

15/24/2008-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated 17th November 2008

Initiation Notification (Mid-Term Review)

Subject: Initiation of Mid-Term Review regarding anti-dumping duty imposed on imports of 'Sodium Nitrite' originating in or exported from China PR.

No. 15/24/2008-DGAD- Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 (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 AD Rules), vide Notification Number 39/1/1999-DGAD dated 1st December 2005, the Designated Authority (hereinafter referred to as the Authority) notified its final findings recommending definitive antidumping duty on import of 'Sodium Nitrite' (hereinafter referred to as subject goods) originating in or exported from China PR.

And whereas definitive antidumping duty was imposed on the imports of subject goods vide Customs Notification No. 3/2006 - Customs dated 17th January 2006.

M/s. Deepak Nitrite Limited, the Petitioner has claimed that the anti dumping duty imposed earlier is required to be reviewed in view of the fact that the dumping margin and injury margin have materially changed since the last investigation.

2. Product Under Consideration

The product involved in the original investigation and the present review investigation is Sodium Nitrite. Sodium Nitrite is an oxidizing as well as a reducing agent also. It is a white crystalline powder mostly used in pharmaceuticals industries, dye industries, lubricants, construction chemicals, rubber blowing agent, heat transfer salts, meat processing, textiles, etc. Major raw material for production of Sodium Nitrite is ammonia, which is converted into nitrous oxide at high temperature in presence of catalyst. The nitrous oxide is then absorbed in caustic soda to get Sodium Nitrite. Sodium Nitrite is primarily used in dyes industries for producing various types of

intermediates, pharmaceuticals industry for production of analgin, theophylline, caffeine etc.

Sodium Nitrite is classified under custom sub-heading 2834.00 of Schedule 1 of the Act, and within 2834.1010 of the ITC. The classification is, however, indicative and in no way binding on the scope of the present investigations.

3. Countries Involved:

The country involved in the present review investigation is China PR (hereinafter referred to as subject country).

4. Grounds for Review

The Petitioner has claimed that the current benchmark duty is no longer sufficient to address the injury to the domestic industry; the non-injurious price of the domestic industry has substantially increased; and therefore the quantum of anti dumping duty is required to be modified/enhanced.

For this purpose, the petitioner has provided sufficient evidence of normal value, export price, dumping margin, landed price, cost of production, non-injurious price, along with other relevant information to justify initiation of this review investigation.

The petitioner contends that China PR being a non-market economy country, it has determined normal value on the basis of price payable in India duly adjusted, by constructing cost of production. The cost of production constructed by the petitioner is consistent with the methodology applied by the Directorate. There is sufficient prima-facie evidence with respect to normal value.

The export price has been claimed on the basis of data provided by the applicant from DGCI&S and IBIS Mumbai. Price adjustments have been claimed on account of freight, commissions & other expenses etc. to arrive at the net export price. There is sufficient evidence of the prices at which the goods have been imported from China P R during the relevant period as made available by the applicant and the Authority for the purpose of initiation has considered the same. Based on information on record, dumping margin is significant.

In spite of current anti dumping duties, imports from China PR have remained significant in absolute terms. The imports of the product from China PR are undercutting and underselling the prices of the domestic industry. The petitioner contends that since the raw material prices have varied so significantly, it may not be

appropriate to continue with benchmark form of duty. However, this can only be done through review of existing duties.

5. **Initiation**

The Act and the AD Rules made thereunder require the Authority to review from time to time the need for continuance of anti-dumping duty.

M/s. Deepak Nitrite Limited, Pune has filed an application substantiating the need for Mid-Term review of the anti-dumping duty imposed on the subject goods originating in or exported from China PR on the grounds that the dumping margin and injury margin determined earlier have significantly increased and have requested for enhancement of the anti-dumping duty imposed on subject goods under the above mentioned notifications.

Having satisfied itself that the applicant has produced sufficient positive information substantiating the need for a review, the Designated Authority considers that the mid-term review of the anti dumping duty would be appropriate at this stage under the provision of Section 9A(5) of the Act read along with Rule 23 of the AD Rules.

Having decided to review the final findings notified vide No. 39/1/99-DGAD dated 01/12/2005 and final duty imposed by Notification No 3/2006-Customs dated 17/01/2006, the Authority hereby initiates investigations, in accordance with the Act and the AD Rules, to review whether existing antidumping duty on imports of 'Sodium Nitrite' originating in or exported from China PR is required to be modified at this stage.

6. **Procedure:**

This review investigation covers all aspects of Notification No.39/1/99-DGAD dated 01/12/2005.

M/s. Deepak Nitrite Limited, Pune has represented the domestic industry in the original investigations. The Authority proposes to consider the applicant, who constitutes a major proportion of the production of the 'Like Article' in India, as domestic industry in accordance with the Rules supra.

7. **Period of Investigation:**

The period of investigation for the purpose of the present review is April-March 2007-08 (12 months). However, injury analysis shall cover the years from April-March 2004-05 to April-March 2007-08.

8. **Submission of Information:**

The known exporters in subject country, their government through their Embassy in India, the known importers and known users in India to be concerned 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:

The Designated Authority,
Ministry of Commerce & Industry,
Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD),
Udyog Bhawan,
New Delhi-110107.

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.

9. **Submission of information on Non-confidential basis.**

In terms of Rule 7 of the AD rules, the interested parties are required to submit non-confidential version of any confidential information provided to the Authority. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing such information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

10. **Time Limit:**

Any information relating to the present review and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address, not later than forty days (40 Days) from the date of publication of this review notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the 'facts available' on record in accordance with the AD Rules.

11. **Use of facts available**

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.

12. **Inspection of Public File:**

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

(R.Gopalan)
Designated Authority