

Government of India  
Ministry of Commerce & Industry  
Department Of Commerce

(Directorate General of Anti-Dumping & Allied Duties)

New Delhi Dated the 7<sup>th</sup> August, 2007

INITIATION NOTIFICATION

**Subject: Initiation of Anti-Dumping investigation concerning the imports of Potassium Carbonate from USA, Thailand & Russia.**

**No. 14/6/2007DGAD** - Whereas M/s. Gujrat Alkalies & Chemicals Limited, Vadodra have filed a petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of anti dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as AD Rules), alleging dumping of Potassium Carbonate (hereinafter referred to as the subject goods), originating in or exported from USA, Thailand and Russia (hereinafter referred to as the subject countries) and have therefore requested for initiation of an anti-dumping investigation against the imports of the subject goods from the subject countries and levy anti-dumping duty on the such dumped subject goods.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods from the subject countries, injury to the domestic industry and causal link between dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry in terms of the Rule 5 of the said Rules to determine the existence, degree and effect of the alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

**2. PRODUCT UNDER CONSIDERATION**

The product under consideration in the present petition is Potassium Carbonate.

Potassium Carbonate is white, deliquescent inorganic compound, available in powder and granular form. It is also stated to be known as Potash, Pearl Ash, Carbonate of Potash, Dipotassium Salt, and Salt of Tartar. Potassium Carbonate is further stated to be soluble in water and insoluble in alcohol. It is stated to be produced by electrolysis

of potassium chloride. The product under consideration is stated to be a deliquescent (usually damp or wet) solid, used in the production of soap and glass.

Production of Potassium Carbonate is stated to require Caustic Potash as major raw material, and production of Caustic Potash is stated to require Potassium Chloride (KCL) as the major raw material. The process of manufacture is stated to be Potassium Chloride-->Potassium Hydroxide-->Potassium Carbonate. Potassium Carbonate falls under category of "Inorganic Chemicals" (Organic or Inorganic Compound of Precious Metals) and is classified under Chapter 28 of the Customs Tariff Act. At 8 digit level the product under consideration i.e. Potassium Carbonate is classified under ITC (HS) code 28364000.

Potassium Carbonate is primarily used in manufacturing of TV Picture Tubes, GLS Lamp & Ophthalmic Glass, Fertilizer Industry, Rubber Industry, Pesticide industry, Drug & Pharmaceuticals, Dyes and Potassium based chemical industries.

### 3. DOMESTIC INDUSTRY AND STANDING

Apart from the petitioner Gujrat alkalies & Chemicals Limited, there are two other producers of the subject goods in India viz. M/s. Standard Alkali (A unit of Standard Industries Limited) and M/s. Sree Raylaseema Alkalies. M/s. Sree Rayalseema Alkalies are stated to have created capacity for production of subject goods and commenced commercial production. M/s. Standard Alkali is however stated to have suspended production since February 2006 due to labour unrest. The production by Petitioner Company constitutes a major proportion in the Indian production. The petition satisfies the condition of standing under the Rules and the petitioner constitutes "**Domestic Industry**" within the meaning of the Rules. The applicant has the standing to file the present petition for anti-dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3) (a) of Anti-Dumping Rules.

### 4. LIKE ARTICLE

Petitioner has claimed that there is no significant difference in subject goods produced by the domestic industry and exported from the subject countries. Subject goods produced by the domestic industry are comparable to ones imported from subject countries in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Both are technically and commercially substitutable and hold closely resembling characteristics. It is further claimed that the consumers have used the two interchangeably. For the purpose of present investigation, product under consideration

produced by the petitioner is being treated as like article to one imported from the subject countries within the meaning of the Anti Dumping Rules.

## 5. COUNTRIES INVOLVED

The countries involved in the present investigations are USA, Thailand and Russia here in after referred to as subject countries for the purposes of this investigation.

## 6. NORMAL VALUE

The petitioners have claimed normal value for USA on the basis of price of Potassium Carbonate in that country. With regard to Thailand, petitioner has claimed normal value on the basis of constructed cost of production considering raw material price as per DGCI&S data and conversion cost of the domestic industry, duly adjusted to reflect reasonable profit margin. Normal value determined is at ex-factory level. In case of Russia, petitioner has claimed that Russia is a non market economy and therefore claimed determination of normal value in accordance with Para 7 of the Rules., suggesting USA as the surrogate country for this purpose.

## 7. EXPORT PRICE

The export price has been determined based on the transaction wise data compiled by DGCI&S up to December 2006 and transaction wise data compiled by IBIS for subsequent period. Net export price has also been determined from the CIF price and adopting various elements of price adjustments towards freight, credit cost, bank charges, inland freight, insurance and commission etc to arrive at ex-works export price.

## 8. DUMPING MARGIN

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.

## 9. INJURY AND CAUSAL LINK

Petitioners have furnished evidence regarding injury having taken place as a result of the alleged dumping in terms of increase in imports in absolute terms and relative to production & consumption in India, significant price undercutting, increase in market share of USA, Thailand and Russia, decline in the market share of the domestic industry, deterioration in profits, return on capital employed and cash profit etc. There is sufficient, prima-facie evidence of material injury being suffered by the petitioners,

caused by dumped imports from subject countries. Further, in addition to material injury, petitioners have claimed that the imports are causing threat of material injury from the dumped imports based on rate of increase in imports, significant price undercutting and significant unutilized capacities.

#### 10. PERIOD OF INVESTIGATION (POI):

The period of investigation (POI) for the purpose of present investigation is April 2006-March 2007. The injury investigation period will however, cover the period April, 2003-March, 04; April, 2004-March, 05; April, 2005-March, 06 and period of investigation.

#### 11. SUBMISSION OF INFORMATION:

The exporters in the subject countries and their Government through their embassy in India, importers and users in India known to be concerned and the 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  
Ministry of Commerce & Industry,  
Department of Commerce,  
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.

#### 12. TIME LIMIT

Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty (40) days from the date of publication of this notification, The known exporters and importers, who are being addressed separately, are, however, required to submit the information within (40) forty days from the date of the letter addressed to them. 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.

#### 13. SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS

In terms of Rule 7, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

#### 14. INSPECTION OF PUBLIC FILE

In terms of Rule 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.

(R. GOPALAN)  
Designated Authority