

File No. 7/4/2018-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi

Dated 05. 04.2018

To,

M/s Nirma Ltd and M/s DCW Ltd
Through: TPM Consultants,
K-3/A Saket,
New Delhi- 17

Subject: Order in respect of application for initiation of Sunset Review Investigation on imports of “Soda Ash” from Turkey and Russia

Whereas, M/s Nirma Ltd and M/s DCW Ltd (hereinafter referred to as “petitioners”) have filed an application for initiation of Sunset Review investigation for continuation of existing Anti-Dumping Duty on Soda Ash (hereinafter referred as “Product Under Consideration” or “ PUC” or “ Subject Goods”) originating in or exported from Turkey and Russia . It has been claimed by the petitioners that cessation of present anti-dumping duties is likely to lead to continuation or recurrence of dumping and/or injury. The petitioners has proposed the POI (Period of Investigation) as April 16-Sept 17.

2. The Designated Authority decided to give an opportunity of hearing to the petitioners to present their case and substantiate their claim for initiation of sunset review investigation as the examination of application had revealed that sales and production of PUC had witnessed increase during the injury period and the profits earned by the petitioners were significant and there was apparently no material injury to the domestic industry

3. Whereas, the petitioners availed the opportunity of oral hearing before the Designated Authority on 26.2.2018 to present their case and make their arguments and submissions, if any, in support of the initiation of Sunset Review. The petitioners were asked to make written submission by 10.3.2018. The petitioner submitted as under;

- a) Imports have been made at dumped prices despite imposition of anti-dumping duty and that there is huge probability of massive imports of dumped subject goods in the event of cessation of anti-dumping duty.
- b) Producers in the subject countries have significant capacity and are highly export oriented which establishes that in the event of cessation of duty, exports to India will intensify.

- c) Producer in Turkey has already commenced commercial production and will further enhance production capacities without any additional demand in the domestic market.
 - d) The dumping margin in the current POI is positive and significant.
 - e) The price undercutting is positive. The import prices are significantly below selling price of the domestic industry. The consumers would therefore switch to imported product in the event of cessation of anti-dumping duty which will lead to significant increase in imports of the product.
 - f) In case of cessation of anti-dumping duty, the domestic industry shall have to reduce their selling price to compete with dumped imports, driving it even below the cost of sales; leading to severe price injury.
4. Whereas, on examination of the facts in detail, the Authority notes as under:
- a) Despite alleged dumping of subject goods , the average profit earned by the petitioner companies is around 41% of cost of sales, which is way above the one (i.e. 5 percent) permitted by the designated authority while constructing Normal Value in an anti-dumping investigation . The profit earned by M/S Nirma Limited is 58%, which is extraordinarily high.
 - b) The return on capital employed of petitioners is 29% of NFA during POI whereas Designated Authority allows return on capital employed to the tune of 22% while computing NIP in all anti-dumping cases. Therefore , there is no existence of injury to the domestic industry and thus the question of its continuation does not arise
5. In so far as the likelihood of recurrence of injury on cessation of anti-dumping duty is concerned, the Authority notes as under:
- a) There is no significant increase in allegedly dumped import from subject countries as a whole during the injury period. There is some increase in import from 25,674 to 34,445 (Annualised) in proposed POI (April 2016- September 2017) but this somewhat increased imports during the POI is still less than the quantity imported in 2013-14 (which is 62,103 MT) and that in 2014-15 (which is 49,071MT)
 - b) As regard to price attractiveness, the FOB price of Soda Ash from the subject country during the POI has been provided by the petitioners based on customs data of the respective country. According to the data, Turkey has exported 2.3 Million MT of PUC to the world during POI at an average rate of 179.97 USD per MT whereas exported 0.06 Million MT at 180.38 USD to India during same time. In case of Russia, it has exported 1.16 Million MT of PUC to the world during POI at an average rate of 230.03 USD per MT whereas exported 0.1 Million MT at 165.47 USD to India during same time. However, no supporting evidence has been furnished and the authenticity of the statement is not verifiable.

In fact, the FOB price of the PUC as per WTA data is 18 cents per kg from Turkey to India during 2017 and 13 cents per kg from Russia to India during 2016 (2017

WTA data from Russia is not available), which is almost the least among all countries. Therefore, the element of price attractiveness for diversion of goods to India in the event of cessation of duty does not exist.

Accordingly, there is no likelihood of recurrence of injury on cessation of anti-dumping duty

6. In view of the above, the Authority notes that the applicant has not been able to provide sufficient and satisfactory evidence in support of its prayer to initiate sunset review investigation. Therefore, the Authority decides that the case is not fit for initiation of sunset review investigation.


5.4.18
(Sunil Kumar)

Additional Secretary & Designated Authority