

Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated the 3rd June, 2005.

Initiation Notification
(Mid-term Review)

Subject: Initiation of Mid-term Review regarding anti-dumping duty imposed on imports of Caustic Soda originating in or exported from EU (excluding France), Indonesia and Chinese Taipei.

No. 15/5/2005-DGAD - Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as AD Rules), vide Notification Number 14/39/2002-DGAD dated 1st October,2003, the Designated Authority (herein after referred to as the Authority) notified its final findings recommending definitive antidumping duty on import of Caustic Soda (hereinafter referred to as subject goods) originating in or exported from EU (excluding France), Indonesia and Chinese Taipei (hereinafter referred to as subject countries).

And Whereas definitive antidumping duty was imposed on the subject goods vide Customs Notification No. 168/2003-Customs, dated 14th November,2003.

2. Product Under Consideration

The product involved in the original investigation and this current review is Caustic Soda originating in or exported from EU (excluding France), Indonesia and Chinese Taipei. Caustic Soda is an inorganic, soapy and strongly alkaline odourless chemical. Caustic Soda finds application in various fields like manufacture of pulp and paper, newsprint, viscose yarn, staple fibre, aluminium, cotton, textiles, toilet and laundry soaps, detergent, dyestuffs, drugs and pharmaceuticals, petroleum refining, etc.. Caustic soda is produced in two forms, i.e. Lye and solids. Present investigation covers all forms of caustic soda.

Caustic Soda is classified under Chapter 28 of the Customs Tariff Act, 1975. It is further classified as per International Trade Classification [based on Harmonized Commodity Description and Coding System] under the heading 2815.11 and 2815.12. The classification is, however, indicative only and is in no way binding on the scope of the present investigation.

3. Initiation

The Customs Tariff (Amendment) Act 1995 and the AD Rules made there under require the Authority to review from time to time the need for continuance of anti-dumping duty. The Designated Authority considers that the mid term review of the anti dumping duty recommended would be appropriate at this stage under the provision of rule 23 of AD Rules and section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended. In terms of the above provision one of the importers, M/s Hindustan Lever Limited of the subject goods, have filed an application substantiating the need for mid term review of the anti-dumping duty imposed on the subject goods originating in or exported from subject countries.

4. Countries Involved:

The countries involved in the present investigations are EU (excluding France), Indonesia and Chinese Taipei.

5. Grounds for Review

The applicant claims that the conditions of both dumping and injury have changed substantially requiring a review of the anti-dumping measure in force. They have stated that the prices of Caustic Soda has increased by about 56% during 2005 from 2004 and the prices of Chlorine has also increased by 62% during the same period. It resulted into huge profits for Chlor alkali industry as the cost has gone up marginally. In this original investigation the Authority has noted at para 106 of the final findings that increase in cost of sales was more than the selling price is directly resulted in decline of profits of the domestic industry. This situation no longer exist which has been demonstrated that the profitability of the Chlor Alkali industry as a whole has increased.

The custom duty for the subject goods has reduced from 35% during 2000-2001 to 15% during 2005-2006 which itself is a cause for change in circumstances warranting a review. However inspite of reduction in custom duties, the profitability has continued to increase which demonstrates that the domestic industry is not suffering injury on account of any alleged dumping.

The reference prices recommended by the Designated Authority and imposed by the Ministry of Finance are in the range of US\$ 271.46/MT to US\$ 258.46/MT. The applicant further claims that this reference price itself is redundant since the import price during the period of investigation is more than the reference price imposed in this investigation.

The applicant claims that the imports from subject countries are not being dumped in India. Therefore the applicant has requested for the need for mid term review of the anti-dumping duty imposed on the subject goods originating in or exported from subject countries as the domestic industry is not suffering any injury.

6. Procedure:

Having regard to the information provided by the applicant indicating changed circumstances necessitating a review of the measure in force, the Designated Authority now considers that a mid-term review of the final findings notified vide No.14/39/2002-DGAD dated 1/10/2003 and the Definitive anti dumping duty imposed by Notification dated 14/11/2003 is appropriate in view of the changed circumstances, in terms of the provision of Section 9A (5) of Customs Tariff (Amendment) Act 1995 read with Rule 23 supra. The review covers all aspects of Notification No.14/39/2002-DGAD dated 1/10/2003 .

7. Period of Investigation:

The period of investigation for the purpose of the present review is 1st January 2004 to 31st December 2004 (12 months). However, injury analysis shall cover the years 2001-2002, 2002-2003, 2003-2004 and January 2004-December 2004.

8. Submission of Information:

The exporters in subject countries, their government through their Embassies/High Commissions in India/representatives, the importers and users in India known to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the:

The Designated Authority,
Ministry of Commerce & Industry,
Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD),
Room No. 240, Udyog Bhavan,
New Delhi-110011

Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

9. Time Limit:

Any information relating to the present review and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of letter of this review notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules.

10. Inspection of Public File:

In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

(Christy Fernandez)
Designated Authority