

Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti Dumping & Allied Duties)
Udyog Bhawan, New Delhi-110107

Dated the November 22, 2007

Initiation Notification (Sunset Review)

Subject: Sunset review of anti-dumping duty imposed on Caustic Soda (Sodium Hydroxide) originating in or exported from Korea RP and China PR.

No.15/11/2007-DGAD – Whereas the Designated Authority, having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995, recommended imposition of provisional duty vide notification No. 14/10/2002-DGAD dated 21.09.1002 and such provisional duty was imposed by the Govt. of India vide, notification No. 142/2002-Customs dated 26.12.2002 read with corrigendum dated 15.1.2003. The Authority issued its Final findings recommending imposition of definitive Anti Dumping Duty on imports of Caustic Soda (hereinafter referred to as subject goods) originating in or exported from Korea RP and China PR, vide notification dated 04.08.2003 and such definitive duty was imposed by the Govt. of India vide Notification No. 142/2003-customs dated 23.09.2003.

2. Product under consideration

The product under consideration in the original investigation was Caustic Soda. Caustic Soda (Sodium Hydroxide), which is an inorganic chemical, has been classified under Chapter 28 of the Customs Tariff Act. Caustic Soda is a soapy, strongly alkaline odorless liquid widely used in diverse industrial sectors, either as a raw material or as an auxiliary chemical. It is mainly used in the manufacture of pulp & paper, newsprint, viscose yarn, staple fiber, aluminum, cotton, textiles, toilet & laundry soaps, detergents, dyestuffs, drugs & pharmaceuticals, vanaspati, petroleum refining etc. Caustic soda is produced in two forms - lye and solids. All forms of caustic soda are within the scope of the product. This being a sunset review of the product against which duty is already in force the product under consideration shall remain unchanged. The product under consideration is classifiable under subheading 2815.11 or 2815.12 of the Customs Tariff Act, 1975.

3. Request for Review and Initiation:

AND WHEREAS in terms of the Customs Tariff (Amendment) Act 1995 the antidumping duty imposed shall unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition.

AND WHEREAS the Rules supra require the Authority to review from time to time, the need for continued imposition of Anti Dumping Duty and if it is satisfied, on the basis of information received by it that there is no justification for continued imposition of such duty, the authority may recommend to the central government for its withdrawal. Notwithstanding the above provision the authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the date of the expiry of the measure, whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

In terms of the above provisions, M/s Alkali Manufacturers Association of India, the Association representing the Indian producers, commanding a major proportion of the domestic production of the subject goods, has approached the authority with a duly substantiated petition requesting for such a review. The Designated Authority considers that initiation of sunset review proceedings for the Anti Dumping Duty in force would be appropriate to examine the need for continued imposition of such duty to offset dumping and whether the injury would likely continue or recur if the said duty is removed or varied or both.

Having satisfied itself, on the basis of the positive evidence submitted by the domestic industry substantiating the need for a review, the Authority hereby initiates a review in accordance with Section 9 A (5) of the Act, to examine whether cessation of the duty in force would lead to continuation or recurrence of dumping and injury to the domestic industry.

4. Grounds for review:

The request is for continuation of the antidumping duties in force based on the grounds that dumping has continued from China PR and Korea RP (herein after referred as the subject country) and the expiry of the measure

would be likely to result in continuation or recurrence of dumping and injury to the domestic industry.

The applicant has *inter-alia* claimed that the exporters and producers from China PR and Korea RP have continued to dump the goods in the Indian market and volume is also significant, in spite of antidumping duty in force. Therefore, dumping would be intensified should the present antidumping duty be revoked.

The applicant further claims that the existing capacities of the subject goods in the subject countries far exceed their domestic demands and material is being exported to other countries at dumped prices, which increases the likelihood of continuation or recurrence of dumping and injury once the antidumping duty is removed

5. Countries involved:

The countries involved in this investigation are Korea RP and China PR.

6. Period of Investigation:

The period of investigation for the purpose of the present review is from 01.07.2006 to 30.06.2007. However, injury analysis shall cover the years 2004-2005, 2005-2006 and 2006-2007.

7. Procedure:

The investigation will determine whether the cessation of the duty in force is likely to lead to continuation or recurrence of dumping and injury.

- i. The review will cover all aspects of Notification No. 14/10/2002-DGAD dated 04.08.2003;
- ii. The provisions of Rules 6,7,8,9,10,11,16,17,18,19 and 20 of the Rule supra shall be mutatis mutandis applicable in this review.

8. Submission of Information:

The exporters in subject country, the governments of subject country through its embassy in India, the importers and users in India known to be concerned with the product 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 Authority in the following address:

Government of India
Ministry of Commerce and Industry
The Director General of Anti-Dumping and Allied Duties
Department of Commerce
Room No.240, Udyog Bhavan,
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. 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 address mentioned above 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 Rules supra.

10. Submission of information on Non-confidential basis:

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 summary, a statement of reason thereof is required to be provided. 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.

11. Inspection of public file:

Any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties in

terms of Rule 6 (7). 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.

(R. Gopalan)
Designated Authority