

No. 15/4/2008-DGAD
Government of India
Ministry of Commerce & Industry
Directorate General of Anti-Dumping & Allied Duties

NOTIFICATION

New Delhi the 20th May, 2009

Final Findings

Subject: Sunset Review investigations in the matter relating to Anti Dumping Duties imposed on imports of Potassium Carbonate originating in or exported from the European Union, Korea RP, China PR and Taiwan (Chinese Taipei)

No.15/4/2008- DGAD : Having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as Rules);

A BACKGROUND OF THE CASE

1. The Designated Authority had recommended imposition of Provisional Anti Dumping duty on imports of Potassium Carbonate (hereinafter referred to as subject goods) originating in or exported from European Union, Korea RP, China PR and Taiwan (Chinese Taipei) (hereinafter referred to as subject countries) falling under Sub-heading 2836.40.00. The Preliminary Findings were published vide Notification No. 14/42/2002-DGAD dated 30th April, 2003 and provisional duty was imposed on the subject goods vide Customs Notification No.91/2003-Customs dated 10th June ,2003. The Designated Authority had come out with Final Findings vide Notification No 14/42/2002-DGAD dated 16th January 2004 and definitive anti dumping duties were imposed by the Central Govt vide Customs Notification No 37/2004 dated 20th February ,2004. The duties were extended by the Central Govt. vide Notification No. 76/2008-Customs dated 11th June 2008 .

2. The Designated Authority initiated the sunset review investigation of anti-dumping duty imposed on imports of Potassium Carbonate originating in or exported from subject countries following a request to this effect by the Domestic Industry M/s Gujrat Alkalies & Chemicals Limited, Vadodra. The request was based on the grounds that the expiry of the measures would be likely to result in a continuation or recurrence of dumping and/or injury to the domestic industry. The petitioner claimed with prima facie evidence that cessation of anti dumping duty imposed on subject goods from these

countries is likely to lead to continuation or recurrence of dumping and injury and have requested for continuation and enhancement of the anti dumping duty imposed on subject goods from subject countries for a further period of five years.

3. Having satisfied on the basis of the positive evidence submitted by the domestic industry substantiating the need for a review, the Authority initiated sunset review vide notification no. 15/4/2008-DGAD dated 21.05.08 in accordance with Section 9A(5) of the Act, read with Rule 23 of Anti -dumping Rules, to review the need for continued imposition of duties in force and whether the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury.

B. PROCEDURE

4. The procedure described below has been followed with regard to this investigation:

i) After initiation of the review investigation, the Authority notified the domestic industry, all known exporters/producers in the subject countries and known importers, calling for questionnaire responses and necessary information in accordance with Rule 6(4);

ii) The Embassies of the subject countries in New Delhi were also informed about the initiation of the investigation, in accordance with Rule 6(2), with a request to advise the exporters/producers in their respective countries to respond to the questionnaire within the prescribed time.

iii) The Authority sent questionnaires, to elicit relevant information, to the following known exporters from subject countries.

a) EVONIK DEGUSSA GMBH, GERMANY
BENNIGSENPLATZ 1
40474 DÜSSELDORF
GERMANY

b) HENAN CHINAORIGINATOR TRADING CO. LTD.
ZHENGZHOU,
HENAN,
CHINA

c) TIANJIN XINYUAN INTERNATIONAL TRADING CO., LTD.
TANGGU DISTRICT,
TIANJIN, CHINA

d) TAIWAN PULP AND PAPER CORPORATION
10TH FLOOR, NO 96, SEC. 1

CHIEN KUO ROAD
TAIPEI
TAIWAN (Chinese Taipei)

e) UNID CO.
17th, ORIENTAL CHEMICAL BLDG.,
50, SOKONG-DONG,
CHUNG-GU, SEOUL,
KOREA RP

iv) Following exporters from the respective subject countries have responded to the Designated Authority with prescribed questionnaire response.

M/s.Evonik Degussa GmbH, Germany– Germany

M/s. Unid Co. - Korea RP

v) No exporter from Taiwan (Chinese Taipei) and China PR has responded. Such being the case, the Authority considered the exporters/producers who have not responded as non-cooperative and decide the matter as per Rule 6(8).

vi) The period of investigation for the purpose of the present review is 1st Jan 2007 to 31st Dec 2007 (12 months). However, injury analysis covered the years April'2004-March'2005, April'2005-March'2006 and April'2006-March'2007.

vii) Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, and the period of investigations. The required information has been received from the DGCI&S.

viii) *The cost and injury information for injury investigation has been submitted M/s. Gujarat Alkalies & Chemicals Limited.*

ix) A copy of initiation notification along with the importers questionnaire was also sent to the following known importers and users of subject goods in India calling for necessary information in accordance with Rule 6(4);

M/s.Aurobindo Pharma Ltd 2, Maithri Vihar Behind Maithri Vanam Ameerpet, Hyderabad	M/s.Videocon International Ltd Mittal Court Nariman Point Bombay
M/s.Videocon Narmada Glass	M/s.Tanfac Industries Ltd

Division of Videocon Intl Ltd Chavaj Bharuch - 392 002	Industrial Complex Kudikadu Post
M/s.Anus Labs Ltd 17 Chilakamarri Village Andhra Pradesh - 509 216	M/s.Vorin Labs Ltd S.D.Road Secunderabad Medak
M/s.Gujarat Insecticides Ltd 805/806 GIDC Industrial Estate Ankleshwar-393 002, Gujarat	M/s.ICI India Ltd Ennore Works P.O.Box-5, Ennore Express Highway Ernavoor PO, Madras – 600 057
M/s.KDL Biotech Ltd Parijat House, 1076 Dr.E.Moses road Worli Bombay - 400 018	M/s.Bharat Jyoti 22, S.Gandhi Marg Princess Street Bombay - 400 002
M/s.National Organic Chemicals Ltd Rubber Chemical Division C-37, TTC Industrial Area, Thane Belapur Road Thane - 400 975	M/s.Bio Chemical Synthetic Products Sanath Nagar Hyderabad - 18
M/s.Glochem Industries Ltd Flat No.217, Bhanu Enclave Sundar Nagar Beside ESI Hospital Hyderabad - 500 038	M/s.APL Chemi Naatural Ltd 301, Nilgiri Block Aditya Enclave Ameerpet Hyderabad - 500 038
M/s.Baker Hughes Singapore Pvt Ltd No.621, Midas Sahr Plaza Kodivita M.V.Road Andheri East Bombay	M/s.Keerthi Bangalore Pvt Ltd No.31, J.C.Road Bangalore

M/s.MFPL Fluorine Products Ltd 266, Express Highway Opp.SPIC Heavy Chemicals Manali Madras - 600 068	M/s.Ranbaxy Labs Ltd Devika Tower 10th Floor 6, Nehru Place New Delhi - 110 019
M/s.Amoli Organics Ltd 407 Dalamal House Jamnalal Bajaj Road Nariman Point Bombay - 400 021	M/s.Recon Ltd 16/2, OVH Road Basavanagudi Bangalore - 560 004
M/s.Alpha Drugs India Ltd 1st Floor, S.C.O. 18 Sector-26, Madhya Marg Chandigarh - 160 019	M/s.S.D.Fine Chem Ltd 315-317, T.V.Indl. Estate 248 Worli Road Worli Bombay - 400 025
M/s.Bayer India Ltd Chemicals Division 749, Aannasalai Post Box No.2420 Madras - 600 002	Dr.Reddy's Lab Ltd 7-1-27 Ameerpet Hyderabad - 500 016
M/s.C.J.Shah & Co 105, Bajaj Bhavan 10th Floor Nariman Point Bombay - 400 021	M/s.Tribology India Ltd 1, Smith Road Madras - 600 002
Chemi Care 14, Devkaran Niwas 283, Samuel Street Vadgadi Bombay 400003	Daurala Organics Ltd 22-B, Himalaya House 2nd Floor, 23 Kasturba Gandhi Marg New Delhi 110001
Deepak Nitrite Ltd 4/12, Gidc Chemical Complex, Nandesari Gujarat 391340	Eskay Fine Chemicals Mehta Mahal, Ground Floor 15, Mathew Road

Gujarat 391340	
Ficom Organics Ltd 162, Maker Chamber III, 15th Floor 223, Nariman Point, Bombay 400021	Hikal Ltd 603-A, Great Eastern Chambers, 6th Floor, Sector 11, CBD-Belapur New Bombay 400614
ICI India Ltd (Paints Business) ICI House, 34,Chowringhee Road, Kokatta.	Ipca Labs Ltd. Ipca House 63 E, Kandivili Indl Estate Kandivili West Bombay 400067
Kantilal Manilal & Co. Pvt. Limited Apeejay Chmbs, Wallace Street GPO, Bombay 400 001	La Opala Rg Ltd 230-A, A J C Bose Road, Calcutta
Novartis Enterprises P Ltd Shivsagar Dr A B Road Worli, Bombay 400 018	Oswal Chemicals 1431, Ganesh Dehla, Opp Fulpura, Madhupura, Ahmedabad 380004
Pandesara Industries P Ltd Survey No 80 Bhestan Gidc, Pandesar, Surat, Gujarat 394 221	Rishi Chemical Works P Ltd. 56/1, Biplabi Rash Behari Basu Rd, Room No.D-23, Calcutta 700001
Samcor Glass Ltd 52, Community Centre, New Friends Colony, New Delhi 110065	Sudarshan Chemical Indust Ltd Nariman Bh, Nariman point Bombay 400 021
Sun Pharmaceutical Industries Ltd	

Acme Plaza, Andheri Kurla Rd Opp Sangam Cinema Andheri East, Bombay 400059	Sampatrao Colony Alkapuri Baroda 390005
M/s Aarti Drugs Ltd., 18-A, Krishna Niwas Road No.1, Scheme No. 6 Sion East Mumbai	

x) Except M/s Videocon Industries Ltd., (Narmada Glass Division), Bharuch, no other importer/user has responded and submitted information.

xi) The Authority verified the information furnished by the domestic industry to the extent considered necessary to examine the injury suffered and 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 applicants so as to ascertain if Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry;

xii) The Authority held a public hearing on 24th Mar. 2009 to hear the interested parties orally, which was attended by representatives of domestic industry, exporter of the subject goods from European Union and Korea RP and other interested parties.

(xiii) The Authority has considered all views expressed and submissions made by various interested parties to the extent they are relevant for the present investigation.

(xiv) The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties.

(xv) In accordance with Rule 16 of the anti-dumping Rules, the essential facts/basis considered for these findings were disclosed to the known interested parties and comments received on the same have been duly examined and incorporated in the final findings.

(xvi) Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has granted confidentiality, wherever warranted and such information has been considered confidential and not disclosed to other

interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

(xvii) Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigations, or has significantly impeded the investigation, the Authority has recorded these findings on the basis of the facts available.

(xviii) The Authority issued a detailed disclosure statement on 14th May,2009 giving thereby essential facts under consideration and views expressed thereon have been duly incorporated in the present final findings.

(xix) *** in the final findings represents information furnished by interested parties on confidential basis and so considered by the Authority under the Rules

C. PRODUCT UNDER CONSIDERATION AND 'LIKE ARTICLE'

C.1 Views Of The Domestic Industry

5. Following issues have been raised by the domestic industry with regard to product under consideration and like article:

(i) Since the present investigation is a review investigation, product under consideration remains the same as has been defined in the original investigation. There has been no significant development in the product over the period.

(ii) The goods produced by the domestic industry are like article to the imported product.

C.2 Views of the importers, consumers, exporters and other interested parties

6. None of the exporters, importers, consumers and other interested parties have disputed with regard to the nature of the subject goods that are exported to India from the subject countries and those being manufactured by the domestic industry.

C.3 Examination By The Authority

7. The product under consideration is "Potassium Carbonate" with chemical formula K_2CO_3 . It is a white, deliquescent, inorganic compound, available in powder and granule form, which is soluble in water and insoluble in alcohol. The product is classified under Custom Tariff Heading 28.36.40 and 28.36.40.00 under Indian Customs Tariff Classification. The

classification is, however, indicative only and is in no way binding on the scope of the present investigation. There is no significant difference in the Potassium Carbonate produce by the domestic industry and that exported from the subject countries which can have an impact on price. The Potassium Carbonate produced by the domestic industry and exported from the subject countries are comparable in terms of characteristic such as physical and chemical characteristics, manufacturing technology, functions and uses, products specifications and tariff classifications. The two are technically and commercially substitutable. Therefore, the Authority holds that the product being manufactured by the domestic industry and the product being manufactured and exported from the subject countries are like article as per Rule 2(d) of Anti-Dumping Rules.

D. Standing and scope of the Domestic Industry

D 1 Views Of the Domestic Industry

8 (i). In the original investigations, M/s Gujarat Alkalies & Chemicals Limited had filed the petition before the Designated Authority and Standard Alkalies had supported the petition. In the present investigation also M/s Gujarat Alkalies & Chemicals Limited has filed the application .However, M/s. Standard Alkalies has suspended production and not produced product during the investigation period.

ii. There is one more producer M/s. Sree Rayalseema Alkalies who have created capacity for production of product concern and commenced commercial production. But their production is quite insignificant compared to the petitioner company.

iii. M/s. Sree Rayalseema Alkalies is silent on the issue of support or opposition to the petition and the investigation.

iv. Production of the petitioner constitutes a major proportion of total Indian production and they account for more than 50% of the total Indian production.. The Designated Authority is therefore requested to consider the petitioner companies as the “domestic industry” within the meaning of the Rules.

D.2 Views of the Importers, Consumers, Exporters and Other Interested parties

9. None of the importers, consumers, exporters and other interested parties has disputed the standing of the petitioner company as the domestic industry.

D.3 Examination by the Designated Authority

10. As per the petition filed by the domestic industry there are two known producers of the subject goods in the country namely M/s Gujrat Alkalies &

Chemicals Ltd. and Sree Rayalseema Alkalies Ltd. The Authority takes note of arguments raised by the domestic industry regarding continued injury to the domestic industry. These arguments have been taken into account while analyzing the injury to the domestic industry, threat of continuation of dumping and injury to the domestic industry. There is no import by domestic industry during the period of investigation. The Authority also holds that standing is not required to be established in a sunset review. The application has been made by or on behalf of the domestic industry. However, as per the available information furnished by the domestic industry, their total production of the subject goods accounts for more than 50% percent of the total domestic production.

E. Dumping Determination

E.1 Views of the Domestic Industry:

11 (i). Since the exporters have not furnished the response in part II of the exporter questionnaire meant for SSR investigations, the likelihood of dumping can not be fully examined by the Designated Authority.

ii) M/s Degussa GmbH, Germany has no exports of the product under consideration to India during the period of investigation. However, likelihood of dumping should be determined on the basis of the price at which the company has been exporting to third countries, the volume of third countries exports above and below normal value and the price at which the exporter is likely to sell the product in the Indian market.

iii) Since it cannot be established that dumping is unlikely to recur in the event of revocation of anti dumping duties, there is no justification in revocation of anti dumping duties in case of the EU.

iv) Since both M/s OCI and M/s Itochu of Korea RP have not responded to the Authority, questionnaire response cannot be considered sufficient for the purpose of determination of dumping margin.

v) M/s UNID Co. Korea is a multi product company. Allocation of costs on various products need be examined in detail.

vi) KOH is captively sourced. Transfer price is required to be examined in detail, for which cost of production and selling price of KOH should be examined in detail and higher of the two should be considered as transfer price.

vii) Chlorine is generated in KOH production process, treatment of which needs be examined.

viii) Consumption factors of raw material and utilities need be examined.

ix) Since, the normal value cannot be determined on the basis of information provided by the responding exporters, the same may be determined on the basis of information provided by the domestic industry.

(x) The normal value in China PR being a non-market economy may be determined on the basis of (a) price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit by taking India as surrogate country as per Rules.

xi) Where exporters are exporting significant volume despite anti-dumping duty, it is obvious that dumping would recur and domestic industry will be injured in the event of revocation of duty.

E.2 Views of the Exporters/Importers/Other interested parties

12. *Excepting M/s Degussa, Germany and UNID Co., Korea RP no other exporter from any other country has responded. The following views have been submitted by M/s Degussa, Germany regarding dumping determination:*

i) Since there are four major grades of Potassium Carbonate such as granular, hydrate, compacted and powder, separate injury analysis is required.

ii) Export price for the EU should be determined using third country prices.

iii) M/s Evonic did not export the subject goods during the POI but exported the same to other countries.

iv) Third country prices may be accepted for determining likelihood of continuation or recurrence of dumping and injury.

v) Dumping and injury do not exist on account of subject exports from EU, therefore, the Authority should reach negative final determination with regard to the likelihood of continuation or recurrence of dumping and injury.

vi) Fall in the domestic industries production and sales are not due to dumped imports. The same is rather due to change in production priorities by the domestic industry due to increase in the market demand for caustic potash flakes. Any injury caused by the fall in the Potassium carbonate production was self inflicted and not due to dumped imports.

13. *The following views have been submitted by M/s UNID Co., Korea RP regarding dumping determination.*

i) Both the producer and the exporter had participated in the original investigation and have also co-operated in the present investigation. Since both the parties are related, submission of separate exporters questionnaire not necessary.

ii) The petitioners opinion that caustic potash is captively produced by the producer and therefore, the prices at which the same is consumed in the production of the subject goods should be at arms length may not be accepted.

iii) The domestic industry has curtailed the production of the subject goods and diverted the capacities of Potassium carbonate to produce the caustic potash during the POI due to increase in demand for caustic potash and not due to dumping.

iv) One of the key uses of Potassium Carbonate is for manufacturing of cathode ray tube (CRT). Due to decrease in demand for CRT and consequent decrease in production of the subject goods in India, the industrial users have preferred to import the subject goods from viable sources including Korea. Thus, the allegation of voluminous increase of import from the subject countries should not be linked to dumping & injury.

v) The reasons for lower production and sales by the domestic industry are clearly linked to better realisation from caustic potash. Therefore, no causal link exists between the imports from Korea RP and alleged injury to the petitioners.

vi) The injury analysis should be conducted for the domestic industry as a whole comprising of the petitioner and the two other domestic producers i.e. M/s Rayalseema Alaklies & Allied Chemicals Ltd. and M/s Standard Alkalies.

vii) The petitioner has deliberately suppressed production of the subject goods due to demand of the caustic potash flakes in the market. The other producers such as Sree Ryalaseema Alkalies has shown a mammoth growth in the production of the subject goods from 1200 Mt in 2006-07 to 2500 Mt during POI.

viii) Due to suppression of production by the petitioner the domestic users are forced to import the subject goods from other avenues. Therefore, to fill up the gap between the demand and production of the domestic industry, the import from Korea RP has been increasing.

ix) All the injury parameters show that there is no material injury due to alleged imports from the Korea RP. The injury to the domestic industry, if any,

is self inflicted injury caused by deliberate suppression of production of subject goods to meet the market demand for caustic potash flakes.

14. *As far as views of importers and other interested parties are concerned, except M/s Videocon Industries Ltd. (Videocon Narmada Glass Division), Bharuch, Gujrat, response has not been received from any other quarter. However, no specific views regarding dumping determination has been received from M/s Videocon Industries Ltd. as well.*

E.3 Examination by the Authority

15. 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 sub-section (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);*

NORMAL VALUE

European Union

16. *Normal value is the price of like article in the domestic market of exporting country. Authority notes that exporter M/s. Degussa GmbH, Germany has furnished information with regard to sales of product concern in the domestic market of exporting country. The company has not furnished information in Appendix 2 as there are no exports of product concern to India during the POI. The company has however, furnished information relating to exports to third countries. Authority notes that the in Appendix 7 & 8 company have not allocated interest cost to product and only interest income is shown in Appendix 7. Authority has therefore, added interest cost as per information furnished by the company in the cost of production and cost of production so determined is compared with the transaction-wise sales made in the domestic market. Authority notes that *** % sales in the domestic market is above cost.*

Therefore, normal value is determined on the basis of profitable sale in the domestic market in the exporting country. Normal value so determined comes as under:

Total sales in domestic market	MT	***
Total net sales value in domestic market	Euro	***
Profitable Sales in Domestic Market	MT	***
Profitable Sales in Domestic Market as % of total sales	%	***
Value of Profitable volume	Euro	***
Therefore normal value	Euro/MT	***
Exchange Rate (1 Euro = 1.37 US\$)		***
Normal value in USD	USD / MT	***

Others (EU)

17. Normal value for others in EU is determined as US\$ *** per Mt i.e. same as calculated in respect of the co-operating exporters.

Korea RP

18. Authority observes that M/s. Unid Co has furnished information with regard to sales of product concern in the domestic market of exporting country, which was verified by the Designated Authority. The company has also furnished information in Appendix 2 as also other Appendixes relating to cost of production. Domestic sales of the company is compared with the cost of production and adjustments is claimed account of Ocean freight, Insurance, banking expenses, document fees, commission paid and packing expenses, are allowed. Company is maintaining process wise costing and as per the production process, Chlorine is generated in the KOH 30% production process. Total expenses at the KOH 30% stage have been apportioned by company to KOH 30% and Chlorine on the basis of unit cost method. The Authority, however, proposes to consider the sales value of chlorine and credit the same to total cost of KOH 30%. On the basis of above, revised cost of production of KRW *** per Mt for the subject goods were calculated and on application of 80-20 test, authority notes that *** % sales in the domestic market is above cost. Therefore, normal value is determined on the basis of sale price in the domestic market. Normal value so determined comes to US\$ ***/Mt as under :

Total transactions for sales in domestic market	Nos.	***
Cost of production per unit	USD/ Mt	***

	Mt	
Total quantity of sales in domestic market to unaffiliated customers	Mt	***
Total quantity of sales in domestic market to affiliated customers	Mt	***
Total quantity of sales in domestic market	Mt	***
Profitable sales volume to unaffiliated customers	Mt	***
Profitable sales value to unaffiliated customers	USD	***
Average price of all sales in the domestic market to unaffiliated customers	USD/ Mt	***
Average price of profitable sales in the domestic market to unaffiliated customers	USD/ Mt	***
Exchange Rate (from KRW to USD)		***
Normal value	USD	***

Others (Korea)

19. *Normal value in case of other exporters in the Korea RP is proposed to be taken as US\$ *** /Mt. as the one determined for the co-operating exporter.*

TAIWAN (Chinese Taipei)

20. None of the exporters/producers from Taiwan (Chinese Taipei) has responded to the initiation notification and provided information in the form and manner prescribed. Therefore Authority proposes to rely upon the facts available as per Rule 6(8) of the Anti-dumping Rules to determine the normal value. The Authority proposes to construct normal value on the basis of the consumption norms of the domestic industry and international prices of the raw material. Conversion cost of the domestic industry and reasonable profit (excluding interest) has been added to arrive at the constructed normal value for the country. Accordingly, the normal value at ex-factory level has been worked out as US\$ *** per MT.

China PR

21. *None of the exporter/producers from China has responded and furnished information to Authority and claimed MET treatment. Petitioner has*

proposed India as surrogate country. No comments have been filed by any party opposing claim of the petitioner. Authority therefore, proposes to determine normal value on the basis of other reasonable method as per Rules. Normal value for China so determined comes to USD ***.

EXPORT PRICE

European Union

22. With regard to export price, Authority observes that the cooperating exporter has not made any exports to India during POI. Export price, is therefore, determined on the imports made from EU to India as reported by DGCI&S. Adjustments are made on account of Ocean freight, Insurance, Inland Freight, Port Charges, Bank Commission etc. as given in Table below. Accordingly, net export price so determined comes as USD *** per MT as given below:

Particulars	Unit	Price/MT (DGCI&S)
Export Price CIF	Rs/MT	***
Exchange rate	1USD	***
Export Price CIF	USD/MT	***
Ocean Freight	USD/MT	***
Marine Insurance 0.5%	USD/MT	***
FOB Export Price	USD/MT	***
Inland Freight - 1%	USD/MT	***
Port Expenses - 0.5%	USD/MT	***
Bank Charges - 0.5%	USD/MT	***
Net Export Price	USD/MT	***

KOREA RP

23. With regard to export price, authority notes that the exporter (OCI Corp.) has made *** Mt transactions to India in the POI, CIF export price of which comes to USD *** per MT. Adjustments are claimed on account of ocean freight, insurance, packing expenses, commission etc. as given in table below, which are allowed. Net export price so determined comes as USD *** per MT

Particulars	Unit	Price/MT
Export Price CIF	Rs/MT	***
Exchange rate	1USD	***
Export Price CIF	USD/MT	***
Ocean Freight	USD/MT	***
Marine Insurance	USD/MT	***
FOB Export Price	USD/MT	***
Inland Freight – 0.70%	USD/MT	***
Document fee (Wharfage, THC etc.)	USD/MT	***
Bank Charges	USD/MT	***
Commission	USD/MT	***
Packing Expenses	USD/MT	***
S & D Expenses	USD/MT	***
Net Export Price	USD/MT	***

24. Authority also observes that the company is exporting product to India through traders. Since no adjustments are claimed on account of selling expenses incurred by traders, appropriate adjustments have been made on these account from export price.

OTHERS (KOREA RP)

25. With regard to export price for others in Korea RP, Authority proposes to consider the lowest net export price of the co-operating exporters, which comes to US\$ *** per Mt. as the net export price.

TAIWAN (Chinese Taipei)

26. None of the exporters from Taiwan (Chinese Taipei) has responded to the initiation notification and provided information in the form and manner prescribed. Domestic industry has provided the details of the price at which goods were imported during the investigation period. None of the other interested parties has provided any other information which can be used for determination of export price. In absence of information in the prescribed format, the Authority proposes to rely upon the facts available as per Rule 6(8) of the Anti-dumping Rules to determine the export price. Accordingly, the data reported by the DGCI&S for imports from Taiwan (Chinese Taipei) has been relied upon to determine weighted average import price. Since this price is at CIF level, adjustments have been made on account of ocean freight, overseas insurance, inland freight, port expenses, and bank charges to determine ex-factory export price. The ex-factory export price has been determined as US\$ *** per MT as follows:

Particulars	Unit	Price/M T
Export Price CIF	Rs/MT	***
Exchange rate	1USD	***
Export Price CIF	USD/MT	***
Ocean Freight	USD/MT	***
Marine Insurance 0.5%	USD/MT	***
FOB Export Price	USD/MT	***
Inland Freight - 1%	USD/MT	***
Port Expenses - 0.5%	USD/MT	***
Bank Charges - 0.5%	USD/MT	***
Net Export Price	USD/MT	***

27. With regard to export price, Authority observes that on the basis of the data of DGCI&S, *** Kg of PUC has been exported to India from Taiwan at CIF price of USD *** per Mt. during POI. Adjustments on account of ocean freight, insurance, packing expenses, commission etc. have been considered to arrive at the net export price. Net export price so determined comes as USD *** per MT

CHINA PR

28. With regard to export price, Authority observes that on the basis of the data provided by DGCI&S, *** Kg of PUC were exported to India. The CIF export price from China PR to India, as per DGCI&S data comes to USD *** per MT. Adjustments on account of ocean freight, insurance, packing expenses, commission etc. have been considered to arrive at the net export price. Net export price so determined comes as USD *** per MT as follows:

Particulars	Unit	Price/M T
Export Price CIF	Rs/MT	***
Exchange rate	1USD	41.36
Export Price CIF	USD/MT	***
Ocean Freight	USD/MT	***
Marine Insurance 0.5%	USD/MT	***
FOB Export Price	USD/MT	***
Inland Freight - 1%	USD/MT	***
Port Expenses - 0.5%	USD/MT	***
Bank Charges - 0.5%	USD/MT	***
Net Export Price	USD/MT	***

E.4 Dumping Margin

29. The normal values determined at the ex-factory level has been compared with the respective net export prices determined at the ex-factory level and the dumping margins have been determined by the Authority as follows:

Dumping Margin Calculations	Normal Value US\$/ MT	Export Price US\$/ MT	Dumping Margin	Dumping Margin %
Degusa (Germany)	***	No Exports	---	----
All other Exporter / producer from European Union	***	***	***	-4.83
Unid Co, Korea RP	***	***	***	4.40
All other Exporter / producer from Korea RP excluding above	***	***	***	24
All Exporter / producer from China	***	***	***	10.12
All Exporter / producer from Taiwan (Chinese Taipei)	***	***	***	17.76

30 From the above table the Authority observes that the current dumping margins from the EU is negative and in case of Korea RP, China PR and Taiwan (Chinese Taipei) dumping margin is found to be above de minimis.

E.5. Likelihood of continuation or recurrence of dumping

Views of the Domestic Industry

31 (i) Present investigation is for review, continued imposition and enhancement of anti dumping duty against the dumped imports of Potassium Carbonate from European Union, China PR, Taiwan (Chinese Taipei) and Korea RP. Earlier, based on petition filed by the domestic industry, Designated Authority initiated investigations and recommended imposition of anti dumping duty. Taiwanese producers had given price undertaking, which was accepted by the Designated Authority and accordingly no anti dumping duty was imposed on exports made by the company. Subsequently, domestic industry pointed out that Taiwanese producer has violated price undertaking and domestic industry had requested the Designated Authority to revoke the undertaking and impose anti dumping duty. After detailed investigations, the Designated Authority found that the price undertaking was violated and same was terminated and anti dumping duties imposed.

ii). In spite of imposition of anti dumping duty, imports of the product have continued from the subject countries even after imposition of anti dumping duties. Dumping is therefore likely to continue in the event of revocation of anti dumping duties.

iii). Despite anti-dumping duty on product concern, dumping continued from the subject countries. 'Given the volume and the prices at which the goods have been exported to India in spite of existence of anti-dumping duty, it is likely that volume of import would further increase in case anti-dumping duties are withdrawn.

iv). Landing price of imports is significantly below the net sales realization of the domestic industry. Imports are undercutting the prices of domestic industry to a significant extent. Should the present duty be revoked, the extent of price undercutting would further increase.

v). Further, the performance of domestic industry was already adverse during the period under consideration and it is likely that revocation of anti-dumping measure would result in intensified injury to the domestic industry.

E.6 Examination by the Authority

32. In order to determine whether the continued imposition of the duty is necessary to offset dumping, the Authority considered the following parameters: -

➤ Wherever exporter has co-operated, dumping margin has been determined on the basis of information provided.

- Wherever exporter has co-operated but did not make any export during POI, DGCI&S data has been relied upon for determining dumping margin.
- Wherever exporter has not co-operated, for the purpose of determining dumping margin, DGCI&S data has been relied upon.

33. On examination of these factors it is observed that;

(a) The dumping margins are above de minimis in case of China, Taiwan (Chinese Taipei) and Korea RP whereas in case of EU the same is found to be negative.

(b) Export price from China PR, Taiwan (Chinese Taipei) and Korea RP are significantly below not only the normal value but also the prevailing selling prices in India and non injurious price determined for the domestic industry;

(c) In case of co-operating exporters from Korea RP and EU (Germany), available data shows that the price at which the material is being exported to countries other than India is a dumped price. Further, the responding exporter has significant unutilized capacity. Therefore, it cannot be said that there is no likelihood of dumping in case of revocation of duty.

(d) The examination of dumping during the POI and likelihood of dumping indicates that the dumping margins in respect of subject goods, exported from subject countries, are significant.

(e) The Co-operating exporter from EU has exports to third countries during POI which is observed to be at dumped prices. Moreover, they have substantial surplus production capacity. Considering the demand in India, their surplus production capacity and their exports to third countries at dumped prices. It is likely that they may once again dump the subject goods in India in the event of revocation of the anti dumping duty.

(f) As far as imports from Korea RP is concerned dumping has continued despite imposition of anti dumping duty. The decline in the demand for the subject goods in the international market as well as Korean market and continuing substantial demand in the Indian market make the Indian market attractive for the Korean exporters. Moreover, the co-operating producer has substantial surplus production capacity. In the event of revocation or reduction of the anti-dumping duty in all likelihood the dumping from Korea RP may continue and intensify further.

(g) Although, the exporters from Taiwan (Chinese Taipei) and China PR do not have substantial export to India during POI, the DGCI&S data shows that imports have continued from these countries at dumped prices. In the

event of revocation or reduction of anti dumping duty the dumping of the subject goods by these countries may continue and intensify further.

(h) The major usage of the subject goods is to manufacture the Cathode Ray Tubes (CRT). Unlike the developed countries, the Indian market still has a substantial demand for the CRT due to high cost of LCD. In the event of revocation or reduction of anti dumping duty, the demand for the subject goods in India may lead to recurrence / intensification of dumping and injury from the subject countries.

F. INJURY AND CAUSAL LINKS DETERMINATION

F.1 Views of the Domestic Industry

34. The domestic industry, in its submissions has inter alia argued as follows:

i) Imports from subject countries increased over the period in absolute terms and also in relation to imports into India, demand and production in India

ii) Imports from subject countries have shown an increase during the injury period, resulting in increase in market share of dumped imports and decline in the market share of the domestic industry over the injury period

iii) The dumped imports show adverse volume effect inspite of existing anti dumping duties. Such being the case, the only inescapable conclusion can be that injury is likely in the event of revocation of anti dumping duties

iv) Import prices (after including basic customs duties) have been below the net sales realization of the domestic industry, thus resulting in significant price undercutting

v) The extent of price undercutting is higher, once all taxes & duties are considered on the domestic and imported product.

vi) Even though selling prices of the domestic industry increased, the increase in selling price is significantly lower than the increase in cost of production. Thus, the imports are significantly suppressing the prices of the domestic industry in the market.

vii) Production, sales, capacity utilization and productivity of the domestic industry declined. Decline in production and sales of the domestic industry is due to the fact that the imports from subject countries were cheaper than the prices offered by the domestic industry

viii) Petitioner has provided information relating to production & capacity utilization of caustic potash. Further, petitioner has provided information for the more recent period upto Dec., 2008. Above all, petitioner maintains separate financial information in respect of KOH/K₂CO₃ group of product of the company. The profits of this group itself declined significantly between 2003-04

and 2007-08, thus clearly establishing that for the entire group itself performance has deteriorated

ix) After imposition of anti dumping duties in 2001, domestic industry improved its profitability till 2004-05. The performance however, deteriorated significantly thereafter due to dumping of subject goods. Profitability deteriorated further in the period of investigation

x) Deteriorated situation of profitability directly affected cash profits and return on investment. Profitability of the domestic industry deteriorated from a situation of profits to financial losses. Consequently, cash profits and return on investment situation also deteriorated to a situation where both became negative

xi) Profitability (and consequently return on investments and cash flow) of KOH group of products of the company declined steeply over the injury period.

xii) The market share of the domestic industry in relation to demand declined significantly. On the other hand, market share of subject imports increased significantly

xiii) There is direct co-relation between increase in share of dumped imports and loss of market share by domestic industry

xiv) The imports were undercutting the prices of the domestic industry significantly, and the selling price of the domestic industry increased in absolute term. The cost of production also increased significantly, the increase in the cost of production being far higher than increase in the selling price. Thus, imports were preventing price increases that would have occurred but for dumped imports

F.2 Views of the exporters, importers, users & other interested parties

European Union

35. Following are the views submitted by M/s Degussa, Germany:

i) Separate injury analysis is required for each grade of potassium Carbonate i.e. Granular, Hydrate, compacted and powder.

ii) Export prices should be determined using third country prices.

iii) Dumping and injury do not exist on account of subject exports from EU.

iv) Alleged injury to the petitioner is self inflicted and not due to the imports from EU.

v) *Fall in the domestic industries market share is not due to imports from the EU but rather due to increase in imports from other countries and increase of the production by other Indian producers.*

Korea RP

36. *Following are the views submitted by M/s UNID Co,*

i) *The domestic industry has curtailed production of the PUC during the injury period and diverted the capacities to produce caustic potash within the same plant to meet increase in market demand.*

ii) *The allegation of the voluminous increase of imports from the subject country may not be linked to injury and the same is attributable purely to demand and supply mechanics.*

iii) *There is no causal link between the imports from the subject countries and the alleged injury to the petitioner.*

iv) *Injury analysis should be conducted as a whole comprising of the petitioner and the other domestic producers.*

v) *The exporters/producers of the subject country have not involved in the act of dumping in India and therefore, there is no material injury to the domestic industry due to imports from the subject countries.*

vi) *The injury to the domestic industry is self inflicted due to diversion of production capacity of the subject goods to the caustic potash flakes to meet the increase in market demand for the later.*

37. *No views has been submitted by any other interested parties with regard to injury and causal link.*

F.3 Examination by the Authority

38. *The Authority has taken note of various arguments raised with regard to injury to the domestic industry and observes that the current dumping margins from the subject countries , except EU, are above *de minimis* level. The Authority therefore, proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject countries.*

F.4 Current Injury and causal link

39. Article 3.1 of the Act and Annexure II of the AD Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices in the domestic market for the like products; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in imports, either in absolute term or relative to production or consumption in the importing member. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in the importing country, or whether the effect of such imports is otherwise to depress prices to a significant degree, or prevent price increase, which would have otherwise occurred to a significant degree.

40. As regards the impact of the dumped imports on the domestic industry para (iv) of Annexure-II of the Anti Dumping Rules states as follows.

“The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the Industry, including natural and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of margin of dumping actual and potential negative effects on cash flow, inventories, employment wages growth, ability to raise capital investments.”

41. The Authority has taken note of the arguments on injury examination and addressed the issues raised at appropriate places. The Authority has examined the injury parameters objectively taking into account the facts and the arguments of the interested parties.

42. For the purpose of current injury analysis the authority has cumulatively examined the volume and prices effects of dumped imports of the subject goods from the subject countries on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal link between dumping and injury, if any. Accordingly the volume and price effects of dumped imports have been examined as follows:.

(A) VOLUME EFFECT: Volume Effect of dumped imports and Impact on domestic Industry

43. The effects of the volume of dumped imports from the subject countries as well as imports from other countries have been examined as follows:

i) Import volumes and share of subject countries:

44. The Authority has examined the transaction-wise details of imports provided by DGCIS, except for Korea RP in POI (which is actual of exporter), analysis of which shows as under:

	Unit	2004-05	2005-06	2006-07	Jan-Dec 07
European Union	MT	***	***	***	***
China	MT	***	***	***	***
Korea RP	MT	***	***	***	***
Taiwan	MT	***	***	***	***
Subject Countries	MT	***	***	***	***
Other Countries	MT	***	***	***	***
Total Imports	MT	***	***	***	***

The data shows that the import from the subject countries increased significantly in the POI as compared to the base year. Imports from the other countries has also increased during corresponding period. However, import from other countries is much lower than increase from subject countries. Further, the Authority notes that the volume of imports from the subject countries were significant throughout the injury period.

ii) Demand, Output and Market shares

a) Demand and Market Share

45. On the basis of data, the position with regard to demand and market share is as follows –

		2004-05	2005-06	2006-07	Jan-Dec 07
Sales of the domestic industry	MT	***	***	***	***
Imports - All Sources	MT	***	***	***	***
Sales - Other Indian Producers	MT	***	***	***	***
Demand	MT	32,539	32,720	31,658	32,104
Market Share in Demand					
Subject Countries	%	***	***	***	***
EU	%	***	***	***	***
Korea RP	%	***	***	***	***
Taiwan	%	***	***	***	***
China PR	%	***	***	***	***
Other Countries	%	***	***	***	***
Other Indian Producers	%	***	***	***	***
Domestic Industry	%	***	***	***	***

Indian Industry	%	***	***	***	***
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The above data shows that the domestic demand which was more or less constant declined marginally in POI vis-a-vis base year. However, in spite of decline, there is increase in imports. It seems the domestic industry was not able to utilise capacity and lost significant market share to dumped imports. Whereas market share of the subject imports increased over the injury period, market share of the domestic industry declined. Market share of Indian Producers as a whole also declined.

b) Production of the Domestic Industry

46. Information regarding installed capacity and production is given as follows:

Particular	UO M	2004- 05	2005- 06	200 6-07	Jan'07- Dec'07
Installed capacity	MT	***	***	***	***
Trend	Index	100	100	100	100
Production	MT	***	***	***	***
Trend	Index	100	84	77	56
Capacity utilization	%	***	***	***	***
Trend	Index	100	85	76	56

The above data shows that there is significant decline in production and capacity utilization of the domestic industry.

c) Sales of Domestic Industry

47. Information regarding sales of the domestic industry is given below:

Particulars	UOM	2004-	2005-	2006-	Jan'07-
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		05	06	07	Dec'07
Domestic sales	MT	***	***	***	***
Trend	Index	100	83	76	61
Export sales	MT	***	***	***	***
Trend	Index	100	252	29	92

Authority has examined domestic and export sales separately. The above data shows that domestic sales decline very significantly as compared to base year. Regarding exports, Authority notes that the applicant does not have very significant export activity.

(B) Price Effect of the Dumped imports on the Domestic Industry

48. In a review investigation, it is required to examine whether there has been a significant price effect by the dumped imports as compared with the price of like product in India or whether there is likelihood of recurrence of price effect after revocation of duty.

49. With regard to the effect of the dumped imports on prices, it has been examined whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or to prevent price increases, which otherwise would have occurred, to a significant degree. In order to assess the effect of imports on the domestic market an analysis of import prices over the injury period has been made, as shown below:

CIF export price Rs/MT	2004 -05	200 5-06	2006 -07	POI Jan-Dec 2007
Exports from subject countries (in Mt)	***	***	***	***
Landed Price from	***	***	***	***

subject countries				
Net sales realization	***	***	***	***
Trend	100	104	117	110

50. The impact on the prices of the domestic industry on account of the dumped imports from the subject countries has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis, the weighted average cost of production, weighted average Net Sales Realization (NSR) and the Non-injurious Price (NIP) of the domestic industry have been compared with the landed cost of imports from the subject countries.

(i) Price undercutting and underselling effects

51. Price undercutting has been determined by comparing the landed value of dumped imports from the subject countries over the entire period of investigation with the weighted average net sales realization of the domestic industry for the same period. For this purpose, landed value of imports has been calculated by adding 1% handling charge and applicable basic customs duty to the value reported in the DGCI&S data of import prices from the subject country.

52. In determining the net sales realization of the domestic industry, the discounts and commissions offered by the domestic industry and the central excise duty paid have been rebated.

53. For the purpose of price underselling determination the landed price of imports from subject countries has been compared with the Non-injurious selling price of the domestic industry determined for the POI and cost of production for the remaining years.

Particulars	UO M	200 4-05	200 5-06	200 6-07	Jan'07- Dec'07
Cost of sales	Rs./ MT	***	***	***	***
Trend	Inde	100	130	162	167

	x				
Selling Price	Rs./ MT	***	***	***	***
Trend	Inde x	100	104	117	109
Import Volume	MT	***	***	***	***
Trend	Inde x	100	123	175	183
Landed Value	Rs./ MT	***	***	***	***
Trend	Inde x	100	96	113	98
Price undercutting avg	Rs./ MT	***	***	***	***
Price undercutting avg	%	***	***	***	***
Range	%	neg	1-10	1-10	1-10
Non Injurious Price					***
Price Underselling					***

The Authority notes that landed price of imports from the subject countries were below the net sales realization of the domestic industry, thus resulting in positive price undercutting. Further, the landed value of dumped imports from the subject countries caused significant price underselling.

(ii) Price suppression and depression effects of the dumped imports:

54. The price suppression effects of the dumped imports have also been examined with reference to the cost of production, net sales realization and the landed values from the subject countries. The above data shows that the cost of production of the subject goods have increased by ***% during POI in comparison to base year whereas net selling price increased only by ***%

during the same period, which reflects that dumped imports resulted in the significant price suppression.

F.5 Examination of other Injury Parameters

55. Other economic parameters, which could indicate existence of injury to the domestic industry, have been analyzed here as follows:

i) Productivity

56. Productivity of the domestic industry has been measured in terms of its labour productivity of the output and it has been noticed that the productivity has declined by 44% during POI as compared to base year.

Particulars	Unit	2004-05	2005-06	2006-07	Jan to Dec. 2007 (POI)
Production	MT	***	***	***	***
Employees	No.	***	***	***	***
Productivity per employee	MT/No.	***	***	***	***
Trend	Indexed	100	85	76	56
Productivity per day considering 350 days	MT/Day	***	***	***	***
Trend	Indexed	100	85	76	56

ii) Profits, return on capital employed and cash flow

57. Information regarding profits, return on capital employed and cash flow shows as follows:

Particulars	Unit	2004-05	2005-06	2006-07	Jan'07-Dec'07
-------------	------	---------	---------	---------	---------------

Cost of Sales	Rs./MT	***	***	***	***
Selling Price	Rs./MT	***	***	***	***
Profit/Loss	Rs. MT	***	***	***	***
Trend	Index	100	45	14	negative
Interest	<u>Rs./ MT</u>	***	***	***	***
Profit/Loss before interest	Rs./MT	***	***	***	***

*The data shows that cost of sales increased by *** % during POI as compared to base year whereas the net selling price increased by *** % during POI as compared to base year. Cash profits and return on capital employed showed the same trend as that of profits.*

iii) Employment and wages

58. Figures regarding employment and wages shows as follows:

Particulars	Unit	2004-05	2005-06	2006-07	Jan to Dec. 2007 (POI)
Wages	Rs. Lacs	***	***	***	***
Employees	No.	***	***	***	***
Wages /Employee	Rs. Lacs	***	***	***	***
Trend	Indexed	100	121	137	141

The data shows that number of employees of the domestic industry had remained same during injury period and POI. The wages increased by *** % during POI in comparison to base year.

iv) Ability to raise capital

59. The domestic industry has no capacity addition during the POI.

v) Magnitude of Dumping

60. The dumping margin determined for the subject country is above de minimis level.

vi) Factors affecting prices

61. The Authority has examined the change in cost structure if any, competition in the domestic industry and prices of competing substitutes for analyzing the factors other than dumped imports that might be affecting the prices in the domestic market. However, domestic demand has remained more or less constant during the entire injury period and POI. The Authority also observes that the participating producers of the subject goods account for about *** % of total domestic demand during POI. However, in comparison to base year, share of domestic industry declined by around *** % during POI.

vii) Inventories

62. The inventory level of the domestic industry shows increase over the injury period as shown below:

Particulars	Unit	200 4- 05	200 5- 06	200 6- 07	Jan' 07- Dec' 07
Inventories - average	MT	***	***	***	***
Trend	Index	100	99	108	196
Inventories as % of Production	%	***	***	***	***
Range	%	1- 10	1- 10	1- 10	10- 20

F.5 Overall assessment of Injury

63. Overall injury is assessed as follows:

i) The cost of sale increased during POI as compared to base year.

- ii) Exports price also, which had increased during 2006-07 vis-a-vis the base year and the preceding year, declined during the POI.
- iii) The customs duty declined from 20% in 2004-05 to 10% during POI. The combined effect of export price and reduced customs duty consequently impacted the landed value of subject goods. The imports from subject countries increased during POI, and impacted the net selling price of the domestic industry.
- iv) There was significant increase in the volume of imports from the subject countries in absolute terms and also in relation to demand and production of the subject goods in India resulting in significant decline in market share of the domestic industry.
- v) The imports are significantly undercutting the prices of the domestic industry resulting in price suppression effect on the domestic industry.
- vi) The performance of the domestic industry deteriorated in terms of volume parameters despite the anti dumping duty in force.
- vii) Price parameters relating to domestic industry such as profits, return on investments and cash flow have deteriorated in view of the continued dumping.
- viii) The overall assessment of the various parameters relating to domestic industry establish that the domestic industry has suffered injury due to dumped imports from the subject countries despite anti dumping duty in place. Therefore, dumping & consequent injury to the domestic industry is likely to continue in the event of revocation /reduction of anti-dumping duties.

F.6 Other Known factors and Causal Link

- i) **Volume and prices of imports from other sources**
 - 64. As per the DGCI&S data, imports have taken place from other countries, other than the subject countries. The data given in the table at para 44 of the disclosure statement, shows that imports from the other countries have increased marginally during the POI as compare to base year whereas the increase in imports from the subject countries during the corresponding period is substantial and significant. However, the average price of import from other countries comes to Rs. ***/- per Mt which is less than that of the subject countries and therefore impacting the domestic price.
- ii) **Contraction in demand and / or change in pattern of consumption**

65. Domestic demand of the product under consideration has remained more or less constant till 2006-07, declined marginally in POI. However, increase in imports is significantly more than decline in demand, which forced domestic industry to loose market share and imports from subject countries gained market share.

iii) Trade restrictive practices of and competition between the foreign and domestic producers

66. The subject goods are freely importable and there are no trade restrictive practices in the domestic market. Therefore, this factor could not have been reason to cause injury to the domestic industry

iv) Development of technology and export performance

67. Technology or technology related issues have not been raised by any interested party as cause of injury to the domestic industry. It is observed that the domestic industry was exporting some quantity. As exports constitute very small portion of the domestic industry sales, therefore, this factor is not causing injury to the domestic industry.

v) Productivity of the Domestic Industry

Productivity of the domestic industry in terms of daily output has shown significant decline. Therefore, productivity is not a factor, which can be attributed to the injury of the domestic industry.

F.6 Magnitude of Injury and injury margin

68. The non-injurious price of the subject goods, determined for the domestic industry taking into account the cost data of the domestic industry, has been compared with the landed value of imports from the subject countries for determination of the injury margin.

H. Likelihood of continuation or recurrence of injury

69. The domestic industry submitted as under in support of its claim of likelihood of continuation or recurrence of dumping and injury.

- (a) The exports have continued at dumping prices.
- (b) The volume of exports have increased over the injury period.

(c) The volumes of imports from subject countries are likely to increase in the event of revocation of ADD.

(d) Anti dumping duties are required to be extended for the further period of five years.

70. *The present sunset review investigation concerns recurrence or continuation of dumping of the subject goods from EU, Korea RP, China PR and Taiwan (Chinese Taipei). As far as the co-operating exporter from EU is concerned they have no exports to India during POI. However, they have exports to third countries during POI which is observed to be at dumped prices. Further, they have substantial surplus production capacity. Considering the demand in India, there is all likelihood that they may once again dump the subject goods in India in the event of revocation of the anti dumping duty.*

71. *As far as imports from Korea RP is concerned dumping has continued despite imposition of anti dumping duty. The demand for the subject goods is declining in the Korean market as well as international market due to decline in demand for the cathode ray tubes (CRT). Consequently, Korean production is mainly geared up to meet the demand for the subject goods in Indian market. Moreover, the co-operating producer has substantial surplus production capacity. In the event of revocation or reduction of the anti-dumping duty in all likelihood the dumping from Korea RP may continue and intensify further as there is substantial demand for the subject goods in India and the exporter has substantial unutilized production capacity.*

72. *The exporters from Taiwan (Chinese Taipei) and China PR have not co-operated. They do not have substantial export to India during POI, perhaps due to imposition of anti dumping duty. However, the DGCI&S data shows that imports have continued from these countries at dumped prices. In the event of revocation or reduction of anti dumping duty the dumping of the subject goods by these countries may continue and intensify further.*

73. *The major usage of the subject goods is to manufacture the Cathode Ray Tubes (CRT). Due to invention of the LCD technology the demand for the CRT in the international market, especially in the developed countries, is on decline. On the contrary, the Indian market still has a substantial demand for the CRT due to high cost of LCD. In the event of revocation or reduction of anti dumping duty, the demand for the subject goods in India mainly being determined by the demand for CRT, may lead to recurrence / intensification of dumping and injury from the subject countries.*

74. *The comments received from various interested parties, on the disclosure statement, are examined below:-*

Comments of Domestic Industry

1. The exporters can not be treated as cooperative since they have not responded to the supplementary exporters questionnaire.

2. Since the prices of the basic inputs have substantially changed, the Authority is requested to keep the form of measures to fixed quantum, expressed in US\$.

3. There is no basis to consider KCL as starting raw material and it must be KOH. KOH solution of 30% is required to be processed further to 48% before it can be consumed in production of K₂CO₃. This involves additional processing cost. Since calculation is made from KCL stage the dumping margin assessed is grossly understated.

4. The exporter has multiple sales channels. Such being the case, assessment of one dumping margin for Unid as a whole without taking into account the different sales channels is contrary to established practice of the Authority.

5. The domestic industry has suffered material injury from continued dumped imports as reflected in various economics parameters.

6. *Since excise duty and sales tax are paid/payable at ex factory level, the non injurious price should be determined considering excise duty and sales tax.*

7. Both dumping and injury to the domestic industry are likely to continue in the event of revocation of anti dumping duties.

8. Anti dumping duties are required to be extended further for a period of five years.

Examination by the Authority

1.M/s Evonik Degussa GmbH, Germany has not made any exports to India during the POI. M/s UNID Co., Korea has furnished information in supplementary exporters questionnaire.

2.Authority has noted the views expressed regarding form of duty.

3.M/s UNID Co., Korea RP is having a continuous production process and maintaining process wise cost record. Additional cost incurred at KOH solution stage has been duly incorporated by the exporter, which has been verified by the Authority. Therefore, dumping margin has been determined accordingly.

4.M/s UNID Co., Korea RP and M/s OCI Corp are related parties and therefore, single dumping margin has been determined.

5. Authority has noted the views regarding continued dumping and injury to the domestic industry.

6.Non injurious price has been correctly determined in line with the practice being followed by the Authority.

Comments of M/s Lakshmi Kumaran & Sridharan on behalf of M/s Evonik Degussa GmbH, Germany.

(1) The correct name of the client M/S Evonik Degussa GmbH, , Germany be mentioned in the final findings to avoid problems with the Customs authorities .

(2) Determination of separate normal value for all the grades of Potassium Carbonate being manufactured by M/s Degussa GmbH, Germany : granular, hydrate, compacted and powder and .

(3) Exclusion of hydrate and compacted forms from the scope of product under consideration since domestic industry has mentioned about the powder and granular forms only in their application.

(4) Weighted average of different grades will result in distortion of the dumping margin calculation.

(5) Revision of normal value and export price should be done , after excluding hydrate and granular forms from the scope of product under consideration.

(6) The capacity utilization of the exporter should not be taken in isolation. The capacity is dependent on supply of KOH. The supply of KOH was curtailed during the period of investigation since the market of KOH as compared to market of K₂CO₃ was more attractive.

(7) The Authority is mandated to decumulate European Union exports from all other imports of the subject countries for the purposes of injury and causality analysis in view of the consistent and significant decreasing trend of imports from EU and the negative dumping margin vis-a-vis other countries' exports to India.

(8) Loss in market share by the domestic industry is not the result of an increase in imports from the subject countries. Rather, it is the result of a number of other factors – including an increase in imports from other countries as well as in increase in domestic production by other Indian producers.

(9) The fall in domestic industry's production and sales of the subject goods is due to the deliberate marketing strategy of the domestic industry to focus on the production of Caustic Potash Flakes to meet market demand. Therefore, the injury on account of the marketing of subject goods is self inflicted. The fact has also been mentioned in the page no. 19 of the Annual Report for the year 2006-07 of the petitioner has categorically stated that production of potassium carbonate had been curtailed during the POI because of an increase in the caustic potash flake market.

Examination by the Authority

(1) Name of the client has been corrected in the final findings wherever it appears as Evonic Degussa GmbH, Germany, which was established by way of change of legal status of Degussa , AG.

(2) Potassium Carbonate is the subject goods both in the original investigation as well as in the present sunset review investigation and no change in the description and profile of the subject goods can be brought at this stage. As the subject good is potassium carbonate, therefore, no grade wise separate normal value determination is required.

(3) Authority has noted the views on capacity utilization of the exporter and it is stated that potassium carbonate is the subject good under investigation and the capacity utilization of the same has been taken into account.

(4) The Authority has separately analysed the impact of exports by the European Union.

(5) It has been argued that the petitioner itself has admitted in their Annual Report that market for Potassium Hydroxide was better than Potassium Carbonate and the company cautiously decided to sell more of Potassium Hydroxide thus leading to less material available for selling Potassium Carbonate. However, in a situation where the company is producing two products wherein one is an intermediate product for another, it is common business prudence that the company would decide its volume between the two products based on relative profitability of the two products in order to optimize its overall performance. In the present case, the company as also foreign producers first produce Potassium Hydroxide, which is then processed further to obtain Potassium Carbonate. Both the products have significant market demand. Therefore, the company has option to sell either more of Potassium Hydroxide or of Potassium Carbonate depending on relative profitability of the two products in order to achieve overall better performances of the company. If overall profitability of the company would be higher by selling Potassium Carbonate, the company would reduce its production and sales at the intermediate stage of Potassium Hydroxide. Moreover , increase in production and sales of Potassium Hydroxide by the petitioner does not mean that there is no dumping of the subject goods.

Comments of Govt. Of Korea RP received through Embassy

(1) *The Authority has disregarded the cost data provided by the exporter.*

(2) *The Authority has not provided adequate and reasoned explanations on calculation of normal value and dumping margin.*

(3) *All essential facts under consideration have not been disclosed.*

(4) *The Authority has not provided sufficient time to the interested parties to respond to the disclosure statement.*

Comments of M/s UNID Co., Korea RP

(1) Name of OCI is absent in the procedure part as a cooperating exporter

(2) The Authority should consider separate rate of duty for exports made through Itochu Korea Ltd.

(3) A number of information has been kept confidential in the disclosure statement. This includes information on imports from third countries and various information relating to injury to the domestic industry. Investigations were earlier initiated and abruptly dropped. The investigation period in the two overlaps. Separate price undercutting from each of the subject countries has not been disclosed.

(4) Exporters' questionnaire Part-II was never issued to the company. This was given for the first time at the time of verification, inspite of which the company provided all relevant information.

(5) The disclosure statement shows that the Authority has already determined to extend the duties and the disclosure statement is a mere formality.

(6) Unid's cost of production has been rejected inspite of the fact that the same is as per records maintained by the company and the methodology was accepted in the original investigations. Even after following the methodology adopted by the Authority, the cost of production comes to US\$ *** whereas the Authority has determined cost of production as US\$ *** . Further, the cost of production has been determined inclusive of packing expenses.

(7) The normal value of Unid should have been determined as US\$ ***.

(8) The Authority has wrongly adjusted S&D expenses of OCI to determine ex-factory export price. Further, if this is to be adjusted, Unid's S&D should also be deducted from the domestic price.

(9) Since there is a difference in the level of trade, the Authority should apply level of trade adjustment in normal value.

(10) There is no dumping by Unid in the present investigations, nor any threat of recurrence of dumping.

(11) Since both dumping margin and injury are negative, no duty can be imposed.

(12) The dumping margin % should be determined considering CIF price (and not ex-factory price).

(13) There is no exports by the cooperating exporter from EU and the export price has been determined based on imports reported by the DGCI&S. This is contrary to the decision in other investigation where the Authority had considered exports to third countries in similar situation. The Authority has granted special treatment to EU.

(14) In spite of non cooperation by Chinese producers and their treatment as non market economy, the dumping margin in case of China is too low. This has led to a situation where cooperating exporter is having a higher dumping margin than non cooperating exporter.

(15) There are three producers of the product in India. The injury analysis has however been conducted only for one company. This is contrary to the decision of the Supreme Court. The claim of the petitioner that it constitutes a major proportion should be verified. Other Indian Producers constitute a significant share of the Indian production. The injury information therefore does not pertain to "domestic industry as a whole".

(16) Production considered in the disclosure statement and in the annual report are different.

(17) No injury can be claimed on account of production, sales and market share. Decline in capacity utilization, productivity are due to deliberate suppression of production. Further, the cost of production has increased due to suppression of production.

(18) Production of other producer has shown mammoth growth from 1200 MT in 06-07 to 2500 MT in POI.

(19) Petitioner cannot meet the demand of the product in the Country. Imports have been made as the petitioner suppressed production and could not meet the demand. This is the reason for increase in the imports from Korea.

(20) Petitioner has diverted the production to lucrative caustic potash market. The petitioner has further expanded capacity for caustic potash.

(21) There is no adverse price effect. Further, net sales realization and landed price of imports has been kept confidential, nor separate information provided for each of the subject countries.

(22) There is a difference in the figures relating to net sales realization of the domestic industry reported on page 29 and page 30 of the disclosure statement for the period Jan.-Dec., 07.

(23) Profits, return on capital employed and cash flow have suffered due to diversion of production to other products.

(24) Employment and wages shows improvement.

(25) Increase in inventories is surprising, as whatever is produced, has been sold. Sales in POI have been higher than production.

(26) The Authority has already decided to continue duty based on threat without detailed analysis. There is no threat of material injury to the domestic industry.

(27) The WTO has held in Mexico-anti dumping investigations of High Fructose Cron Syrup from the US that threat cannot be based solely on factors listed under Article 3.7 of the Agreement. Various injury parameters must nevertheless be examined. No threat of injury exists in the present case.

(28) Domestic industry predominantly supplies bulk of the product to mainly 1-2 very large producers of the electronic goods, who have started importing the product from other countries not attracting anti dumping duties. This is the sole reason for injury.

(29) The production process of the petitioner is from caustic potash. The petitioner has diverted production of caustic potash, which is the main reason for injury to them. Petitioner has better margin in caustic potash.

(30) Methodology for calculation of non injurious price has not been disclosed. Further non injurious price has not been determined for the domestic industry as a whole.

Examination by the Authority

(1) *The Authority has adequately considered the views of Govt. Of Korea, and wherever required, the same have been suitably incorporated in the final findings.*

(2) With regard to the argument of Unid and the Govt. of Korea on methodology applied for determination of normal value and dumping margin and with regard to adequate reasoned explanation for the same, the Authority

considers that *in para 19 of the disclosure statement change in the treatment of chlorine was suitably incorporated in the calculations relating to normal value.* Further, net export price determination was also disclosed. Thereby explanations have been provided with regard to methodology applied for determination of dumping margin.

(3) With regard to disclosure of essential facts, the Authority notes that all facts considered essential have been disclosed to the interested parties. With regard to the time permitted for responding to disclosure statement, the Authority notes that the rules do not prescribe any minimum time required in this connection.

(4) The Authority notes that OCI has not filed a separate questionnaire response. In fact, in the instant case, the goods have been exported to India by OCI. To such an extent, OCI is the exporter concerned. OCI is related to Unid. Widely practiced approach in such cases is to require a separate and complete questionnaire response from the producer and the exporter concerned. The Authority could, to such an extent consider the entire response as deficient and reject the same. However, having regard to various facts, the authority considered appropriate not to treat OCI as non-cooperative and has in fact determined dumping margin based on the response on record, notwithstanding the incomplete questionnaire response by OCI.

(6) As regards requests for separate duty in respect of goods produced by Unid and exported by Itochu Korea, the authority notes that there has been no response from Itochu Korea. The goods in these cases were exported by Itochu Korea. Therefore, in the absence of response by Itochu Korea, it was not feasible to determine dumping margin and injury margin in respect of sales made by Itochu Korea.

(7) The authority has taken note of various arguments with regard to confidentiality and has further disclosed the information in the present findings to the extent necessary/permitted under the rules.

(8) As regards the exporters questionnaire-Part II, while it is appreciated that the exporter was not asked to file this information earlier, attention of the exporter was nevertheless drawn to this publicly known requirement at the time of oral hearing and the copy of the same was given to the exporter at the time of verification.

(9) Disclosure of essential facts does not imply a decision by the authority nor there was any decision at this stage. The authority has only disclosed the facts brought before the authority.

(10) Unid and OCI are undoubtedly related entities. Goods were produced by Unid and exported by OCI. Sales in domestic market are, however, made

directly by Unid to the end consumers. Therefore, in order to ensure fair comparison between normal value and export price, it is necessary to take all expenses incurred and reasonable profit of OCI. As far as S&D expenses of Unid are concerned, the same were incurred both in respect of domestic and export sales. It has not been established by Unid that these expenses were incurred only in respect of domestic sales. OCI expenses in respect of S&D were incurred only for exports to India and no such expenses were incurred by OCI in the domestic market. Therefore, while it is appropriate to adjust expenses incurred by OCI (alongwith reasonable addition for profits), it would not be appropriate to adjust S&D expenses of Unid.

(11) The authority also notes that Unid claimed having paid commission to OCI. However, it is noted that Unid has raised invoices on OCI. In a situation where one party raises an invoice onto other party, question of granting commission to the very same party would not arise.

(12) As regards expressing dumping margin as a percentage of CIF export prices, the authority notes that no legal basis has been stated for the same. In any case, the authority has not recommended ad-valorem duty and is recommending specific amount of duty. Therefore, the fact where dumping margin is expressed on ex-factory or CIF has not vitiated the present findings.

(13) With regard to dumping margin in respect of EU, the authority notes while there may be no exports by a responding company, the same does not imply that there may not be any imports of the products from EU during the period, as goods may have been exported by any other entity in UE. The Authority has granted no special treatment to EU in this regard.

(14) As regards dumping margin in respect of China, the authority notes that there are significant differences in the price at which goods have been exported from Korea and China. Dumping margin is the difference between normal value and export price. The fact whether a party has co-operated does not imply that dumping margin should invariably be lower for such cooperating party. It is quite possible, and as the facts in the present case are, the export price in respect of cooperating exporter is significantly lower than export price from China. Resultantly, the dumping margin in respect of China is significantly lower than dumping margin for the responding exporter.

(15) It has been argued that there are three producers of the product in India and the injury analysis must comprise of all the three producers. Repeated reference has been made to the decision of the Supreme Court in the matter of Reliance Industries Vs. Designated Authority. The authority considers that “domestic producers as a whole” must be distinguished from “domestic industry as a whole”. Should the authority insist on determination of injury for Indian producers as a whole, the same would render a major part of

Rule 2(b) to in futility. Rule 2(b) permits a domestic manufacturer commanding a major proportion of eligible Indian production to seek protection under the law. Requiring injury analysis for domestic producers as a whole would imply denying relief to such companies who command a major share in eligible Indian production, but who are not able to get support and information from all other eligible domestic manufacturers. This is neither the order nor the intent of the order of the Hon'ble Supreme Court.

(16) With regard to the submission made in the disclosure statement regarding production and inventories, the authority notes that the production and inventories figures have been considered on the basis of the verified data.

(17) It has been argued that production of the other domestic producers has shown a mammoth growth from 1200 MT to 2500 MT. The domestic industry reported that Standard Alkalis stopped production and sold its plant, which has been taken over by Rayalaseema. The company commenced production recently. Under the circumstances and given the demand in the Country, an increase in production from 1200 MT to 2500 MT for a company starting new production line cannot be considered as mammoth increase, nor an indicator of "no injury".

(18) Indian industry interest – Certain parties argued that the Indian producers cannot meet the demand in the Country. The authority notes that there is a difference between the demand of the product in the Country and capacity with the domestic producers. However, inability of the domestic industry to meet the demand in the country cannot imply denying their rights to seek imposition/ continuation of anti dumping duties, in case it is otherwise established that the parameters for imposition/continuation of duty are otherwise met. In fact, dumping of the product, if permitted, would lead to decline of the domestic industry and further widen the gap between demand the capacity, as is already evident in the present case, where the petitioner was forced to divert production more towards Potassium Hydroxide because of comparatively adverse performance of this product.

(19) Certain interested parties have made reference to the requirement of threat under the rules. The authority notes in this regard that the parameters of threat listed under article 3.7 of the Agreement when applied to a Sunset Review case have to be considered in the context of existing duty and the prescribed legal requirement of assessment of injury to the domestic industry. The assessment of threat parameters in a Sunset Review case cannot be compared with assessment of threat parameters in a fresh case.

(20) Non-injurious price – With regard to argument of disclosure of methodology concerning non-injurious price, the authority notes that the purpose of determination of non-injurious price is to assess injury margin. The

obligation on the authority is to determine whether a duty lower than dumping margin would be sufficient to remove the injury to the domestic industry. Moreover, the authority has applied the consistent practice of determination of non-injurious price with no special concession/dispensation in the present case.

(21) Regarding the comment that domestic industry has deliberately increased its sales of Potassium Hydroxide and reduce its sale of Potassium Carbonate, it may be stated that while this fact addresses possible volume injury to the domestic industry on account of its own decision, it does not however, address the more fundamental issue of whether the domestic industry suffered price injury in respect of Potassium Carbonate volumes sold in the market. Further, this is clearly indicative of the possible fact that the performance of Potassium Carbonate was more adverse than Potassium Hydroxide. In any case, this fact, at the least, is suggestive of the fact that the performance of the company in respect of Potassium Carbonate was not better than performance of the company in respect of Potassium Hydroxide.

(22) The verified information relating to the domestic industry clearly show that the performance of the domestic industry in respect of Potassium Carbonate deteriorated in terms of profits, return on investment and cash profits. Imports were undercutting the domestic prices and suppressing price increases that would have otherwise occurred in the absence of dumped imports. Further, selling price of the domestic industry is found significantly below the assessed non-injurious price. In other words, there is sufficient evidence to suggest that in case of Potassium Carbonate. the domestic industry has suffered adversely on account of price factors. Under the circumstances, the only conclusion that can be drawn is that dumped imports of the product have led to so significant injury to the domestic industry that not only the company's performance in respect of the product under consideration deteriorated, but also the company was forced to decide to sell the product at intermediate stage itself, leaving further facilities idle/unutilized to such an extent.

(23) The product under consideration is Potassium carbonate. Major input for Potassium Carbonate is Caustic Potash, which is captively produced from raw material Potassium Chloride. In the process of production of caustic potash, chlorine is also produced/generated. It has been stated by the exporter that with 1MT production of caustic Potash, *** MT of Chlorine is generated.

(24) Disclosure statement in this matter was issued on 14th May, 2009. In view of apparent errors observed in the apportionment ratio followed by the exporter, the Authority has suitably modified the same in final finding to the extent required.

(25) Exporter has clarified that in the original investigation also, the Caustic Potash and chlorine were treated as joint products. Therefore, they have been consistently following the approach of joint product.

(26) While analysing the exporters' comments it is noted that exporter has been consistently considering the chlorine and Caustic Potash as joint products. Further, due to non-availability of concentration wise data, no adjustments of concentration of chlorine is possible.

Comments of the exporter has been suitably incorporated, wherever required. Accordingly, normal Value has been calculated as US\$ ***. The dumping margin considering the revised normal value works out to ***%.

Comments of M/s Videocon Industries Limited (Importer)

1. There may not be significant difference as far as chemical composition is concerned in the Potassium Carbonate being produced by the domestic industry and that being imported from various countries, but the physical properties like particle size distribution / granular form etc of Potassium Carbonate being produced by domestic industry is not alike to the Potassium Carbonate that Videocon is importing from overseas sources. Since the Potassium Carbonate produced by the domestic industry is not perfectly meeting to the requirement of Videocon therefore Videocon is importing Potassium Carbonate from various countries despite of imposition of anti dumping duty.

2. Since domestic industry has facility / option to produce either Potassium Carbonate or Caustic Potash flakes in the same production facility, therefore in case of lower demand of Potassium Carbonate they can very well produce Caustic Potash Flakes and utilize their capacities. Thus import of any volume of Potassium Carbonate in India ought not cause any injury to the domestic industry.

3. In fact the consumption of Potassium Carbonate by Videocon is gradually getting reduced. It is because Videocon is resorting to other options for availing the potash content in the CRT glass panels in progressive manner so as to sustain its operations under the highly competitive and stiff market conditions and economy slow down. It is true that the single largest usage of Potassium Carbonate for the industrial / electronic products in India is to manufacture Cathode Ray Tubes (CRT) . However, growing market of LCD televisions will directly compete with the production of CRT based televisions. CRT glass production would reduce in the coming time which will cause lesser requirement of Potassium Carbonate for CRT industry. Therefore the import of the Potassium Carbonate by Videocon will gradually decrease. Thus it is not going to lead to intensification in dumping and injury to domestic industry with import of Potassium Carbonate by Videocon.

4. In today's scenario the opportunities are extended to all trades to manufacture and sell their product either within country or export wherever one is competitive from price and quality angles. It is also applicable to domestic

industry that they can produce Potassium Carbonate and sell (export) to any other country if their product is not getting sold within the country. It means that domestic industry is not capable of manufacturing a competitive product and stand with it in the open market conditions. Import of potassium carbonate is continued in India despite of anti dumping duty applicable because domestic industry are not capable to maintain their operation optimally to produce a quality and price competitive product.

5. Since no other importer / user has responded or submitted any information except ourself in initiation of review investigation, thus it looks no other importer / user of Potassium Carbonate in India except Videocon Industries Limited will be affected if anti dumping duty on potassium Carbonate continues. The CRT industry is gradually shrinking in India also as LCD televisions are replacing the CRT based televisions. Consequently CRT industry is being forced to reach its end in couple of years in India. Therefore, it will be appropriate to mention that our industry needs support from all possible sources in such circumstances to help produce quality products at affordable price.

Examination by the Authority

No specific dispute has been raised by any exporter with regard to the like article aspect. The Authority notes that M/s Videocon has not provided any evidence whatsoever in the form of technical literature, etc. substantiating their view that the imported goods are not like article to the subject goods produced by the domestic industry and no injury has been caused by the imports from the subject country.

Reduction of consumption of subject goods by M/s Videocon Industries Ltd. does not justify the non-imposition of the anti-dumping duties.

The argument that domestic industry are not capable to maintain their operation optimally to produce a quality and price competitive product has no basis.

H. FINAL FINDINGS:

75. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority through the submission of interested parties or otherwise as recorded in the above findings and on the basis of the above analysis of the state of current and likely dumping and injury and likelihood of continuation or recurrence of dumping and injury, the Authority concludes that:

- i) The subject goods are entering the Indian market at dumped prices and dumping margins of the subject goods imported from the subject countries, except European Union, are substantial and above de-minimis.
- ii) The subject goods are likely to enter the Indian market at dumped prices and the likely dumping margins in respect of imports from subject countries is substantial and above de-minimis.

iii) The subject goods are likely to enter Indian market at dumped prices, should the present measures be withdrawn.

iv) *Though the capacity of the domestic industry has remained more or less same throughout the injury period, its performance in terms of production, sales and profitability deteriorated during the same period and the situation of domestic industry continues to be fragile due to continuous dumping by the subject countries except the EU. The dumped imports from the subject countries continues to cause substantial injury to the domestic industry and the likelihood of continuation and intensification of dumping from Korea RP, China PR and Taiwan (Chinese Taipei) and recurrence of dumping from the EU is lurking above the heads of the domestic industry threatening to cause substantial injury in the event of revocation of the anti-dumping duty. Should the present anti dumping duties be revoked, injury to the domestic industry is likely to continue, recur and intensify.*

I. Indian industry's interest and other issues

76. The Authority recognizes that the imposition of anti dumping duties might affect the price levels of the product in India. However, fair competition on the Indian market will not be reduced by the anti dumping measures. On the contrary, imposition of anti dumping measures would remove the unfair advantages gained by dumping practice, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. The Authority notes that the imposition of the anti dumping measures would not restrict imports from subject countries in any way, and therefore, would not affect the availability of the products to the consumers. The consumers could still maintain two or even more sources of supply.

77. The purpose of anti dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. 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 products to the consumers.

J. Recommendations

78. Having concluded that the situation of the domestic industry continues to be fragile and there is likelihood of continuation, resumption and intensification of dumping and injury on account of imports from the subject countries if the duties are revoked, the Authority is of the opinion that the measure is required to be extended in respect of imports from the subject countries as recommended by the Authority vide Final Findings Notification No. 14/42/2002-DGAD Dated 16.01.2004 published in the Gazette of India, Extraordinary, Part-I, Section-I, Dated 19.01.2004 and notified by the Central Government vide Notification No. 37/2004-Customs Dated. 20.02.2004.

79. Having examined the current dumping and likelihood of dumping to be imminent in case of withdrawal of the current measure in place, the Authority recommends continued imposition of Anti-Dumping Duty as per the duty table given below.

Duty Table									
Sl. No	Tarif f Item	Description of Goods	Specification	Country of Origin	Country of Export	Producer	Exporter	Amount (in USD)	Unit of Measurement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	28364 000	Potassium Carbonate	Any specification	Taiwan	Any	Any	Any	123.58	Mt
2.	28364 000	Potassium Carbonate	Any specification	Any except Korea RP, China PR and European Union	Taiwan	Any	Any	123.58	Mt
3.	28364 000	Potassium Carbonate	Any specification	Korea RP	Korea RP	M/s UNID Co. Ltd.	M/s OCI Corp., M/s UNID Co. Ltd.	9.45	Mt
4.	28364 000	Potassium Carbonate	Any specification	Korea RP	Korea RP	Any combination other than 3 above		123.86	Mt
5.	28364 000	Potassium Carbonate	Any specification	Korea RP	Any other than Korea RP	Any	Any	123.86	Mt
6.	28364 000	Potassium Carbonate	Any specification	Any country except Taiwan, China PR, European Union and Korea RP	Korea RP	Any	Any	123.86	Mt
7.	28364 000	Potassium Carbonate	Any specification	China PR	Any	Any	Any	90.03	Mt
8.	28364 000	Potassium Carbonate	Any specification	Any country except Taiwan, Korea RP and European Union	China PR	Any	Any	90.03	Mt
9.	28364 000	Potassium Carbonate	Any specification	European Union	European Union	M/s Degussa GmbH, Germany,	M/s Degussa GmbH, Germany	17.18	Mt
10.	283 640 00	Potassium Carbonate	Any specification	European Union	European Union	Any combination other than at 9 above		69.92	Mt
11.	28364 000	Potassium Carbonate	Any specification	European Union	Any other than European Union	Any	Any	69.92	Mt
12.	28364 000	Potassium Carbonate	Any specification	Any country except Taiwan, Korea RP, China PR and European Union	European Union	Any	Any	69.92	Mt

80. An appeal against the orders of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service tax Appellate Tribunal in accordance with the relevant provisions of the Act.

R. Gopalan
Designated Authority