

**Government Of India**  
**Ministry Of Commerce & Industry**  
**(Directorate General Of Anti-Dumping & Allied Duties)**

**NOTIFICATION**

Dated the 4th July, 2006

**Initiation Notification**

**Subject:** Initiation of anti dumping investigation concerning imports of Phosphoric Acid- Technical Grade and Food Grade, from the People's Republic of China.

**F. No. 14/7/2006-DGAD** - Whereas M/s. Gujarat Alkalies & Chemicals Limited, Baroda and Solaris Chemtack Limited, Karwar (hereinafter referred to as applicants) have jointly filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as Rules) alleging dumping of Phosphoric Acid -Technical Grade and Food Grade (hereinafter referred to as subject goods) originating in or exported from China PR (hereinafter referred to as subject country) and have requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject country, injury to the domestic industry and causal link between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

## **2. Products under consideration and Like Article**

The product under consideration is Phosphoric Acid-Technical Grade and Food Grade (i.e. excluding industrial grade) originating in or exported from People's Republic of China. Phosphoric Acid is an inorganic chemical used for the production of sodium phosphate, calcium phosphate, magnesium phosphate, ammonium phosphate, etc. The subject goods are also being used in Pharmaceutical applications, beverages, seed processing, sugar juice clarification and sugar refining, food phosphate manufacturing, etc. The product is classified under Customs Tariff heading 2809.20

and at no. 2809.20 20 as per Indian Trade Classification. The Customs and ITC HS classification is, however, indicative only and in no way binding on the scope of the present investigation.

The applicants have claimed that goods produced by it are like articles to the goods originating in or exported from China PR. There is no significant difference in the subject goods produced by the applicants and those exported from subject countries and the two are technically and commercially substitutable. For the purpose of present investigation, the goods produced by the domestic industry are being treated as Like Article to the product imported from the subject country within the meaning of the Rules supra.

### **3. Domestic Industry**

The application has been jointly filed by M/s. Gujarat Alkalies & Chemicals Limited – Baroda and Solaris Chemtack Limited – Karwar. These producers have provided information relevant to the present investigations and have consented to participate in the proposed investigations. The production of these applicant companies constitutes more than 50 % of total Indian production. M/s STS Chemicals and Star Chemicals are the other producers of the like article. The Authority has determined that (a) production of the two petitioner companies constitute a major proportion in Indian production; (b) domestic producers expressly supporting the application account for more than 50 per cent of total production of the like product produced by the domestic industry; and (c) the application has been made by or on behalf of the domestic industry.

The Authority after examining the above, determines that the applicants constitute domestic Industry within the meaning of the rule 2(b) read with 2(d) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

### **4. Countries involved:**

The Country involved in the present investigation is People's Republic of China.

### **5. Normal Value**

The applicants have claimed that China PR should be treated as non-market economy country and have proposed determination of normal value in accordance with Para 7 and 8 of Annexure I of the Anti Dumping Rules. The applicants have claimed that normal value could not be determined on the basis of price or constructed value in a market economy third country or price from such third countries to other countries for

the reason that the relevant information is not accessible to the applicants.

The normal value has been determined considering cost of production in India, duly adjusted to include selling, general, administrative overheads and reasonable profit for the purpose of initiation.

In accordance with Para 7 to Annexure-I of the Rules, interested parties are hereby invited to suggest any appropriate third country market economy country for determination of normal value in China within the time limit laid down in this notification.

## **6. Export Price**

The applicants have claimed export price of the subject goods from the subject countries as the weighted average export price to India in the proposed period, based on transaction wise import data provided by the IBIS (International Business Information System). Adjustments have been claimed on account of ocean freight, marine insurance and inland transportation in the country of exports, port handling and port charges etc. to arrive at ex-factory export price. There is sufficient evidence of the export price for the subject goods from the subject country.

## **7. Dumping Margin**

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of subject country. There is, prima facie, evidence that the normal value of the subject goods in China is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from China-PR.

## **8. Injury and Causal Link**

The applicants have furnished information on various parameters relating to material injury. Parameters such as significant increase in the volume of imports from the subject country in absolute terms as also relative to production and consumption in India, increase in the market share of subject imports and consequent decline in the market share of the domestic industry, significant price undercutting, price suppression, significant deterioration in profits, cash flow and return on investment to the domestic industry, prima facie, collectively and cumulatively indicate that the domestic industry has suffered material injury on account of dumping of subject goods from China-PR.

## **9. Initiation of Anti-dumping Investigations**

The Designated Authority, in view of the foregoing paragraphs, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject country.

## **10. Period of investigation (POI):**

The period of investigation (POI) for the purpose of present investigation is 1st April 2005 to 31st March 2006 (12 months). The injury investigation period will however, cover the period 2002-03, 2003-04, 2004-05 and the period of investigation.

## **11. Submission of information:**

The exporters in the subject Country and their Government through their embassies/ representatives in India, the importers and users in India known to be concerned and the domestic industry are requested 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. 240, Udyog Bhavan,  
New Delhi-110011

As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation and to representative consumer organizations who can furnish information which is relevant to the investigation regarding dumping, injury and causality. 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.

## **12. Time limit**

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 (40) 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 (40) forty days from the date of the letter addressed to them.

## **13. Submission of information and Inspection of public file**

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 reason thereof, is required to be provided. 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