the Director General kept it in scope, finding that DOTP and DEHCH are not like articles but are directly competitive products used for overlapping applications by the same set of users.

Over the period April 1, 2021 to March 31, 2025, imports from South Korea rose from 6,484 MT to 42,157 MT, or 550%, against a 262% rise in demand. The Director General found that the duty elimination contributed significantly to this increase, that the imports undercut domestic prices, and that the domestic industry suffered serious injury, with its profitability deteriorating sharply in 2024-25.

The Director General recommends withdrawal of the concession and customs duty at the lower of the MFN applied rate on the date the measure is applied and the MFN applied rate on the day immediately preceding the entry into force of the CEPA, for two years from the date of the Ministry of Finance notification. The table provides for an increase in the rate of customs duty @100% to the level of the MFN applied rate in year 1 and @75% in year 2.

Measure	Safeguard
Stage	Final findings
Case number	Case No. – (SG) – 01/2025
File number	F. No. 22/01/2025-DGTR
Dated	May 27, 2026
Published in the Gazette	May 27, 2026
Put online	June 1, 2026
Gazette ID	CG-DL-E-01062026-273034
Product	Non-Phthalate Plasticizers in the form of Dioctyl Terephthalate (DOTP) and Diethylhexyl Cyclohexane (DEHCH)
What it covers	Dioctyl Terephthalate (DOTP), CAS No. 6422-86-2, and Diethylhexyl cyclohexane (DEHCH), CAS No. 84731-70-4, a hydrogenated form of DOTP. Other non-phthalate plasticizers, such as DINCH, dibenzoates and isosorbide diesters, are not included. DEHCH was kept in the scope: the Director General

	found that DOTP and DEHCH are not like articles but are directly competitive products.
Customs codes	2917 20 00, 2917 39 20, 2917 13 90, 2917 32 00, 2917 33 00, 2917 39 30, 2917 39 50, 2917 39 90
Countries	South Korea
Applicant	KLJ Plasticizers Limited
Period of investigation	1st April 2021 to 31st March 2025 (most recent period: financial year 2024-2025)
Findings	• The applicant, with a 62% share in total production, constitutes the domestic industry under Rule 2(b); Payal Plastichem Private Limited and Payal Polyplast Private Limited supported the application. • Under the India-Korea CEPA, the duty applicable on imports of the product from Korea fell from 10.94% in 2010 to 0.00% since 2017. • Imports from South Korea rose from 6,484 MT in 2021-22 to 42,157 MT in 2024-25, an increase of 550%, while demand rose 262% and imports from other countries were 2,532 MT in 2024-25. • The elimination of customs duty contributed significantly to the increase in imports: the landed price of Korean imports (₹1,17,398 per MT in 2024-25) was below the domestic industry's prices, but with customs duty added it would have been higher than the selling price of the domestic producers in all years except 2023-24. • The subject imports undercut and suppressed and depressed the domestic industry's prices; the domestic industry lost market share despite capacity to meet the entire demand, its inventories rose, and its cash profits fell 86% and its return on capital employed 95% over the period. • No other factor was found to have caused the injury, and a causal link was found between the increased imports and serious injury to the domestic industry. • The measure was found to have negligible impact on downstream industries, as it only withdraws the concession on imports from South Korea and brings them to the MFN duty rate, while imports from other sources are unaffected. • The domestic industry's adjustment plan, focused on reducing variable and fixed costs, was found adequate to allow it to achieve competitiveness and maintain profits.
Recommendation	The Director General recommends a bilateral safeguard measure under Rule 10: withdrawal of concessions and imposition of customs duty on the subject goods originating in South Korea at the lower of the Most Favoured Nation applied rate on the date the measure is applied and the Most Favoured Nation applied rate on the day immediately preceding the entry into force of the CEPA.
Duty expressed as	Customs duty (withdrawal of the CEPA tariff concession) at the lower of the Most Favoured Nation applied rate on the date of application of the bilateral safeguard measure and the Most Favoured Nation applied rate on the day immediately preceding the date of entry into force of the CEPA

For how long	two years from the date of issue of the notification to be issued by the Ministry of Finance
What happens next	The measure would apply for two years from the date of issue of a notification to be issued by the Ministry of Finance.

The duty table

Country	Duty
Korea RP	Year 1: Increase the rate of customs duty @100% to the level of Most Favoured Nation applied rate of customs duty
Korea RP	Year 2: Increase the rate of customs duty @75% to the level of Most Favoured Nation applied rate of customs duty

The notification (PDF, 2.0 MB)

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