

**No. 10/1/97-ADD**

## **Ministry of Commerce**

New Delhi, the 25h May, 1998

**Subject :** anti dumping investigation concerning import of Vitamin-C from China PR and Japan – Final Findings.

**10/1/97/ADD** - Having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, thereof:

**1. The procedure described below has been followed with regard to the present investigation:-**

- i. The Designated Authority as defined under the Rules (hereinafter referred as Authority) notified preliminary findings in the anti-dumping investigation concerning imports of Vitamin-C from People Republic of China and Japan vide notification No.10/1/97-ADD dated 11th March, 1998 and requested the interested parties to make their views known in writing within 40 days from the date of its publication.
- ii. Forwarding a copy of the Preliminary Findings, all known interested parties were requested to furnish their views, if any, on the Preliminary Findings with 40 days of the date of the letter.
- iii. the Authority also forwarded a copy of Preliminary Findings to the Embassy of People Republic of China (hereinafter referred to as China and Embassy of Japan in New Delhi with a request that exporters and other interested parties may be advised to furnish their views on the Preliminary Findings.
- iv. The Authority held a public hearing on 4th May'98, to hear views orally. All the parties attending the public hearing were requested to file written submission of the views expressed orally. The parties were advised to collect copies of the views expressed by the opposing parties and were requested to offer their rebuttals. The following parties attended the public hearing.

1. M/s. Ambalal Sarabhai Enterprises Ltd. –Petitioner
2. M/s. Takeda Vitamins & Food Asia Pte. Ltd., represented by M/s. B.S. International, Mumbai
3. M/s. Gracure Pharmaceutical Ltd.. New Delhi.

The petitioner made available copy of the written of the views expressed orally during the hearing on 4.5.98 to other interested parties present in the oral hearing and the Authority permitted them to offer rebuttals on or before 12.5.98:

- v. In accordance to Rule 16 of the Rules supra, the essential facts/basis considered for these Findings were disclosed to all the known interested parties. Comments received on the same have also been duly considered in these findings.
- vi. The view expressed by the exporters/importers and other in interested parties involving common issues have not been repeated for the sake of brevity. The views repressed *by* various interested parties before the Preliminary Findings have also not been repeated for the sake of brevity:
- vii. The investigations have been concluded within the time limit of one year from the date of initiation.

## **B. Petitioner's Views**

### **2. The petitioner made the following submissions on the Preliminary Findings**

- i. Imposition of provisional anti-dumping duty on imports originating or exported from China and Japan is not adequate to protect the interest of the domestic industry;
- ii. The customs duty during the Period of investigation was 42% whereas the duly was reduced sto 35% subsequently;
- iii. The quantum of Vitamin C exported by China and Japan into India has substantially increased in the post investigation period ;
- iv. Both China and Japan further to drastic reduction in the price of their export during the post investigation period and the domestic industry is unable to sell their product and were forced to curtail production and even resorted to panties closure of the plant:
- v. Additional anti-dumping duties should be imposed on imports of Vitamin C from China and Japan ;
- vi. The installed capacity of two indigenou manufacturers of Vitamin-C is 20% more than the domestic requirement.
- vii. The capacities of Vitamin-C production in Germany, Switzerland and Japan had existed before April 96 also, and there are no fresh additional capacities for the production of Vitamin-C in these countries.
- viii. As the product under consideration is under OGL, imposition of and dumping duty in no way hurts the interest of the importers.
- ix. M/S Hebei Welcome Pharma Co. China should have produced citified copies of invoices for sales of Vitamin-C in China rather than producing copies of

export invoices and contended that the exporters is exporting goods at prices much lower than their local price.

- x. The petition is against Vitamin-C exported from Japan or originated from Japan and hence the points raised by M/s. Takeda Vitamins and Food Asia Pvt. Ltd. are irrelevant.

## **C. Views of Exporters/Importers and other Interested Parties.**

3. The Importers and exporters have expressed their views, and the same are briefly mentioned below:

### **I. Exporters**

Non of the exporters have chosen to respond to the preliminary findings. However, M/s. Takeda Vitamins and Food Asia Pvt. Singapore M/s. Habei Welcome Pharma Co. China requested for determent of the oral hearing scheduled on 4th May 1998.

### **II. Importers and Other Interested Party :**

4. M/s. Dilip Kumar and Co.

- i. Authority has totally neglected the fact that production of M/s. Ambalal Sarabhai Enterprises of 454 MT is considered internationally uneconomical and unviable capacity for production of Vitamin C. The capacity cannot be compared with other international makers ;
- ii. The total demand for Vitamin C in Indian market is almost 3 times production capacity o f Ambalal Sarabhai. In order to meet the requirements users have to import from various sources at prevailing international markets.
- iii. The inventory of Ambalal Sarabhai was 0.67 MT in the year 1995-96 and 16.98 MT during the period of investigation which is meagre.
- iv. It is locally ignored that M/s Ambalal Sarabhai is itself one of the major consumer of Vitamin C in India for their own formulations.
- v. M/s Jayant Vitamins have no where made a statement that the closure is due to inputs, there are other major reasons as reported for the closure.
- vi. As it is known, ROCHE has three manufacturing unite in the world, one each in Germany, UK and USA, ROCHE is selling Vitamin C at the same price to me same region no matter where it is produced. According to latest information domestic price of Vitamin C is much higher than in Europe.
- vii. World demand for Vitamin C in the year 1997 was reported at 76000 MT while India imports less than 700 MT annually, with consumption of less than 1% of

world demand, India is in no position to demand or influence world market price.

- viii. That the present inquiry is biased against China and Japan.
- ix. Imposition of Anti-dumping duties gives clear advantage to European/American manufacturers, as they can charge higher price to Indian buyers.

#### **5. NEMI Pharma Pvt. Limited;**

Being manufacturers and exporters of pharmaceutical formulation and machineries Duty is essential otherwise other nails will also meet the same fate as Jayant Vitamins which has suspended production ;

### **D. Examination by the Authority**

6. The submissions made by die petitioner, exporters, importers an other interested parties have been examined and considered and, wherever appropriate. have been dealt hereinafter:

- i. Exporters directly cid through the Embassies of China and Japan were given ample opportunity to file their view on preliminary findings but none of them responded. The Authority, therefore, has to go by the facts on the basis of bear available information.
- ii. The export price, as indicated in the Preliminary Findings notified on 11.3.98 has been determined on the basis of weighted average price as reported by the importers for the purpose of custom clearances maintained by DGCI&S, Calcutta. The export price so determined is found to be reliable and has been adopted.
- iii. Thee Apriority observes that the points raised by the petitioner have already been dealt in the preliminary finding and may rely on the same. Further some of the points raised relate to post investigation period and does not come underlie purview of present investigation and hence not considered.
- iv. The Authority notes that the importers M/s Dilip Kumar and Co. had pleased in their earlier response that the Authority may charge anti-dumping duty on Chinese malarial as c.i.f. prices are too low, and may be affecting Indian manufacturers. On the contrary the importers have stated the present inquiry is biased against China in their response to preliminary findings, which is contradictory.

7. The Authority in accordance with Rule 16 of the Anti-dumping Rules, sent a Statement disclosing essential facts in the matter relating to anti-dumping

investigation concerning imports of Vitamin C from China PR & Japan to all interested parties for sending their comments.

Comments made by interested parties on, disclosure of essential facts have been considered by the Authority ;

8. The Authority notes that no new substantial facts have been brought out by any of the interested parties after the Preliminary Findings and, therefore, after considering the interest of Indian industry and taking into account various factors relating to dumping, injury and its causal link confirms the findings as brought out in the Preliminary Findings notified on 11.3.98 and concludes that:

- i. exporters from People's Republic of China have sold Vitamin C in India below the normal value ;
- ii. Exporters from Japan have sold Vitamin C in India below normal value ;
- iii. The Indian industry has suffered material injury;
- iv. and that imports caused material injury to Indian industry.

9. As regards a request by exporter/producer regarding deferment of oral hearing the Authority considered and this could not *be* acceded to as the anti-dumping investigations are time bound and the time schedule had to be adhered for competing the investigations.

10. The Authority confirms the methodology adopted for determination on normal value and export price and values arrived thereof in the Preliminary Findings notified on 11-3-98.

11. The Authority confirms the preliminary findings with regard to imposition of anti-dumping duty and recommends imposition of definitive anti dumping duties on all exports of Vitamin-C originating OT exported from China PR and Japan at the rates specified below:

Product originating in or exported from	Amount of Anti-dumping Duty(Rs. per Kg)
Japan	27.59
China	61.96

12. Subject to above, The authority confirms the preliminary findings dated 11-3-98

13. An appeal against this order shall lie to the Customs, Excise and Gold (control) Appellate Tribunal in accordance with the Act supra.

**RATHI VINAY JHA,**  
Designated Authority