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Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Anti-Dumping & Allied Duties
4th Floor, Jeevan Tara Building, 5th Parliament Street, New Delhi-110001

Dated the 12th May, 2016

Initiation Notification

Subject: Initiation of Anti-Dumping Duty investigation concerning imports of “Sodium Chlorate” originating in or exported from Canada, People’s Republic of China and EU.

1. **F. No.14/13/2015-DGAD** : M/s Gujarat Alkalies and Chemicals Limited and Teamec Chlorates Limited (hereinafter referred to as ‘petitioner’) have filed an application (also referred to as petition) before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of anti-dumping investigation concerning imports of “Sodium Chlorate” (hereinafter referred to as subject goods or product under consideration) originating in or exported from Canada, People’s Republic of China and EU (hereinafter referred to as subject countries).
2. AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject goods originating in or exported from the subject countries, ‘injury’ to the domestic industry and causal link between the dumping and ‘injury’ exists justifying initiation of an anti-dumping investigation. The Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the AD Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the ‘injury’ to the domestic industry.

Domestic Industry & Standing

3. The petition has been filed by the petitioner i.e. M/s Gujarat Alkalies(GACL) and Chemicals Limited and Teamec Chlorates Limited (TCL) (hereinafter also referred to

as the domestic industry), as producers of the subject goods in India. Petitioners are the only two producers of the subject goods in India.

4. It is also noted that petitioners have neither imported the product under consideration, nor are they related to an importer or exporter of the product under consideration. The petition has therefore been made by and on behalf of the domestic industry and it satisfies the requirements of 'standing' under Rule 5 of the AD Rules. Further, the Petitioners constitute 'Domestic Industry' in terms of Rule 2(b) of the AD Rules.

Product under consideration

5. The product under consideration in the present petition is "Sodium Chlorate", an inorganic compound with the chemical formula NaClO_3 . Sodium Chlorate is a white crystalline hygroscopic powder readily soluble in water. It decomposes above $300\text{ }^\circ\text{C}$ to oxygen and sodium chloride.
6. The normal commercial unit of measurement for the product under consideration is kilograms. It is quoted on the basis of weights, and sold in kilograms or MT universally.
7. Subject goods are classified under Chapter 28 of Customs Tariff Act, 1975 under the subheading 2829 11 00. The customs classification is indicative only and is in no way binding on the scope of the proposed investigations.

Like Articles

8. The petitioner has claimed that the product manufactured by the domestic industry and the subject goods imported into India from the subject countries are like articles within the meaning of the Anti-dumping Rules. There is no known difference between the subject goods imported from the subject countries and that produced by the domestic industry. The subject goods produced by the domestic industry and imported from the subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The consumers can use and are using the two interchangeably and are technically and commercially substitutable. After examination, the Authority concludes that the subject goods produced by the domestic industry are like article to that imported from the subject countries. Therefore, for the purpose of present investigation the subject goods produced by the applicant in India are being treated as like article to the subject goods being imported from subject countries.

Subject Countries

9. The countries involved in the present investigation are Canada, People's Republic of China and EU.

Normal value

10. The petitioners have claimed normal value of the product under consideration in subject countries on the basis of the constructed normal value in accordance with section 9A (1) (C), Customs Tariff Act, 1975. For China, treated as a non-market economy, normal value has been computed on the basis of the cost of production of raw-material, consumables, utilities as per the Indian cost of production and referencing best practices.
11. For European Union and Canada, the power cost prevailing in these countries also appropriately correlated with the least cost of power based on natural gas conversion has been adopted along with conversion costs as per Indian cost of production. The authority has considered the normal value of product under consideration as computed in the subject countries in accordance with rule 9A (1) (c) as a reasonable normal value based on prime facie evidence. The authority has constructed the normal value in accordance with rule 9 (5) A for the subject countries.

Export Price

12. The petitioner has claimed export price for product under consideration based on secondary source i.e. IBIS data. Adjustments on export price have been claimed and referenced on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges. The net export price has been referenced on the basis of the above export price and adjustments.

Dumping Margin

13. There is sufficient prima facie evidence that the normal values of the subject goods in the subject countries are higher than the net export prices, prima-facie indicating that the subject goods originating in or exported from the subject countries are being dumped from the subject countries.

Injury and Causal Link

14. The petitioner has provided evidence regarding material injury as a result of the alleged dumping from subject countries in terms of increase in imports in absolute terms, deterioration in profitability, return on capital employed etc. The petitioner has also claimed adverse price effects evidenced by price depression and suppression. The Authority considers that there is sufficient evidence of 'injury' being suffered by the petitioners caused by alleged dumped imports of subject goods from the subject countries.

Period of Investigation (POI)

15. The Domestic Industry has proposed the period of investigation for the present investigation as 1st October 2014 to 30th September 2015 (12 months). However, the Authority has extended the same by 3 months thereby considering the modified POI as 1.10.2014 to 31.12.2015, to undertake the analysis on most recent data. For the purpose of injury investigation, the period will cover the data of previous three years, i.e. 2012- 2013, 2013- 2014, 2014 - 2015 and the Period of Investigation (POI).

Submission of information

16. The known exporters in the subject countries and their Governments through their Embassies in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

**The Designated Authority,
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
4th Floor, Jeevan Tara Building, Parliament Street
New Delhi - 110001**

Time limit

17. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the AD Rules.
18. All interested parties are therefore advised to intimate their interest (including the nature of interest) in the instant matter regarding the need to impose anti-dumping measures within 40 days from the date of initiation of this investigation. The comments to the domestic industry's petition and filing of questionnaire may be done within 40 days of the date of letter being sent separately to the known interested parties.

Submission of Information on Non-Confidential basis

19. In case confidentiality is claimed on any part of the questionnaire response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.
20. Information supplied without any mark shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.
21. For information claimed as confidential; the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed and/or why summarization of such information is not possible.
22. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis.

However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible of summary; a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

23. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
24. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Authority.
25. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

Inspection of Public File

26. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

Non-cooperation

27. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

A.K Bhalla
Additional Secretary & Designated Authority

