

Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Anti-Dumping & Allied Duties

New Delhi the 20th September 2002

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigation concerning imports of Ammonium Nitrate into India originating in or exported from Russia & Iran.

No.14/36/2002-DGAD - M/s. Gujarat Narmada Valley Fertilizers Company Limited (GNFC), M/s. National Fertilizers Limited (NFL), and M/s. Deepak Fertilizers and Petrochemicals Corporation Limited (DFPCL) have filed a petition for initiation of anti dumping investigation concerning the import of Ammonium Nitrate from Russia and Iran in accordance with Rule 5(1) of the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995.

Domestic Industry:-

2. The petition has jointly been filed by M/s. Gujarat Narmada Valley Fertilizers Company Limited (GNFC), M/s. National Fertilizers Limited (NFL), and M/s. Deepak Fertilizers and Petrochemicals Corporation Limited (DFPCL) on behalf of the domestic industry. As per the evidence available petitioners have the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 5 of Anti Dumping Rules.

Product under consideration:-

3. The product under consideration is "Ammonium Nitrate". It is produced in various forms such as melt, prill, crystal, granules, flakes and lumps. The product is first produced in melt form and then it is solidified to obtain other forms. With regard to density, Ammonium Nitrate is classified in two forms (i) High density Ammonium Nitrate covering all forms like melt, crystals, granules, flakes, lump and prill whereas (ii) Low density Ammonium Nitrate is found generally in prill form only. Both low density and high density Ammonium Nitrate are identical products and producers can interchangeably produce the two forms. From the producers and users point of view both the grades are technically and commercially substitutable for one another. It is an

inorganic chemical and classified under chapter 31 of Customs sub-headings 3102.30 of the Customs Tariff Act. The Custom classification is indicative only and not binding on the scope of investigation. Ammonium Nitrate is used in water jel/slurry explosives, emulsion explosives which have the following applications like open cast mining, under ground metalliferrous mining construction industries, project etc, where as low density Ammonium Nitrate is preferred over granules/crystals for making Ammonium Nitrate fuel oil (ANFO) which is used as blasting agents as well as emulsified (ANFO). Petitioners have requested to initiate the anti dumping investigation against the product under consideration irrespective of the types/grades under which they are being imported.

Countries involved: -

4. The countries involved in present investigation are Russia and Iran (hereinafter referred to as subject countries)

Like articles: -

5. The petitioners have claimed that the goods produced by them are "like articles" to the goods originating in or exported from the subject countries. The Ammonium Nitrate produced by the domestic industry and imports from Iran and Russia are comparable, technically and commercially substitutable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the goods. Therefore, for the purpose of investigation the Ammonium Nitrate produced by the petitioner is being treated as **like product** of Ammonium Nitrate (hereinafter referred to as subject goods) imported from subject countries within the meaning of the Anti Dumping Rules.

Normal Value:-

6. The Authority notes that the petitioner has claimed normal value of subject goods in Russia on the basis of constructed cost of production with appropriate adjustments treating Russia as non-market economy. The Authority proposes to examine the claim of the petitioner in the light of Para 7 and 8 of Annexure I of Anti Dumping Rules, as amended. The Authority has prima-facie considered the normal value of subject goods in Russia and Iran, on the basis of constructed cost of production as made available by the petitioner. Sufficient prima-facie evidence has been presented to the Designated Authority with regard to the normal value of the subject goods in subject countries.

Export Price:-

7. The export price has been claimed on the basis of data obtained from Director General Commercial Intelligence and Statistics, Kolkata and compiled from secondary sources. Price adjustments have been claimed on account of Ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges, commissions etc to arrive at the net export price. There is sufficient evidence of export price and the adjustments claimed for the subject goods from the subject countries.

Dumping margin:-

8. There is sufficient evidence that the normal value of the subject goods in the subject countries is significantly higher than the net export price indicating prima-facie that the subject goods are being dumped by the exporters from the subject countries.

Injury and Causal Link:-

9. The petitioners have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in their market share because of increased volume of dumped imports, decline in sales volume and utilisation of capacity, lost sales and substantial decline in profitability for the domestic industries. There is sufficient prima-facie evidence of the material injury being suffered by the petitioner caused by dumped imports from subject countries.

Initiation of Anti-Dumping investigation: -

10. The Authority in view of the foregoing paragraphs, initiates anti-dumping investigation into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

Period of investigation:-

11. The period of investigation for the purpose of present investigation is 1st April 2001 to 30th June 2002.

Submission of information:-

12. The exporters and importers known to be concerned and domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

The Designated Authority

(Directorate General of Anti-Dumping & Allied Duties)

Government of India

Ministry of Commerce & Industry

Udyog Bhavan, New Delhi-110011.

Time limit:-

13. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available on record in accordance with the Rules supra.

INSPECTION OF PUBLIC FILE:-

14. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

15. All interested parties shall provide a confidential summary in terms of Rule 7 (2), for the confidential information provided as per Rule 7 (1) of the Rules supra.

16. In case any interested party refuses access to and 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 Governments as deemed fit.

(L V SAPTHARISHI)
Designated Authority