

**14/12/2004-DGAD**  
**Government of India**  
**Department of Commerce**  
**Ministry of Commerce & Industry**  
**(Directorate General of Anti-Dumping & Allied Duties)**  
**Udyog Bhawan, New Delhi**

Dated 27th August 2004

**INITIATION NOTIFICATION**

**Subject:** Initiation of Anti-Dumping investigations concerning imports of Citric Acid originating in or exported from China PR, Korea RP and Ukraine.

**No.14/12/2004-DGAD.** M/s. Solaris Biochemicals Ltd., has filed an application before the Designated Authority (herein after referred to as the Authority) in accordance with the customs Tariff Act, 1975 as amended in 1995 and 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 Rules) for initiation of anti dumping investigation concerning alleged dumping of Citric Acid originating in or exported from China PR, Korea RP and Ukraine.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject country, injury to the domestic industry and causal links between the 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 Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

**Domestic Industry:-**

2. Application has been filed by M/s. Solaris Biochemicals Ltd., through Strategic Law Group on behalf of the domestic industry. As per the evidence available applicant has the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

**Product under consideration:-**

3. The product under consideration is “Citric Acid” (herein after referred to as the subject goods) which is being dumped in the Indian market by the exporters from China PR, Korea RP and Ukraine (hereinafter referred to as subject countries).
4. Citric Acid is mainly used as preservative in food and beverage, soft drinks, confectionery, drugs etc. Citric Acid is also used in textile dyeing and in printing industry and for some other industrial uses such as boiler cleaning etc. It is classified under Chapter 29 of the Customs Tariff Act, 1975 under sub-headings No 2918.14. The applicant has stated that subject goods are being imported under above mentioned sub-headings. The Custom classification is indicative only and not binding on the scope of investigation.

### **Like articles:**

5. The applicant has claimed that the goods produced by them are “like articles” to the goods originating in or exported from the subject countries. Citric Acid produced by the domestic industry and imports from China PR, Korea RP and Ukraine 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 Citric Acid produced by the applicant is being treated as **like articles** of Citric Acid (hereinafter referred to as subject goods) imported from subject countries within the meaning of the Anti Dumping Rules.

### **Countries involved:**

6. The country involved in the present investigation is China PR, Korea RP and Ukraine.

### **Normal value:**

7. The Authority notes that the applicant has claimed normal value of subject goods in China PR and Ukraine based on constructed cost of production with appropriate adjustments treating China PR and Ukraine as non-market economy. The Authority proposes to examine the claim of the applicant 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 China PR and Ukraine on the basis of constructed cost of production as made available by the applicant and it has been considered by the Authority for the purpose of initiation.

8. The Authority notes that the applicant has claimed normal value of subject goods in Korea RP on the basis of constructed cost of production. Thus the authority has *prima facie*, considered the normal value of the subject goods in subject countries on the basis of as information made available by the applicant and it has been considered by the Authority for the purpose of initiation.

### **Export Price:**

9. 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 by the applicant for the subject goods from the subject countries

### **Dumping margin:**

10. 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:**

11. The applicant has 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, price undercutting, price underselling, 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 applicant caused by dumped imports collectively and cumulatively from subject countries.

### **Period of investigation:**

12. The period of investigation for the purpose of present investigation is 1st April 2003 to 31st March 2004. The injury investigation period will however cover the periods 2000-2001 to 2002-2003 and the POI.

### **Submission of information:**

13. 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

Department of Commerce

Udyog Bhavan, New Delhi-110011.

**Time limit:**

14. 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:**

15. 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.

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

17. 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.

**(Abhijit Sengupta)**  
Designated Authority