

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

New Delhi, the 8th October 2002

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigation concerning imports of Caustic Soda from Chinese Taipei, Indonesia, and EU excluding France.

No.14/39/2002- M/s Alkali Manufacturers Association of India (AMAI), Delhi on behalf of the Domestic industry has filed a petition, in accordance with the customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on dumped articles and for determination of duty) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of Caustic Soda from Chinese Taipei, Indonesia and EU excluding France (hereinafter called subject countries) and has requested for Anti-Dumping investigation and levy of Anti-Dumping Duties retrospectively from the date of initiation of investigation.

- 1. Domestic Industry:-** The petition has been filed by M/s. Alkali Manufacturers Association of India (AMAI), Delhi on behalf of the domestic industry. The Association represents most of all the domestic manufacturers of Caustic Soda in India. The petition has been expressly supported by the following domestic producers, i.e. M/s. DCW Ltd., Mumbai, M/s. Gujarat Alkalies & Chemicals Ltd., Baroda, M/s. Search Chem. Industries Ltd., Mumbai, M/s. Grasim Industries Ltd., Nagada (MP), M/s. SIEL Chemical Complex, Punjab, M/s. Bihar Caustic & Chemicals Ltd., Jharkhand, M/s. Jayshree Chemicals Ltd., Orissa and M/s. Andhra Sugars Ltd., Tanaku,. These petitioners companies represents 40.09% of the subject good under production and with support of M/s. Indian Petrochemicals Corporation Ltd., Vadodara, M/s. Standard Alkali, Mumbai, and M/s. DCM Shriram Consolidated Ltd., New Delhi they represent 55.67%. 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.
- 2. Product under consideration:-** The product under consideration is known as Sodium Hydroxide Commonly known as Caustic Soda (hereinafter referred to

as subject goods). It is chemically known as NaOH.. It is an inorganic chemical and is soapy, strongly alkaline odorless chemical. Caustic Soda finds application in various fields like manufacture of pulp and paper, newsprint, viscose yarn, staple fiber, aluminum, cotton, and laundry soaps, detergent, dyestuff drugs and pharmaceuticals, vanaspati, petroleum refining, etc. Caustic Soda is available in two forms i.e. Lye and solids. The present investigation covers all forms of Caustic soda. Caustic Soda is classified under chapter 28 of the customs sub-headings 2815.11 and 2815.12 of custom tariff Act, 1975. The classification is, however indicative only and is in no way binding on the scope of the present investigation. 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.

3. **Countries involved:** The countries involved in the present investigation are Chinese Taipei, Indonesia and EU excluding France (hereinafter referred to as subject countries).
4. **Like articles:** Caustic Soda produced by the domestic industries and imported from subject countries are comparable in terms of characteristic functions, uses, product specification, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially substitutable and it is used interchangeably. Therefore, for the purpose of investigation the Caustic Soda produced by the petitioner is being treated as **like product** of Caustic Soda (hereinafter referred to as subject goods) imported from subject countries within the meaning of the Anti Dumping Rules.
5. **Normal value:** The Authority notes that the petitioner has claimed normal value of subject goods in Chinese Taipei, Indonesia, and EU excluding France on the basis of information provided by the petitioner form leading International journal, i.e., Chlor Alkali. Chlor Alkali reports the prices of Caustic Soda in the domestic market in Chinese Taipei, Indonesia, and EU excluding France. Thus the authority has prima facie, consider the normal value of the subject goods in subject countries on the basis of constructed cost of production as made available by the petitioner and it has been considered by the Authority for the purpose of initiation.
6. **Export Price:** 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.

7. **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.
8. **Injury and Causal Link :** 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. The Authority notes that the installed capacity and availability of sufficiently freely disposable subject goods by the exporters of Chinese Taipei coupled with the prevailing offer price of subject good in India, pose a threat of material injury to the domestic industry by way of price suppression and undercutting. There is prima-facie sufficient evidence of the material injury being suffered by the petitioner caused by dumped imports from subject countries.
9. **Initiation of Anti-Dumping investigation:** 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.
10. **Period of investigation:** The period of investigation for the purpose of present investigation is 1st January 2002 to 30th September 2002.
11. **Submission of information:** 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.

12. **Time limit:** 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.
13. **INSPECTION OF PUBLIC FILE:** 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.

14. 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.
15. 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