

Ministry of Commerce

New Delhi, the 14th August,2002

INITIATION NOTIFICATION

Subject: Initiation of anti-dumping investigations concerning import of Vitamin-C originating in or exported from USA and Canada.

No. 14/25/2002-DGAD. M/s. Sarabhai M. Chemicals has filed a petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with 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 alleging dumping of Vitamin 'C' originating in or exported from USA & Canada and have requested for initiation of anti dumping investigations and levy of anti-dumping duty.

1. **Product Involved:** The product under investigation in the present case is Vitamin 'C' originating in or exported from USA and Canada. Vitamin 'C' is also known as Ascorbic Acid. The technical specifications of Vitamin 'C' are based on National and International standards such as PB93/USP23 and type 'A' coated. Vitamin 'C' is an organic chemical and is classified under Chapter 29 of Customs Tariff Act.

2. Vitamin 'C' is classified under Customs sub-heading no.2936.27 of the Customs Tariff Act, 1975 and under no. 2936.27.00 under Indian Trade Classification (based on Harmonized Commodity Description and Coding System). The classification is however indicative only and in no way binding on the scope of the present investigations.

3. **Domestic Industry Standing:** M/s. Sarabhai M.Chemicals is a producer of Vitamin 'C' and is petitioner who represent about 73 percent of the total Indian production. M/s. Amoli Organics, a new entrants is other producer of Vitamin 'C' in the country. M/s. Jayant Vitamin Ltd. has suspended production long ago.

The petitioners represent a major proportion of the Indian production of Vitamin 'C' in the country and thus have the standing to file the present petition.

4. **Country(ies) Involved:** The countries involved in the present investigations are USA and Canada (referred to as subject countries hereinafter). Though the petitioners included Chinese Taipei(Taiwan) in the petition, it is observed that the volume of imports during the period of investigation is lower than deminimus level and hence excluded from the purview of this investigation.

5. **Like Article:** The petitioner has claimed that goods produced by it are like articles to the goods originating in or exported from the subject countries. Goods produced by the petitioner are being treated as Like Articles to the goods imported from the subject countries within the meaning of the Rules.

6. Dumping and Dumping Margin:

Normal Value:

Petitioners have stated that efforts were made to get evidence of the price at which the material is being sold by the producers/traders in domestic market of USA and Canada. They have been able to get a price list for various chemicals of a company in USA, which includes ascorbic acid, i.e. Vitamin C also. It is noted that the prices shown by the exporter for Vitamin C are for various grades and various packing. However, there is very little difference in prices of various grades. Therefore, the price as per the price list can be considered as the normal value of Vitamin C in domestic market of USA.

With regard to Canada, the Petitioners have submitted that Canada is in the same region/continent. There are no customs barrier between Canada and USA. The prices in domestic market of Canada would not be different than the domestic market of USA. Hence, the prices in domestic market of USA can be considered as prices in domestic market of Canada also.

Export Price:

The petitioners have provided the import data as per Directorate General of Commercial Intelligence and Statistics (DGCI &S), Calcutta latest available and have requested the Authority to rely on the same. Adjustments have been claimed from the export price on account of Ocean Freight, Marine Insurance, Commission, Inland Transportation and Port Expenses.

There is sufficient prima facie evidence that the normal value of the product under consideration in the subject countries and is significantly higher than the price at which it has been exported to India, and that the exporters from USA and Canada are dumping the subject goods in India.

Considering the normal value and export price, the dumping margins are significantly higher than the de-minimus limits.

7. Injury and Causal Link: The various economic indicators relating to injury affecting the domestic industry such as production, capacity utilisation, market share, sales

volume, profitability, price undercutting, price suppression/depression, etc. collectively and cumulatively, indicate that the domestic industry has suffered injury. There is sufficient prima facie evidence that the import of product under consideration have caused material injury to the domestic industry.

8. Initiation of Anti-Dumping Investigation: In view of the foregoing, the Designated Authority initiates anti-dumping investigations to determine the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

9. Period of Investigation: The period of investigation for the purpose of the present investigations is 1st April, 2001- 31st March, 2002 (12 months).

10. Submission of Information: The exporters in the subject countries and the importers in India known to the concerned are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority, Ministry of Commerce, Directorate General of Anti dumping and Allied Duties, Udyog Bhavan, New Delhi-110011. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

11. Time Limit: Any information relating to the present investigations should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are, however, required to submit the information within forty days from the date of letter addressed to them separately.

12. Anti-dumping investigations being a time bound exercise, the Designated Authority may record its findings on the basis of facts available on record in accordance with the Rules supra, if no response is received within the time stipulated or the information is incomplete in any respect.

13. Inspection of Public File: 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.

14. 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.

(L. V. SAPTHARISHI),
DESIGNATED AUTHORITY