

**MINISTRY OF COMMERCE**  
**(Directorate General of Anti-Dumping & Allied Duties)**

**NOTIFICATION**

New Delhi, the 18th November 1999

**Sub :** Anti-dumping investigation concerning imports of Disodium Carbonate popularly known as Soda Ash from Peoples Republic of China

**PRELIMINARY FINDINGS**

**12/1/99-DGAD.**-Having regard to 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, thereof:

**A . PROCEDURE**

1. The procedure described below has been followed with regard to the investigation:
  - i. The Designated Authority (hereinafter also referred to as Authority), under the above Rules, received a written application from the Petitioner (s) M /s Birla VXL Ltd., registered office at Aerodrome Road, Jamnagar-361005, MJs DCW, registered office at Dhrangadhra-3633315, Gujarat, M/s Gujarat Heavy Chemicals Ltd., registered office at Bhikhubhai Chambers, 1St floor, Swastik Society, Navrang Pura, Ahmedabad-380009 and M/s Tata Chemicals Ltd., registered office at Bombay House, 24 Homi Mody Street, Mumbai 400001 on behalf of domestic industry, alleging dumping of Disodium Carbonate popularly known as Soda Ash (hereinafter also referred to as subject goods) originating in or exported from Peoples Republic of China (hereinafter referred to as subject country). The petition has been supported by M/s Tuticorin Alkali Chemicals and Fertilizers Ltd. and M/s Punjab National Fertilizers & Chemicals Ltd.
  - ii. Preliminary scrutiny of the application filed by petitioner revealed certain deficiencies, which were subsequently rectified by the petitioner. The petition was, therefore, considered as properly documented.
  - iii. The Authority, on the basis of sufficient evidence submitted by the petitioner decided to initiate the investigation against imports of subject goods from Peoples Republic of China. The authority notified the Embassy of Peoples Republic of China in New Delhi about the receipt of dumping allegation before

proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the Rule.

- iv. The Authority issued a public notice dt. 5.7.99 published in the Gazette of India, Extraordinary, initiating anti-dumping investigations concerning imports of the subject goods classified under custom Code 2836.20 of Schedule I of the Customs Tariff Act, 1975 originating in or exported from Peoples Republic of China.
- v. The Authority forwarded a copy of the public notice to all the known exporters (tee details were made available by petitioner ) and industry associations and gave them an opportunity to make their views known in writing in accordance with the Rule 6(2):
- vi. The Authority forwarded a copy of the public notice to all the known importers (whose details were made available by petitioner) of Disodium Carbonate in India and advised them to make their views known in writing within forty days from the date of issue of the letter.
- vii. Request was made to the Central Board of Excise and Customs (CBEC) to arrange details of imports of Disodium Carbonate made in India during the past three years, including the period of investigation.
- viii. The Authority provided a copy of the petition to the known exporters and the Embassy of the subject countries in accordance with Rules 6(3) supra. A copy of the petition was also provided to other interested parties, wherever requested.
- ix. The Authority sent a questionnaire to elicit relevant information to the following known exporters/producers, in accordance with the Rule 6(4):
  1. M/s Dalian Chemical Industry corpn., Dalian, China
  2. M/s Dalian Chemical. Industry Corpn., Soda Ash Plant, China
  3. M/s Dalian Jinzhou Soda Ash Plant, China
  4. M/s Tianjin Soida Ash Plant, China
  5. M/s Quingdao Soda Ash Plant, China
  6. M/s Welfang Soda Ash Plant, China
  7. M/s Tangshan Soda Ash Plant, China
  8. M/s Lianyungang Soda Ash Plant, China
  9. M/s Lianyungeng Chemical Fertilizer Plant
  - 10.M/s Zigong Hongche Chemicatl; Work, China
  - 11.M/s Hubei Provincial Chemical Works, China
  - 12.M/s Nanfang Soda Ash Co. Ltd., China
  - 13.M/s Jilantai Soda Ash Plant, China
  - 14.M/s delingha Soda Ash Plant, China
  - 15.M/s Hazhou Longshan Chemical Works, China
  - 16.M/s-Jiaxiru; Chemical Fertilizer Plant, China

- 17.M/s Liangzhu Chemical Fertilizer General Plant, China
- 18.M/s Jisozuo 3rd Chemical Plant, China
- 19.M/s Herand Jinshari Chemical General Plant, China
- 20.M/s Zhengzhou Chemical General Plant, China
- 21.M/s Gongyi City Soda Ash Plant, China
- 22.M/s Wucheng Salt and Soda Mine, China
- 23.M/s Natural soda Development Co. of Petroleum Prospecting

### **Bureau, China**

- 24.M/s Jiangsu Kunshan City Jingang Enterprise Group

### **Corp., China**

- 25.M/s Jiangsu Provincial Huaohang Group Corp.,China
- 26.M/s Shi jlazhuang Soda Ash Plant, China
- 27.M.s Shi jlazhuang Chemical Fertilizer Plant, China
- 28.Mls Wuhan Ammonia Works, China
- 29.M/s Yincheng City Soda Ash Plant,China
- 30.M/s Wuxue City Soda Ash Plant, China
- 31.M/s Xindu County Nitrogen Fertilizer Plant, China
- 32.M/s Fushun Country Chemical Fertilizer Plant, China
- 33.Mls Lushan City Natural Gas Chemical Works, China
- 34.Mls Chongqiag Nitrogen Fertilizer Co., China
- 35.Mls Giamghan Chemicla General Plant, China
- 36.M/s Jianyang Country Hong Ta Nitrogen Fertilizer Plant, China
- 37.M/s Enai Salt-Chemical Corpn, Soda As4,Plant, China
- 38.Mls Lengshui jing Soda Ash Plant, Chinai t
- 39.M/s Zhuzhou Chemical Group Corpn.Soda Ash Plant,China
- 40.M/s Xiangxiang Chemical Plant, China
- 41.M/s State Owned No. 272 sub-chemical works, China
- 42.M/s Xingping Chemical Fertilizer Works, China
- 43.Mls Xian Nitrogen Fertilizer Plant, China
- 44.M/s Nanxheng Country Chemical Fertilizer Works, China
- 45.M/s Hefei Chemical Fertilizer Plant, China
- 46.M/s Wanhuai Chemical Works, China
- 47.Mls Rongchang City Chemical Fertilizer Plant, China
- 48.M/s Shandong Dongfeng Chemical Fertilizer Plant, China
- 49.Mls Laizhou Salt Work Soda Ash Plant, China
- 50.M/s Wuhal City Chemical Works, Mongolia
- 51.M/s Ronghua Soda Ash Plant, Mongolia
- 52.M/s Yikezhaomen Chemical Research Institute, Mongolia

- 53.M/s Jinchang Chemical General Works, China
- 54.M/s State Owned No. 279, Works, China
- 55.M/s Yumen Soda Ash Plant, China
- 56.M/s Lushun Chemical Fertilizer Plant, China
- 57.M/s Taiyuan Chemical Fertilizer Plant, China
- 58.M/s Shanghai Pudong Chemical Works, China
- 59.M/s Fuzhou City Yaolong Industrial & Trading Co., China
- 60.M/s Liuzhou Chemical Fertilizer Plant, China
- 61.M/s Jiangxi Ammonia Works, China
- 62.M/s Jilin Chemical Company Chemical Fertilizer Plant, China
- 63.M/s Zhanyi Chemical Fertilizer Plant, China
- 64.M/s Xinjiang Hami Soda Ash Plant, China
- 65.M/s dabusu Chemical Works, China
- 66.M/s Soda Industry Research Institute of Ministry of Chemical

### **Industry, China**

- 67.M/s Chengda Chemical Engg. Corpn. of China
- 68.M/s The 1st Design Institute of Ministry of Chemical Industry, China
- 69.M/s The 4th Design Institute of Ministry of Chemical Industry, China
- 70.M/s Sinochem International Chemical Co. Ltd., China
- 71.M/s Magadi Soda Company Ltd., Kenya
- 72.M/s Eastern Europe Incorporation, Near York
- 73.M/s Swiss Singapore Overseas Cont. Pvt. Ltd, Singapore
- 74.M/s G Premji Trading P Ltd., Singapore
- 75.M/s American Natural Soda Ash Corporation, USA

A number of parties requested for extension of time for filing information, which was allowed on due cause shown by the Authority upto 17.9.99.

- x. The Embassy of the subject country in New Delhi was informed about the initiation of the investigation in accordance with Rule 6(2) with a request to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time. A copy of the letter, petition and questionnaire sent to the exporters was also sent to the Embassy, alongwith a list of known exporters/producers,
- xi. A questionnaire was sent to the following known importers/user, associations of the subject goods for necessary information in accordance with Rule 6(4):
  - 1. M/s Nahar Industrial Enterprises Ltd., New Delhi
  - 2. M/s Chinar Global Pvt. Ltd. New Delhi
  - 3. M/s Creative Exim International, New Delhi

4. M/s G Premji Trading Pvt. Ltd., New Delhi
5. M/s Indian Soap & Toiletries Makers' Association, Mumbai
6. M/s All India Glass Manufacturers' Federation, New Delhi

A number of parties requested for extension of time for filing information, which was allowed on due cause shown by the Authority upto 17.9.99.

Response to the questionnaire/notification was filed by the following exporters/producers:

1. M/s Qingdao Soda Ash Co. Ltd., China
2. M/s Tianjin Bohai Chemical Industry (Group) Corpn. Ltd., China
3. M/s Dahuachem International Economic & Trade Corpn., China
4. M/s Jiangsu Yongli Chemical & Technology Imports Exports, Corpn., China

Response from M/s Magadi Soda Co. Ltd., Ivas received by the due date.

Response to the questionnaire/notification was filed by the following Importers/user Associations:

1. M/s Hindustan Lever Ltd.
2. M/s Hind Lever Chemicals Ltd.
3. M/s Hindustan National Glass and Industries Ltd.
4. M/s Victory Glass Industries Ltd.
5. M/s Floatglass India Ltd.
6. M/e Hindustan Sanitaryware and Industries L:d.
7. M/s Owens Broackway India Ltd.
8. M/s Empire Industies Ltd.
9. M/s Excel Glass
10. M/s Triveni Glass
11. M/s Eagle Flask Industries
12. M/s Haldyn Glass Cu jarat Ltd.
13. M/s Haldyn Glass Ltd.
14. M/s Mohan Breweries
15. M/s U.P. TWIGA
16. M/s CG Glass Ltd.
17. M/s Universal Glass
18. M/s Alembic Glass Industries Limited
19. M/s Mahalaxmi Class Works Ltd.
20. M/s Indian Soap & Toiletries Maker's Association; Mumbai
21. M/s A11 India Glass Manufacturers' Federation, Delhi
22. M/s Henkel J5PIC India Ltd., Chennai

- 23.M/s Soluble Silicates (P) Ltd.,
- 24.M/s Tara Glass & Silicate Works, Calcutta
- 25.M/s Mohan Crystal Glass Works, Ghaziabad
- 26.M/s Hind Chemicals, Calcutta
- 27.M/s Gujarat Glass Ltd., Mumbai
- 28.M/s Nahar Industrial Enterprises Ltd., New Delhi

Response from M/s Procter & Gamble, Mumbai was received after the due date.

- xii. Additional information regarding injury and standing was sought from the petitioner, which was also furnished. The information on injury and cost of production was provided by M/s Birla VXL, M/s DCW, M/s Gujarat Heavy Chemicals Ltd. and M/s Tata Chemicals Ltd.
- xiii. the Authority conducted on the spot investigation at the premises of the petitioners) to the extent considered necessary;
- xiv. The Authority kept available non-confidential version of the evidence presented by various interested parties in the form of a public file maintained by the Authority and kept open for inspection by the interested parties;
- xv. Cost investigation was also conducted to work out optimum cost of production and cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles (GAAP) and the information furnished by the petitioners.
- xvi. \*\*\*\*in this notification represents information furnished' by an interested party on confidential basis and so considered by the Authority under the Rules;
- xvii. Investigation was carried out for the period starting from 1.4.98 to 30:6.99 i.e. the period of investigation (POI).

## **B. VIEWS OF EXPORTERS, IMPORTERS AND OTHER INTERESTED PARTIES**

### **1. PETITIONER'S VIEWS**

- a. The domestic and imported Soda Ash can be used interchangeably. The manufacturing process and the equipments used for the manufacture of Soda Ash are common all over the world and does not involve a special or a different process.
- b. The end-users of Soda Ash are using domestic and imported product interchangeably, the product being imported and produced by the domestic industry are similar and like products as- defined under the anti-dumping Rules.
- c. Soda Ash imports have increased from 30563 MT in 1995-96 to 50632 MT in 1996-97 to 171413 MT in 1997-98 and further to 150066 MT in 1998-99.

- d. The market share of imports in total demand has increased from 2.06% in 1995-96 to 3.43% in 1996-97 to 10.96% in 1997-98 and to 11% in 1998-99.
- e. The imports from China which were nil in 1996-97 increased to 96620 MT in 1997-98 and 107852 MT in 1998-99. The market share of China, in total imports has increased from 56.36% in 1997-98 to 70% in 1998-99.
- f. Market share of domestic Soda Ash - industry in total demand/consumption has decreased from 97.94% in 1995-96 to 85% in 1998-99.
- g. Capacity utilisation for all manufacturers has decreased tremendously from 85.94% in 1997-98 to 75% in 1998-99.
- h. Production has also decreased and inventories have increased in 1998- 99 over 1997-98 from 70476 MT to 190505 MT (till October for the year 1998-99). Closing stock as percentage of domestic sales has increased from 10.74% in 1997-98 to 26.95% (till October ,98) in 1998-99.
- i. Domestic sales have also decreased and current market share are maintained only by giving large discounts and very long credit facilities.
- j. The cost of production of Soda Ash by synthetic process is more or less same in various countries. Applying the same parameter to China which is otherwise a closed economy (not being a member of WTO) and no access to information whatsoever from there, it would not be unreasonable to assume that the cost of production has to be comparable with manufacturers in other countries.
- k. Chinese manufacturers are dumping Soda Ash in India and dumping margin is at least US\$115/MT.

## **2. EXPORTER'S VIEWS**

M/s Tianjing Bohai Chemical Industry Group Corporation, has made the following submissions:

- a. They distinguish stone and salt for Soda Ash sold in domestic market from one for Soda Ash exported. In domestic market, a long-term and stable supply of Soda Ash is made for the regular customers and, therefore, stone and salt is purchased on a long-term contract basis to ensure the stable supply of raw materials. On the other hand, on exports to India which is on both spot and long-term contract basis, stone and salt for Soda Ash sold in India is purchased on both long, term contract basis and spot basis in order to deal with change of market demand in India.
- b. They have two lines in Tianjin Soda Plant of which number one line solely produces Soda Ash by solvay process and so the cost is higher, while the number two line produces both Soda Ash and Ammonium Chloride by combination process and the cost is lower. Therefore, the production cost of Soda Ash in domestic market and that exported is different.

- c. Soda Ash for the domestic market needs to satisfy additional specifications. Customers in China request intensive support from supplier including technical support, timely and frequent delivery or other incidental services. Therefore, there is need to assign more sales and research and developmental resources which result in high overhead cost.

The information received from other exporters pertaining to questionnaire has been provided on confidential basis.

### **3. IMPORTER'S VIEWS**

- a. Various importers have provided data on imports from China and other countries of Soda Ash as well as indigenous purchases during the period of investigation and previous years alongwith evidence.
- b. Same invoicing, payment procedure, documentation etc. is followed for imports from China and Kenya. The only difference is that for imports from China, Indian agents are involve
- c. The indigenous industry is still controlling the market for 89% demand. The small share of imports cannot be construed to cause an injury to the petitioner. Further no irreparable damage to capacity utilisation of Indian industry which even now is operating at 80-85% capacity has been caused.
- d. No evidence has been produced about the local selling prices in China for the different periods without which the investigation will , be totally futile and leading to wrong findings.
- e. Inland freight in India is higher and the local product is costlier than the imported material wherein the sea freight is cheaper.
- f. Soda ash domestic manufacturers have increased the price two times every from 1991 to 97. This points to some sort of understanding between the manufacturers. The manufacturers have monopolised the Soda Ash market and ended up in profiteering.
- g. Import of Soda Ash on a mass basis started only when rate of Soda Ash reached to an exorbitant level in the year 1997. Moreover there was a downward trend in international price of Soda Ash since that time. The current rate of soda ash is in the region of 115US\$ CIF at Calcutta Port not only from China but from Other places as well like Romania, Russia, Bulgaria and Australia.
- h. The import of Soda Ash has given lakhs of industries a breather and due to advantages of low price of soda ash they became competitive to the extent that they started exporting their product.
- i. Domestic manufacturers can reduce their cost to the extent of discount they are currently offering just by delivering soda ash by sea and not by rail.

- j. M/s Tata Chemicals has still earned a profit of Rs. 181.67 crores for the accounting year ending on 31.3.99. They can further improve their performance by cost cutting and increased turn over. They should become cost efficient and should not look for protection.
- k. Indian soda ash manufacturers too have exported soda ash to Nepal, Bangladesh etc. during POI at almost the same cost of Soda Ash from China.

## **C. EXAMINATION BY AUTHORITY**

The foregoing submissions made by the exporters, the importers, the petitioner and other interested parties, to the extent these are relevant as per Rules and to extent these have a bearing upon the case, have been examined and considered and have been dealt with at appropriate places in these findings.

### **1. PRODUCT UNDER CONSIDERATION**

The product under consideration in the present investigation is Disodium Carbonate popularly known as Soda Ash classified under custom sub-heading 2836.20 of the Custom Tariff Act, 1975. The product under consideration is also classified under sub-heading no. 28362001 and 28362002 under the harmonized ITC system as dense and light Soda Ash respectively.

Soda Ash is an industrial chemical with chemical formula  $\text{Na}_2\text{CO}_3$  used for manufacture of alkali products soap, detergents, cleaning compounds and sodium based chemicals. It is also used for manufacture of float, container and specialty glasses, silicate and some chemicals. The two types of Soda Ashy being manufactured and marketed by domestic industry are Soda Ash ('aunt) and Soda Ash (dense). Soda Ash is produced by two process iechrologies viz. dissolution process employed in those parts of the world whey-r natural deposits of sodium Carbonate occur on a large scale and by synthetic processes including solvay process, Akzo dry lime process and dual process where natural resources do not occur. The domestic industry employs all the three types of synthetic process. In the solvay process the raw brine prepared by dissolving crude solar salt in raw water is purified by use of milk of lime and Soda Ash to prepare purified brine which is then ammoniated in ammonia absorber to prepare ammoniated brine. 'Ammoniated brine is carbonated to precipitate Sodium Bi-carbonate which is then filtered to separate crude bi-carbonate cake which is further heated to decompose into the product Soda Ash light. The dense Soda Ash is made mechanically compacting light Soda Ash.

Akzo dry lime process is a modification of the conventional solvay process to the extent that milk of lime slurry is not prepared and the heat of hydration of lime and of

chemical reaction are sufficient to raise the mother liquor to the boiling temperature thereby reducing the steam and lime consumption in distillation process as compared to solvay process. In the dual process, the Ammonia recovery unit and milk of lime section are dispensed with and an Ammonium Chloride section exists where the Ammonium chloride is crystallised and recovered.

## **2. LIKE ARTICLE**

In order to examine whether Disodium Carbonate produced by the domestic industry is a Like Article to the Disodium Carbonate exported from Peoples Republic of China characteristics such as physical, characteristics (purity, density etc.) manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing and tariff classification of the goods have been considered.

## **4. NORMAL VALUE & EXPORT PRICE**

Under Section 9A(1)(c), normal value in relation to an article means:

- i. the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub section (6); or
- ii. when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:-
  - a. comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under subsection (6); or
  - b. the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section(6);

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

The Authority had sent exporters questionnaires to all the known exporters for the pose of determination of normal value in terms of the Section cited above Authority

notes that M/s Qingdao Soda Ash Co. Ltd., China, M/s Tianjin Bohai Chemical Industry (Group) Corpn. Ltd., China, M/s Dahuachem International Economic do Trade Corpn., China and M/s Jiangsu Yongli Chemical do Technology Imports do Exports Corpn., have provided information. The normal value for the following exporters who have responded have been assessed separately.

### **M/s Qingdao Soda Ash Co. Ltd., China**

#### Normal Value

The Authority notes that exporter has claimed normal value separately for the two grades of Soda Ash. The exporter has claimed no adjustment. The authority notes that exporter has not furnished the cost of production and hence the authority can not evaluate the transactions as normal or below cost of production. However, the authority has on the basis of information furnished evaluated the normal value by treating all transactions as normal for the purpose of preliminary determination pending further investigation. The weighted average normal value for the two grades comes to \*\*\*\$/MT.

#### Export Price

The exporter has claimed export price on the basis of average selling price to customers in India. The exporter has claimed adjustments on inland freight, handling, taxes, port charges, commission, overseas freight, duty refund and interest. The Authority has allowed these adjustments for the purpose of preliminary findings pending further investigation. The authority has also allowed ocean insurance to an extent of \* \$/MT on the basis of petitioner data and importers response. The weighted average export price for the two grades comes to \*\*\*\$/MT.

### **M/s Tianjin Bohai Chemical Industry (Group) Corpn. Ltd., China**

#### Normal Value

The Authority notes that exporter has claimed normal value separately for the two grades of Soda Ash. The exporter has claimed adjustments on incidence of interest. The Authority has disregarded the adjustment on interest as it is not substantiated for the purpose of preliminary determination pending further investigation. The exporter has also provided month wise transaction details on domestic sales made in period of investigation. The Authority notes that the exporter has also provided cost of production of the subject goods separately for two grades for the domestic sales. Scrutiny of the same reveals that in certain transactions the same is above selling price. The Authority has disregarded the transactions made at a loss. The Authority

notes that the remaining transactions are significant and representative for the purpose of determination of normal value. The weighted average normal value for the two grades comes to \*\*\*\$/MT.

#### Export Price

The exporter has claimed export price on the basis of average selling price to customers in India. The exporter has claimed adjustments on inland freight, port charges and overseas freight. The Authority has allowed these adjustments for the purpose of preliminary findings pending further investigation. The authority has also allowed ocean insurance to an extent of \*\$/MT on the, basis of petitioner data and importers response. The weighted average export price for the two grades comes to \*\*\*\$/MT.

#### **M/s Dahuachem International Economic & Trade Corpn., China**

#### Normal Value

The Authority notes that exporter has claimed normal value separately for the two grades of Soda Ash. The exporter has claimed adjustments on the inland freight, storage and taxes. The Authority has disregarded the adjustments on inland freight and taxes as these are unsubstantiated. The adjustment on storage is disregarded as only ex-factory value is considered. The exporter has also provided month wise transaction details on domestic sales made in period of investigation. The Authority notes that the exporter has also provided cost of production of the subject goods separately for two grades for the domestic sales. Scrutiny of the same reveals that in certain transactions the same is above selling price. The Authority has disregarded the transactions made at a loss. The Authority notes that the remaining transactions are significant and representative for the purpose of determination of normal value. The weighted average normal value for the two grades comes to \*\*\*\$/MT for the purpose of preliminary determination pending further investigation.

#### Export Price

The exporter has claimed export price on the basis of average selling price to customers in India. The exporter has claimed adjustments on inland freight, storage, overseas freight, overseas insurance and shipping charges. The Authority has allowed these adjustments for the purpose of preliminary findings pending further investigation. The weighted average export price for the two grades comes to \*\*\*\$/MT.

#### **M/s Jiangsu Yongli Chemical & Technology Imports de Exports Corpn.,China**

## Normal Value

The Authority notes that exporter has claimed normal value separately for the two grades of Soda Ash. The exporter has not claimed any adjustments., The exporter has also provided transaction wise details on domestic sales made in period of investigation. The Authority notes that the exporter has also provided cost of production of the subject goods separately for two grades for the domestic sales. Scrutiny of the same reveals that in certain transactions the same is above selling price. The Authority has disregarded the transactions made at a loss. The Authority notes that the remaining transactions are significant and representative for the purpose of determination of normal value. The weighted average normal value for the two grades comes to \*\*\*\$/MT.

## Export Price

The exporter has claimed export price on the basis of average selling price to customers in India. The exporter has claimed adjustments on inland freight, port charges and overseas freight. The Authority has allowed these adjustments for the purpose of preliminary findings pending further investigation. The authority has also allowed ocean insurance to an extent of \*\$/MT on the, basis of petitioner data and importers response. The weighted average export price for the two grades comes to \*\*\*\$/MT.

For the non-cooperating exporter the normal value has been referenced on the basis of response of one of the cooperating exporters. Export price for the non-cooperating exporters has been calculated on the basis of the CIF value of the residual imports of the subject goods after deducting imports from cooperating exporters from the total imports and correlating the same with the port wise imports provided by petitioner and the imports data of DGCIS.

## **5. DUMPING-Comparison of Normal Value & Export Price**

The rules relating to comparison provides as follows:

"While arriving at margin of, dumping, the Designated Authority shall make a fair comparison between the export price and the normal value. The comparison shall be made at the same level of trade, normally at ex-works level and in respect of sales made at as nearly possible the same time. Due allowance shall be made in each case, on its merits, for differences which affect price comparability, including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics, and any other differences which are demonstrated to affect price comparability."

For the purpose of fair comparison between the normal value and the export price, the Authority has considered taking into account the normal value and export price determined, as detailed- above at ex-works level.

The dumping margin for exporters comes as under:

**Exporter Normal value Export Price Dumping margin**

M/s Qingdao Soda Ash Co. \*\*\*\*\* 18.14%

Ltd., China

M/s Tianjin Bohai \*\*\*\*\* 23.5%

Chemical Industry

(Group)Corpn. Ltd., China

M/s dahuachem \*\*\*\*\* 9.86%

International Economic &

Trade Corpn.,China

M/s Jiangsu Yongli \*\*\*\*\*

Chemical do Technology 21.18%

Imports & Exports

Corpn.,China

Any other exporter \*\*\*\*\* 36.22%

**6. INJURY AND CAUSAL LINK**

Under Rule 11 supra, Annexure-II, when a finding of injury is arrived at, such finding shall involve determination of the injury to the domestic industry, "taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles ....". In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the

like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

For the examination of the impact of the imports on the domestic industry in India, we may consider such indices having a bearing on the state of the industry as production, capacity utilisation, sales quantum, stock, profitability, net sales realisation, the magnitude and margin of dumping,, etc. in accordance with Annexure II(iv) of the rules supra.

## **CONCLUSION ON INJURY:**

The Authority concludes that

- i. the imports of Disodium Carbonate from Peoples Republic of China have increased in absolute terms from OMT in 96-97 to 96609MT in 97-98 and further to 122742 MT in POI.
- ii. the share of the subject country in the total imports in the country has increased significantly, i.e. from 0% in 96-97 to 56.36% in 97-98 and further to 71% in the period of investigation.
- iii. exports of Disodium Carbonate have resulted in decline in the' net average sales realisation for M/s Birla VXL Ltd., M/s DCW, Gujarat, M/s Gujarat Heavy Chemicals Ltd., and M/s Tata Chemicals Ltd., and Tuticorin Alkali Chemicals and Fertilizers Ltd. Chennai in the POI as compared to 97-98 nod 96-97. The net sales realisation of the industry is below tile non-injurious selling price.
- iv. The exports of subject goods and their consequential increase have resulted in decline in total sales of subject goods of the domestic industry from 1450163MT in 95-96 to 1423900 MT in 96-97 and from 1393265 MT in 97-98 to 1343889 MT in POI (annualised).
- v. The inventory of the domestic industry has increased from 88843MT in 96-97 to 1497212 MT in 97-98 and,further to 236054 MT in POI (ahnualised).
- vi. The capacity utilisation for the domestic industry has decreased from 85.94% in 97-98 to 77.26% in POI (annualised).
- vii. various economic indicators relating to domestic industry such as decline, in average sales realisation, rise in inventory, decline in sales and capacity .utilisation collectively and cumulatively established at the domestic industry hays suffered material injury.

It is, therefore, seen that the domestic industry has suffered material injury from dumped imports: In establishing that the material injury to the donwstic industry has

been caused by the imports from the subject country, the Authority holds that dumped exports from Peoples Republic of China have depressed the prices of subject goods in the domestic market and forced the domestic industry to sell at unremunerative prices, resulting in financial losses to the domestic industry. The domestic industry has suffered injury on account of loss by way of decline in sales volume, rise in inventory and decline in net sales realisation.

## **7. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES**

The Authority holds that the purpose of anti dumping duties, in general, is to eliminate dumping, which is causing injury to the domestic industry and to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country.

It is recognized that the imposition of anti dumping duties might affect the price levels of the products manufactured using the subject goods and consequently might have some influence on relative competitiveness of these products. However, fair competition on the Indian market will not be reduced by the anti dumping measures, particularly if the levy of the anti dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of Disodium Carbonate. Imposition of anti dumping measures would not restrict imports from the subject country in any way, and therefore, would not affect the availability of the product to the consumers.

To ascertain the extent of Anti-dumping duty necessary to remove the injury to the domestic industry, the Authority has relied upon a non-injurious selling price of Disodium Carbonate in India for the domestic industry, by considering the optimum cost of production for the domestic industry.

## **8. LANDED VALUE**

The landed value has been determined separately for the cooperating exporters on the basis of weighted average export price of Disodium Carbonate from Peoples Republic of China determined separately for the light and dense grades of Disodium Carbonate after adding the applicable level of customs duties, one percent towards landing charges, and two percent handling charges for the purposes of preliminary determination.

The Authority has determined landed value of the subject goods on the basis of weighted average export price of the subject goods on the basis of information as

provided by the exporter for the purposes of preliminary findings pending further investigation for the following exporters: -

1. M/s Qingdao Soda Ash Co. Ltd., China
2. M/s Tianjin Bohai Chemical Industry (Group)Corpn. Ltd., China
3. M/s Dahuachem International Econotfiic14 Trade Corpn., China
4. M/s Jianguo Yongli Chemical A Technology Imports de Exports Corpn.,China

For the non-cooperating exporters, the landed value has been determined on the basis of the CIF value determined for the residual imports of subject goods after deducting imports of subject goods from cooperating exporters and correlating the same with the port wise data provided by petitioner and data provided by DGCIS.

## **D. CONCLUSION**

It is seen, after considering the foregoing, that:

- a. Disodium Carbonate originating in or exported from peoples Republic of China has been exported to India below normal value, resulting in dumping;
- b. The Indian industry has suffered material injury;
- c. The injury has been caused by the imports from the subject country.

It is considered necessary to impose anti dumping duty, provisionally, pending final determination, on all imports of Disodium Carbonate originating in or exported from the subject country.

It was considered to recommend the amount of anti-dumping duty equal to the margin of dumping or less which if levied would remove the: injury to domestic industry. Landed value of the imports for individual exporters, for the purpose, were compared with the non-injurious selling price of the domestic industry, determined for the period of investigation. Wherever the difference was less than the dumping margin, a duty lower than the dumping margin is recommended. Accordingly, it is proposed that provisional anti dumping duties as set out below be imposed, from the date of notification to be issued in this regard by the Central Government, on all imports of Disodium Carbonate originating in or exported from Peoples Republic of China falling under Chapter 28, Customs sub-heading 2836.20 of the Customs Tariff, pending f inal determination.

Sl.No. Name of the Amount of  
exporter/producer duty(Rs./MT)

1. M/s Qingdao Soda Ash Co. 679.83

Ltd., China

2. M/s Tianjin Bohai Chemical 915.90

Industry (Group)Corpn. Ltd., China

3. M/s bahuachem 391.27

International Economic & Trade Corpn.,China

4. M/s Jiangsu Yongli Chemical 774.50

& Technology Imports & Exports Corpn.,China

5. Any other exporter 1036.00

## **FURTHER PROCEDURE**

The following procedure would be followed subsequent to notifying the preliminary findings:

- a. The Authority invites comments on these findings from all interested parties and the same would be considered in the final findings;
- b. Exporters, importers, petitioner and other interested parties known to be concerned are being addressed separately. by the Authority, who may make known their views, within forty day from the date of the despatch of the letter. Any other interested party. May also make known its views within forty days from the date of publication of these findings;
- c. the Authority would conduct verifications to the extent deemed necessary. No fresh evidence will be accepted at this stage;
- d. The Authority would provide opportunity to all interested parties for oral submissions, for which the date and time shall be communicated to all known interested parties separately;
- e. The Authority would disclose essential facts before announcing final findings.

**RATHI VINAY JHA..**  
Designated Authority