

F.No.15/1009/2012-DGAD  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Anti Dumping & Allied Duties  
Udyog Bhawan, New Delhi  
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Dated the 5th June, 2013

**Initiation Notification**

**Subject: Initiation of anti-dumping investigation pertaining to imports of Sodium Nitrate originating in or exported from European Union, China PR, Ukraine and Korea RP-reg**

F.No.15/1009/2012-DGAD - Whereas M/s Deepak Nitrite Limited, Pune (herein after referred to as the applicant) has filed an application 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 the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the Rules or the AD Rules), alleging dumping of imports of Sodium Nitrate (hereinafter referred to as the subject goods), originating in or exported from the European Union, China PR, Korea RP and Ukraine (hereinafter referred to as “subject territory/countries”) and requested the Authority for initiation of anti dumping investigation for levy of anti dumping duties on the subject goods.

2. And whereas, the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject territory/countries; injury to the domestic industry and causal link between dumping and the injury exists, and, therefore, hereby, initiates an anti dumping investigation into the alleged dumping of the subject goods from the subject territory/countries, and consequent injury to the domestic industry in terms of the Anti Dumping Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti dumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

**PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

3. The product under consideration in the present petition is Sodium Nitrate, the chemical compound with the formula  $\text{NaNO}_3$ . This salt, also known as Chile saltpeter or Peru saltpeter is a white solid which is very soluble in water. The mineral form is also known as nitratine, nitratite or soda niter; (hereinafter, also referred to as the “subject good” or “subject product” or “SNA”).

4. Sodium nitrate is a white solid which is very soluble in water. There are no known grades of the product. Sodium nitrate is used as a fertilizer because it contains

available nitrogen which is essential for plant growth. Typical applications in which Sodium Nitrate can be used are Heat Transfer Salts and Flux, to manufacture various other Nitrate salts of Potassium & Barium, Agrochemicals, Bulk Intermediates, Manufacture of glass, Blasting powder, Slurry, Dynamite, Matches, FNS and Performance Chemicals, Leather Tanning Chemicals, Imaging and Colour Intermediates, Pharmaceutical Intermediates, Rubber Chemical Intermediates etc. Sodium Nitrate is derived as a co-product in the manufacture of Sodium Nitrite. Ammonia is converted into nitrous oxide at high temperature in presence of catalyst and the nitrous oxide is then absorbed in caustic soda to get Sodium Nitrite and Sodium Nitrate.

5. Sodium Nitrate is classified under customs heading 31025000 under Chapter 31 of the Customs Tariff Act. The Customs and ITC HS classification is, however, indicative only and in no way binding on the scope of the present investigation.

6. The applicant has claimed that there is no known difference in subject product produced by the domestic industry and the subject product exported from the subject territory/countries. Both, the subject product produced by the petitioner and that exported from the subject territory/countries have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The two are technically and commercially substitutable. The consumers have used (and are using) the two interchangeably. The Authority considers that the subject product produced by the petitioner and that exported from the subject territory/countries are like articles.

### **DOMESTIC INDUSTRY STANDING**

7. The petition has been filed by M/s Deepak Nitrite Ltd, Pune. There are two more known producers of the product during the POI in India. Based on the information on record, the Authority has ascertained that (a) production of the applicant constitutes a major proportion in Indian production during the period of investigation; and (b) the petition has been made by the domestic industry. The Authority, after examining the above, determines that the petitioner constitutes domestic industry within the meaning of Rule 2 of the Anti Dumping Rules, and the petition satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

### **PERIOD OF INVESTIGATION**

8. The Authority has considered period of investigation (POI) from Oct, 2011 to Sept, 2012. However, for injury analysis, data of the previous three years, viz., 2009-10, 2010-11, 2011-12 and the POI will be considered.

### **COUNTRY INVOLVED**

9. The countries involved in the present investigation are European Union (EU), China PR, Korea RP and Ukraine.

## **NORMAL VALUE**

10. The petitioner has claimed that efforts were made to get information on prices prevailing in domestic market of EU, China PR, Korea RP and Ukraine. Petitioner has been unable to get any information of prices prevailing in the subject territory/countries and also accurate information was not available for third countries. In view of the above, the petitioner has claimed determination of normal value using constructed value approach based on the data of domestic industry for raw material price and conversion cost, best consumption norm and reasonable profit margin. Petitioner has also claimed that China PR and Ukraine should be treated as Non-Market Economies.

## **EXPORT PRICE**

11. The petitioner has submitted export price for product under consideration based on import data from the secondary source to assess the volume and value of subject imports in India. The export price so calculated has been adjusted for ocean freight, marine insurance, bank charges, port and inland freight expenses.

## **DUMPING MARGIN**

12. Considering the normal value and export price, dumping margins have been determined. It is seen that the dumping margin is not only beyond de-minimus levels but also substantial.

## **INJURY AND CAUSAL LINK**

13. The petitioner has furnished information on various parameters relating to dumping and material injury, analysis of which by the Authority, prima facie, shows that the imports from the subject territory/countries have increased in absolute terms; subject imports have increased in relation to total imports and consumption and production in India and the product under consideration is being exported from the subject territory/countries below normal value resulting in dumping of the product; subject imports are undercutting the prices of domestic industry; price undercutting has prevented the domestic industry from increasing prices; imports are, thus, suppressing the prices of the domestic industry in the market and the performance of the domestic industry has deteriorated in terms of production, domestic sales, capacity utilization, market share, inventories, profits, return on investments and cash profits.

## **INITIATION OF ANTI DUMPING INVESTIGATIONS**

14. The Authority, in view of the foregoing, initiates anti-dumping investigation into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the European Union, China PR, Korea RP and Ukraine.

## **SUBMISSION OF INFORMATION**

15. The exporters in the member countries of the subject territory/countries, their Governments through their Embassy in India, importers/users/associations in India known to be concerned with this investigation and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:

The Designated Authority,  
Directorate General of Anti Dumping & Allied Duties,  
Ministry of Commerce & Industry,  
Department of Commerce,  
Government of India,  
Udyog Bhavan,  
Room No. 240,  
New Delhi – 110011

16. As per Rule 6(5) of the Rules supra, the Designated Authority is also providing opportunity to the industrial users of the product under investigation and to representative consumer organizations, who can furnish information relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation to the Designated Authority within the time limit set out below.

### **TIME LIMIT**

17. Any information relating to the present investigation 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 the Initiation Notification. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

### **SUBMISSION OF INFORMATION ON NON-CONFIDENTIAL BASIS**

18. In terms of Rule 6(7) of the Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reasons thereof, is required to be provided to the Authority. 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 Designated Authority may record findings on the basis of the facts available and make such recommendations to the Central Government as deemed fit.

## **INSPECTION OF PUBLIC FILE**

19. In terms of Rule 6(7) of the Rules, the Designated Authority maintains a public file containing the non-confidential version of the evidence submitted by the interested parties. Any interested party may inspect the public file, if so desired.

**(J S Deepak)**  
Designated Authority