

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

Dated the June, 16th 2009

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigation concerning imports of 'Barium Carbonate' originating in or exported from China PR.

No.14/18/2009-DGAD: M/s Athiappa Chemicals Pvt. Ltd., M/s. Ellak Chem Industries Pvt. Ltd., M/s. Prem Chemical Industries and M/s. Victory Chemicals Ltd. have filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 as amended from time to time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules) alleging dumping of 'Barium Carbonate' (hereinafter referred to as the subject goods) originating in or exported from China PR (hereinafter referred to as subject country) and have requested for initiation of anti-dumping investigation and levy of anti-dumping measures.

Product under consideration

2. The product under consideration is 'Barium Carbonate'. Barium Carbonate is a harmful, non-flammable inorganic chemical in the form of a white powder and granules having chemical formula $BaCO_3$ manufactured out of Barytes, a mineral product. Barium Carbonate has the following applications:

- (a) Purification of brine solution in caustic soda industry.
- (b) In production of Hard Ferrite Ring Magnets, Television Glass Shell, Neutral glass, Lamps, Heat treatment salts and other barium salts, rat poison, ceramic glazes and welding flux.

(c) Acts as a flux, matting and crystallizing agent and combines with certain colouring oxides to produce unique colours not easily attainable by other means.

(d) In the manufacture of heavy clay ceramic products because of its property of converting soluble sulfuric salts in the raw material into insoluble barium sulfate.

(e) In the brick, tile, earthenware and pottery industries barium carbonate is added to clays to precipitate soluble salts (calcium and magnesium sulfates) that cause efflorescence.

3. The products under consideration is an inorganic chemical falling under Chapter 28. It is imported under subheading 28366000 of Chapter 28 under the Customs Classification. The customs classification is indicative only and is not binding on the scope of the product under consideration.

Domestic Like Article

4. The applicant has claimed that there is no significant difference in subject goods produced by the domestic industry and exported from subject country. Subject goods produced by the Indian industry and imported from subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and consumers have used the two interchangeably.

5. For the purpose of investigation, the subject goods produced by the applicants are being treated as like articles to the subject goods imported from subject country within the meaning of the Anti-dumping Rules for the purpose of this investigation.

Domestic Industry & 'Standing'

6. The application has been filed by M/s Athiappa Chemicals Pvt. Ltd., M/s. Ellak Chem Industries Pvt. Ltd., M/s. Prem Chemical Industries and M/s. Victory Chemicals Ltd on behalf of the domestic industry. The applicant domestic producers have provided injury and costing information. The application has been supported by a number of domestic producers of the like Article, namely M/s. Amaravathi Chemicals & Fertilizers Pvt. Ltd., Hyderabad; M/s Bhargav Chemicals, Andhra Pradesh; M/s Jagadeeshwari Chemicals, AP; M/s Jaya Chemicals, Andhra Pradesh; M/s. Murugantham Chemical & Co., Tamil Nadu; M/s Rahul Barium Salts,

Hyderabad and M/s R.K. Industrial Chemicals, Hyderabad. As per the evidence available on record, production of the applicants along with the supporters account for a major proportion of the domestic production and the same is more than 50% of the Indian production.

7. M/s. Victory Chemicals Ltd has imported 53 MT of Barium Carbonate 2008-09 viz. during the period of investigation. It has been contended that these imports were for Fire Works Division of the company and were not meant for trading purposes.

Besides the above, the Authority notes that the volume of these imports are quite small, and therefore considers it appropriate to hold that the Applicant is not required to be excluded from the scope of the domestic industry under Rule 2(b).

8. As per information available on record, the Applicants account for 42.89% of the total domestic production and along with the supporters of the application, they account for 74.30% of the total domestic production. Thus, the Authority has determined that the application satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. Further, M/s Athiappa Chemicals Pvt. Ltd., M/s. Ellak Chem Industries Pvt. Ltd., M/s. Prem Chemical Industries and M/s. Victory Chemicals Ltd are being treated as 'domestic industry' within the meaning of Rule 2(b).

Country involved

9. The country involved in the present investigation is the People's Republic of China (also referred to as China PR).

Normal value

10. The applicant has claimed that China PR should be treated as Non Market Economy and therefore the Normal value should be determined in accordance with Para 7 and 8 of Annex-I of the AD Rules. The applicant has submitted that they have not been able to get the sufficient information regarding market economy third country for determination of Normal value in case of China PR. Thus, the applicant has claimed the Normal value on the basis of constructed cost of production, including selling general and administration expenses and profits.

Export Price

11. The applicant has determined export prices based on the data compiled by IBIS. The export prices have been adjusted for ocean freight, marine insurance, commission, port handling, inland transportation, adjustment for VAT refund and bank commission to arrive at net export price at ex-factory level. Evidence in support

of price adjustments has been provided in respect of Ocean Freight, Marine Insurance, Commission, Inland Freight, Port Expenses and Bank Commission.

Dumping margin

12. There is sufficient evidence that the Normal value of the subject goods in subject country is significantly higher than the net Export price, prima-facie indicating that the subject goods are being dumped by the exporters from the subject country.

'Injury' and Causal Link

13. The applicant has furnished evidence claiming injury as a result of alleged dumping. It has been claimed that the imports have increased in absolute terms and in relation to production & consumption in India; the imports are undercutting the prices of the domestic industry. The applicant has claimed deterioration in performance of the domestic industry in terms of sales, production, utilization of capacity, market share, price suppression, profit and return on capital employed. There is sufficient evidence with regard to 'injury' being suffered by the applicant caused by dumped imports from subject country to justify initiation of this investigation in terms of the AD Rules.

Initiation of Anti Dumping Investigation

14. In view of the foregoing paragraphs, the Designated Authority finds that sufficient evidence of dumping of subject goods from the subject country, 'injury' to the domestic industry and causal link between the dumping and 'injury' exists to justify initiation of an anti-dumping investigation. 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 AD Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping measure, which, if levied, would be adequate to remove the injury to the domestic industry.

Period of investigation

15. The period of investigation for the purpose of present investigation is 1st April 2008 to 31st March 2009. The injury investigation period will, however, cover the periods April 2005-March 2006, April 2006-March 2007, April 2007-March 2008 and the Period of Investigation (POI) v iz. April 2008 - March 2009.

Submission of information

16. 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),
Room No. 240, Udyog Bhawan,
New Delhi - 110107.**

17. 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.

Submission of information on Non-confidential basis.

18. 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 along with the reasons for claiming confidentiality. 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.

Notwithstanding anything contained in para above, if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalised or summary form, it may disregard such information.

Time limit

18. Any information relating to this investigation 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 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.

Inspection of Public File

19. 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.

Use of ‘facts available’

20. 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