

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

Dated the 2nd December 2004.

Initiation Notification (Sunset Review)

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

No. 39/1/1999-DGAD - Whereas 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 (herein after referred to as AD Rules), vide Notification Number 39/1/1999-DGAD dated 3rd November 2000. The Designated Authority (herein after 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 (hereinafter referred to as subject country).

And Whereas definitive antidumping duty was imposed on the subject goods vide Customs Notification No. 147/2000-Customs dated 19th December, 2000.

2. Product Under Consideration

The product involved in the original investigation and this current review 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 customs Tariff Act, 1975 and within 2834.2901 of the ITC. The classification is, however, indicative and in no way binding on the scope of the present investigations.

3. Initiation

The Customs Tariff (Amendment) Act 1995 and the AD Rules made there under require the Authority to review from time to time the need for continuance of anti-dumping duty. The Designated Authority considers that the sunset review of the anti dumping duty recommended would be appropriate at this stage under the provision of section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended. M/s. Deepak Nitrite Limited, Pune, have filed an application substantiating the need for sunset review of the anti-dumping duty imposed on the subject goods originating in or exported from China PR and have requested for continuation of the anti-dumping duty imposed on subject goods under the above mentioned notifications for a further period of 5 years.

4. Countries Involved:

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

5. Grounds for Review

The applicant has claimed normal value of subject goods in China PR on the basis of constructed cost of production after addition for selling, general and administrative expenses treating China PR as non-market economy. The Authority proposes to examine the claim of the applicant in the light para 7 & 8 of Annexure I of anti dumping rules as amended. Thus the Authority has prima-facie, considered the normal value of the subject goods in subject country on the basis of constructed cost of production as made available by the petitioner and the Authority for the purpose of initiation has considered it.

The export price has been claimed on the basis of data provided by the applicant from DGCI&S, Kolkata. Price adjustments have been claimed on account of ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges, commissions etc. to arrive at the net export price. There is sufficient evidence of export price and the adjustments claimed for the subject goods from the subject country, as made available by the applicant and the authority for the purpose of initiation has considered it. On this basis dumping margin is significant.

The request is based on the grounds that the expiry of anti-dumping duty would be likely to result in a continuation or recurrence of dumping and injury to the domestic industry.

The applicant has further alleged that likelihood of further injurious dumping if the anti-dumping duty be allowed to lapse, the current imports may likely to increase due to existence of unused capacity and the large reserves in the China PR. In addition the applicant alleges that the removal of injury is mainly due to the existence of anti-dumping duty and any recurrence of substantial imports at dumped prices from China PR would likely to lead to a recurrence of injury of the domestic industry if anti-dumping duty be allowed to lapse.

6. Procedure:

Having decided to review the final findings notified vide No. 39/1/99-DGAD dated 03/11/2000 and final duty imposed by Notification No 147/2000-Customs dated 19/12/2000, the Authority hereby initiates investigations to review whether cessation of antidumping duty is likely to lead to continuation or recurrence of dumping and injury on imports of Sodium Nitrite originating in or exported from China PR, in accordance with the Customs Tariff (Amendment) Act, 1995 and AD Rules.

The review covers all aspects of Notification No.39/1/99-DGAD dated 03/11/2000. M/s. Deepak Nitrite Limited, Pune has represented the domestic industry in the original investigations. The Authority proposes to consider the applicant, who constitutes the major proportion of the production of the subject goods 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 1st April 2003 to 31st March 2004 (12 months). However, injury analysis shall cover the years from 2000-01 to 2003-04.

8. Submission of Information:

The exporters in subject country, their government through their Embassy/High Commission in India/representatives, the importers and users in India known 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),
Room No. 243, 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.

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 AD Rules .

10. Inspection of Public File:

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

(Christy L. Fernandez)
Designated Authority