

MINISTRY OF COMMERCE

NOTIFICATION

New Delhi, the 11th October, 1995

Subject: Initiation of anti- dumping investigation concerning import of Sodium Ferrocyanide from the People's Republic of China.

No. 10/1/95/ADD- M/s. Cyanide & Chemicals Company has filed a petition before me for initiation of anti- dumping investigation concerning the import of Sodium Ferrocynide from, the People's Republic of China 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.

2. Domestic Industry

The petition has been filed by M/s. Cyanides & Chemicals (a unit of M/s. Hindustan Development Corporation Ltd.) 65, Free Press House, 215, Free Press Journal Road, Nariman Point, Bombay-400021. The petitioner has averted that there is one more producer of the product, M/s. Gujarat Alkalies & Chemicals Ltd., Baroda. The petitioner's production of Sodium Ferrocyanide during 1994-95 accounted for approx. 84% of the total production in the country and therefore has a standing to file a written request on behalf of domestic industry under the Rules abovesaid.

3. Product involved

Sodium Ferrocyanide, an organic chemical is manufactured out of Sodium Cyanide and has application for the production of fencycince, pigments, photographic fixing agents in electroplating industry for fermentation processes of fruit acids, in pharmaceuticals/ chemicals industry etc. Sodium Ferrocyanide is classified under the Customs tariff code 28372004 (Harmonized system).

4. Dumping

(a) Normal Value

The petitioner has stated that China is a nonmarket economy and getting any information about domestic price is not only very difficult but also would be misleading. Though, they have submitted the export price to third country, they alleged that such prices are also dumped prices and requested to consider normal

value on the basis of cost of production of Sodium Ferrocyanide as estimated by them on the basis of international prices of major raw material and best available information. Normal value of Sodium Ferrocyanide has been arrived at \$ 1350/ MT. Petitioner has submitted the information indicating weighted average export price (cif) of US \$ 683 per MT in 1994-95 and US \$ 735 in Ist quarter of 1995-96 and alleged that export price to India is less than the normal value of Sodium Ferrocyanide in PRC.

5. Injury

The petitioner has alleged that exports of Sodium Ferrocyanide from the People's Republic of China has sharply increased from 18 MT in 1993-94 to 100 MT in 1994-95 and 50 MT in the first three months alone of 1995-96, representing an increase of about 455% during 1994-95 and 100% in the subsequent period in absolute quantity. This has resulted, in sharp increase in the market share of the exporter from about 4% in 1993-94 to over 37% in 1995-96 (Ist quarter). The petitioner has alleged that the sharp increase in the quantum of imports in absolute and relative term is due to dumping and is causing injury to them.

The petitioner has alleged that they have been forced to reduce its selling prices (from Rs. 52247/- per tonne in 1993-94 to Rs. 45981/- per MT in first 3 months of 1995-96 on an average) to unremunerative level to market its product by matching, by and large, its prices with the declining prices of the like product originating from the People's Republic of China. The decline in selling prices by the petitioner company even below its cost of production has resulted in losses to the petitioner.

6. There is a prima facie evidence that imports of Sodium Ferrocyanide originating from the People's Republic of China are causing material injury to the Indian industry.

7. Initiation of Anti Dumping Investigation

The Authority therefore, initiates anti dumping investigation into the existence, degree and effect of alleged dumping of Sodium Ferrocyanide originating from the People's Republic of China.

8. Time Limit and Address for making submissions

The exporters in the People's Republic of China and importers known to be concerned are being addressed separately to make their views known in the form and manner

prescribed so as to reach me within 40 days of the date of this Notification at the following address:

Dr. T.S. Vijayaraghawan

Designated Authority

and

Additional Secretary

Ministry of Commerce

Room No. 134-A, Udyog Bhavan, New Delhi-110011 (India)

Other interested parties are advised to make their submissions relevant to the investigation in the prescribed form and within the time limit at the above address.

T.S. Vijayaraghawan,
Designated Authority and Addl. Secy.