

**Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Anti-Dumping & Allied Duties**

New Delhi the 14th May, 2002

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigation concerning imports of Caustic Soda from People's Republic of China and Korea RP.

No.14/10/2002- M/s Alkali Manufacturers Association of India (AMAI) on behalf of the Domestic industry has filed a petition, in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of Caustic Soda from People's Republic of China and Korea RP (herein after called subject countries) and has requested for Anti-Dumping investigation and levy of Anti-Dumping Duties retrospectively from the date of initiation of investigation.

1. Product involved: The product involved in the present petition is SodiumHydroxide commonly known as Caustic Soda (also referred to as subject goods hereinafter) originating in or exported from People's Republic of China and Korea RP. Caustic Soda is an inorganic chemical and is soapy, strongly alkaline odorless chemical and finds application in various field like manufacture of pulp and paper, newsprint, viscose yarn, staple fiber, aluminum, cotton, and laundry soaps, detergent, dyestuff drugs and pharmaceuticals, petroleum refining, etc. Caustic Soda is available in two forms i.e. Lye and solids. The present investigation covers all forms of Caustic soda.

Caustic Soda is classified under Chapter 28 of the Custom Tariff Act, 1975. It is further classified as per Indian Trade Classification (Based on Harmonized Commodity Description and Coding System) under the heading 281511 and 281512. The classification is, however, indicative only and is in no way eight digit binding on the scope of the present investigation.

2. Domestic Industry standing:

The petition has been filed by the Alkali Manufacturers Association of India representing the Domestic Industry. There are about 40 Domestic manufacturers of Caustic Soda in India. The Alkali Manufacturers Association of India represents most of the domestic manufacturers of Caustic Soda in India. The petition has been expressly supported by ten of the domestic producersm i.e.

- i. M/s DCW Limited, Mumbai
- ii. M/s Gujarat Alkalies & Chemicals Limited, Vadodara Gujarat
- iii. M/s Gujarat Alkalies, Dahej
- iv. M/s Search Chem Industries Limited, Mumbai
- v. M/s Indian Rayon and Industries Ltd., Veraval, Gujarat
- vi. M/s Grasim Industries, Nagda, M.P.
- vii. M/s SIEL Chemical Complex, Patiala, Punjab
- viii. M/s Bihar Caustic & Chemicals, Ltd., Jharkhand
- ix. M/s Jayshree Chemicals Limited, Orissa
- x. M/s Andhra Sugars Limited, Tanaku
- xi. Bilt Chemicals, Gurgaon
- xii. DCM Sriram, New Delhi
- xiii. Punjab Alkalies & Chemicals, Chandigarh

These petitioner companies represent 55.29% of the subject goods production (annualised for 2001-2002) and thus have the standing to file the petition on behalf of the domestic industry as per rule 5(3) (a) and (b) of Anti-Dumping Rules.

3. Countries involved: The countries involved in the present investigation is People's Republic of China and Korea RP.

4. Like articles: The petitioner has claimed that the goods produced by them are like article to the goods produced, originating in or exported from the subject countries as both are used interchangeably. The Goods produced by the petitioner are being treated as like articles to the goods imported from the subject countries within the meaning of the Rules 2(d).

5. Normal value: The Authority notes that the petitioner has claimed normal value of subject goods in Korea RP on the basis of the selling prices indicated in a secondary source which publishes prices of such goods. The normal value of subject goods in PR China have been claimed on the basis of constructed normal value with appropriate adjustments treating China as a non-market economy. The Authority has *prima facie* considered the normal value of subject goods in Korea RP on the basis of information in the secondary sources and that in PR China on the basis of the constructed normal value.

6. Export Price: The petitioners have indicated CIF prices on the basis of the Directorate General of Commercial Intelligence & Statistics (DGCI&S) data, a secondary data source compiling custom's data and the tender floated by the National Aluminum Company (NALCO) Ltd., one of the importers of Caustic Soda. The ex-factory export price has been evaluated by allowing adjustments on ocean freight, ocean insurance, commission, inland freight and port expenses.

7. Dumping margin: There is sufficient *prima-facie* evidence that the normal value of the subject goods in the subject countries is significantly higher than the price at which it has been exported to India indicating *prima-facie* that the subject goods are being dumped by the exporters from the subject countries.

8. Injury and Causal Link : The Authority notes that the installed capacity and availability of sufficiently freely disposable subject goods by exporters in the subject countries, coupled with the export prices of subject goods to India by subject countries have caused price undercutting and also pose a threat of material injury to the domestic industry by way of price suppression and undercutting

9. Initiation of Anti-Dumping investigation: The authority in view of the foregoing paragraphs initiates anti-dumping investigation into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

10. Period of investigation: The period of investigation for the purpose of present investigation is 1st April, 2001 to 31st March, 2002.

11. Submission of information: The exporters in the said countries and importers in India known to be concerned are being addressed separately to submit relevant information in the form and manner prescribed and make their views known to:-

The Designated Authority

Government of India

Ministry of Commerce & Industry

Department of Commerce

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.

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 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 days from the date of letter addressed to them separately.

13. All parties must provide a non-confidential summary of any information provided on a confidential basis in terms of Anti-Dumping Rule 7(2). Please, however, note that such information will be subject to acceptance in terms of Anti-Dumping Rule 7(1) and 7(2).

14. INSPECTION OF PUBLIC FILE:

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

15. In case any interested party refuses access to and 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 Governments as deemed fit.

(L V SAPTHARISHI)
Designated Authority