

**To be published in Part - I Section - I of the Gazette of India Extraordinary**

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES**

**NOTIFICATION**

Udyog Bhavan, New Delhi - 110011

Dated 12<sup>th</sup> March, 2013

**Final Finding**

**Subject:** Sunset Review Anti-dumping investigation concerning imports of 'Peroxosulphates' (also known as 'Persulphates') originating in or exported from China PR and Japan.

**No.15/9/2011-DGAD:** Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the Act) and the 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 also referred to as the Rules) thereof;

**A. BACKGROUND OF THE CASE**

1. WHEREAS, the Designated Authority (hereinafter also referred to as the Authority), having regard to the Act and the Rules, recommended imposition of definitive anti-dumping duty in the original investigation vide Final Finding Notification No. 14/1/2006-DGAD dated 20th July, 2007 on the imports of 'Peroxosulphates' also known as 'Persulphates' (hereinafter also referred to as the subject goods) originating in or exported from China PR and Japan (hereinafter also referred to as the subject countries)
2. WHEREAS, the Central Government vide Notification No. 96/2007 - Customs, dated 29th August, 2007, imposed anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries.
3. WHEREAS, M/s Gujarat Persalts Pvt. Limited, M/s Calibre Chemicals Pvt. Limited, M/s VR Persulphates and M/s Yoyo Chemicals, the Indian domestic producers constituting domestic industry in the original investigation, have jointly filed a duly substantiated application before the Authority, in accordance with the Act and the Rules, alleging dumping of the subject goods, originating in or exported from the subject countries, and have requested for review, continuation and enhancement of the relevant anti-dumping duties.

4. In view of the duly substantiated application filed on behalf of the domestic industry and in accordance with Section 9A(5) of the Act, read with Rule 23 of the Rules; the Authority initiated a sunset review (SSR) investigation vide NotificationNo.15/9/2011-DGAD dated 13.03.2012, to review the need for continued imposition of the anti-dumping duties in force, in respect of the imports of the subject goods, originating in or exported from the subject countries, and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. The validity of the anti-dumping duties imposed on the imports of the subject goods, originating in or exported from the subject countries, has been extended up to 18.03.2013 by the Central Government vide Notification No.20/2012-Customs (ADD) dated 04.04.2012.
5. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods originating or exported from the subject countries.

**B. PROCEDURE**

6. The procedure described below has been followed with regard to the subject investigation:
  - i. The Embassies of the subject countries in New Delhi were informed about the initiation of the subject investigation in accordance with Rule 6(2) of the Rules.
  - ii. The Authority provided copies of the non-confidential version of the application to the known exporters and the embassy of the subject countries in accordance with Rules 6(3) supra. A copy of the non-confidential version of the application was also made available in the public file and provided to other interested parties, wherever requested.
  - iii. The Authority forwarded a copy of the public notice to the known producers/exporters in China PR and Japan (whose names and addresses were made available to the Authority) as follows and gave them opportunity to make their views known in writing within forty days from the date of the letter in accordance with the Rules 6(2) & 6(4):

a	Fulida Industry Co. Ltd., China
b	HebeiJiheng Group Co. Ltd.,China
c	Shanxi Baohua Technologies Co. Ltd., China
d	Dry Chlorine Corp (DCC), China
e	MitsuyaBoeki Ltd, Japan
f	Asahi Kasei Finechem Co., Ltd, , Japan
g	Mitsubishi Chemical Corporation, , Japan

- iv. No response or submission has been filed by any of the producers/exporters from the subject countries.

- v. Questionnaire was also sent to the following known importers/users of subject goods in India calling for necessary information in accordance with Rule 6(4):

1	Gujarat Themis Biosyn Ltd.
2	Nicholas Piramal India Ltd.
3	Padma Agencies
4	AurobindoPharma Ltd
5	ArtekSurfin Chemicals Ltd.
6	Novartis India Ltd.
7	Zydex Industries
8	Venus Insulators Pvt. Ltd.

- vi. No response/submission has also been submitted by any of the importers/users/other interested parties.
- vii. Exporters, producers and other interested parties who have neither responded to the Authority, nor supplied information relevant to this investigation have been treated as non-cooperating interested parties.
- viii. A Market Economy Treatment (MET) questionnaire was also forwarded to all the known producers/exporters and the Embassy of China PR with the request to provide relevant information to the Authority within the prescribed time. While for the purpose of initiation the normal value in China PR was considered based on the cost of production of the subject goods in India, duly adjusted, the Authority informed the known producers/exporters from China PR that it proposes to examine the claim of the applicant in the light of para 7 and para 8 of Annexure I of Anti-dumping Rules, as amended. The exporters/producers of the subject goods from China PR were therefore requested to furnish necessary information/sufficient evidence as mentioned in subparagraph (3) of paragraph 8 to enable the Authority to consider whether market economy treatment can be granted to cooperative exporters/ producers. However no response has been received from the producer/exporters of China PR in this regard.
- ix. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the injury period including the POI.
- x. The Authority compared the import data received from DGCI&S and the data furnished by the domestic industry based on secondary source i.e. IBIS and relied

upon the DGCI&S data in the present investigation. Further, the domestic industry also furnished the Japan Customs data in respect of exports of subject goods from Japan to third countries to determine the likely export price of subject goods from Japan to India, in view of the fact that Japan has NIL exports of the subject goods to India during the POI.

- xi. The Authority made available non-confidential version of the evidence presented by interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6(7).
- xii. Information was sought from the applicants to determine non-injurious price based on the cost of production and cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles (GAAP) to ascertain whether Anti-dumping duty lower than the dumping margin would be sufficient to remove injury to domestic industry. Further, the Authority has determined the non-injurious price for the domestic industry in terms of the principles laid down in Annexure III to the Rules.
- xiii. The Authority held a public hearing on 08.02.2013 to hear the interested parties orally, which was attended only by the domestic industry and their representatives. The interested parties present at the time of hearing were advised to file written submissions of the views expressed orally and were also given an opportunity to file rejoinder, if any.
- xiv. Investigation was carried out for the period starting from 01.01.2011 to 31.12.2011 (POI) and the injury analysis has been done for the period 2008-09, 2009-10, 2010-11 and the POI.
- xv. The submissions made by the interested parties during the course of the investigation, to the extent considered relevant by the Authority, have been considered in this finding;
- xvi. On the spot verification of the data/information furnished by the domestic industry, to the extent considered necessary, was carried out by the Authority.
- xvii. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has granted confidentiality, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

- xviii. In accordance with Rule 16 of the Rules supra, the essential facts were disclosed by the Authority to the known interested parties vide a disclosure statement issued on 8<sup>th</sup> March, 2013 and comments received on the same, to the extent considered relevant by the Authority, have been considered in this finding.
- xix. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigations, or has significantly impeded the investigation, the Authority has treated such parties as non-cooperative and recorded the findings on the basis of the facts available.
- xx. \*\*\* in this notification represents information furnished by the interested parties on confidential basis and so considered by the Authority under the Rules.
- xxi. The Exchange rate adopted by the Authority in this disclosure statement is 1USD=46.84 INR as per customs notification.

### **C. Scope of Product under consideration and like article**

#### **Summations made by the Domestic Industry**

- 7. The product under consideration is ‘Peroxisulphates’ commonly known as ‘Persulphates’. Persulphates are a group of closely related compounds. These are produced as Alkali Metal salts which include Ammonium Persulphates (APS), Potassium Persulphates (PPS) and Sodium Persulphates (SPS). The present investigation is a sunset review investigation. The product involved in the original investigation and in the present sunset review investigation is the same as has been held by the Designated Authority in the previous investigations. The three types of persulphates have the same end-uses as an initiator and oxidizing agent in the textile and chemical industries and one can be substituted for another. All three salts are one and same product. Persulphates is an organic compound and is classified under subheading 283340 00 in Chapter 28 of the Customs Tariff Act.
- 8. There is no difference in the product under consideration produced by the domestic industry and imported from the subject countries. Product under consideration produced by the domestic industry and imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology followed by most of the producers world over, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used the two interchangeably. Product under consideration produced by the petitioners is like article to the goods imported from the subject countries.

9. Present investigation is a sunset review investigation. The Designated Authority has examined the issue of product under consideration and like article in the original investigation, which is relied upon. The goods produced by the domestic industry and imported from subject country are like articles in accordance with the Rules.
10. As regards the scope of the product under consideration and like article, in the original investigation the Authority held as under:

*“4. The product under consideration in this investigation is Peroxosulphates (also known as Persulphates). Three types of Persulphates have been included in the present investigation, which are:*

*I) Ammonium Persulphate (APS), (NH<sub>4</sub>)<sub>2</sub>S<sub>2</sub>O<sub>8</sub>)*

*II) Potassium Persulphate (PPS) (K<sub>2</sub>S<sub>2</sub>O<sub>8</sub>); and*

*III) Sodium Persulphate (SPS) (Na<sub>2</sub>S<sub>2</sub>O<sub>8</sub>).*

*5. These Persulphates are a group of closely related compounds produced as Alkali Metal salts. These are the most sensitive and efficient oxidizing agents and releases active oxygen very efficiently and easily. All the three persulphates are manufactured electrochemically and have the same or substitutable end-uses as an initiator and oxidizing agent in the textile and chemical industries. All Persulphates are classified in Chapter 28 of the Customs Tariff Act, 1975 under subheading 2833 40 and under subheading 28334000 under the Indian Trade Classification (Based on Harmonized Commodity Description and Coding system). However, the above classification is indicative only and is no way binding on the scope of this investigation.*

*6. Based on the arguments of the domestic industry that the above types of persulphates should be included within the scope of the product under consideration as the manufacturing process, functions and uses of the persulphates are same and the products have considerable technical and commercial substitutability, the Authority, in its preliminary findings held that the three types of persulphates are required to be treated as alike and one product for the purpose of defining the ‘product under consideration’ in this case. No argument has been received from any interested party on the scope of product under consideration or like article. Therefore, the Authority confirms its preliminary findings in respect of the product under consideration and like article.”*

11. The present investigation being a sun set review investigation and anti-dumping duties, as earlier recommended by the Authority, being in force on the imports of the subject goods from the subject country, the Authority considers that the scope of the PUC in the present investigation remains the

same as that of the original investigation. Moreover, none of the interested parties have made any relevant submission requesting modification in the scope of the Product under consideration or disputing the likeness of the subject goods imported from the subject countries and produced and supplied by the domestic industry.

#### **D. Standing and scope of the Domestic Industry**

##### **Submissions of the Domestic Industry**

12. The following are the submissions made by the domestic industry as regards standing and scope of the domestic industry:
  - i. The scope of domestic industry and standing are not relevant in a sun set review.
  - ii. Nevertheless, M/s Gujarat Persalts Pvt. Ltd., M/s Calibre Chemicals Pvt. Ltd., M/s VR Persulphates Pvt. Ltd. and M/s Yoyo Chemicals Pvt. Ltd, the applicants in the present investigation, are the only producers of the subject goods in India and together they command 100% share in Indian production and therefore constitute domestic industry under the Rules. Further, none of the constituents of domestic industry have imported the subject product. Therefore, question of possible ineligibility within the meaning of rule 2(b) does not arise.

##### **Examination by the Authority**

13. The Authority notes that there is no submission received from any other interested parties contrary to the views offered by the domestic industry. In view of the above position and having regard to the Rules and information on record, the Authority holds that M/s Gujarat Persalts Pvt. Ltd., M/s Calibre Chemicals Pvt. Ltd., M/s VR Persulphates Pvt. Ltd. and M/s Yoyo Chemicals Pvt. Ltd, the applicants in the present investigation, constitute domestic industry for the purpose of the present sun set review investigation within the meaning of the Rules.

#### **E. De Minimis Limit**

14. As per the import data received by the Authority from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and other secondary sources, from China PR, the import of the subject goods from the subject country is significant and above de minimis level. However in case of Japan no import of the subject goods has been reported during POI.

#### **F. Determination of Dumping Margin, Normal Value and Export Price**

##### **Determination of Normal value in China PR**

##### **Examination of Market Economy Claim**

15. At the stage of initiation, the Authority proceeded with the presumption by treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in

China to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the MET questionnaire to all the known exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China through their Embassy in India to advise the producers/exporters in their country to provide the relevant information.

16. As per Paragraph 8, Annexure I to the Anti-dumping Rules, as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and establish to the contrary. The cooperating exporter/producer of the subject goods from China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:-

- i. The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
- ii. The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
- iii. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and
- iv. The exchange rate conversions are carried out at the market rate.

#### **Submissions of the Domestic Industry**

17. The domestic industry has made following submissions in this regard:

- (i) China being a non-market economy, the Designated Authority is required to determine normal value in accordance with Para 7 of Annexure-I to the Rules. According to these Rules, the normal value in China can be determined on any of the following basis:
  - i. The price in a market economy third country,
  - ii. Constructed value in a market economy third country,

- iii. The price from such a third country to other country, including India,
  - iv. The price actually paid in India, adjusted to include a reasonable profit margin,
  - v. The price actually payable in India, adjusted to include a reasonable profit margin.
- (ii) The petitioners could not consider price from such third countries to other countries for the reasons(a) information is not available;(b) the price so adopted must be a price in the ordinary course of trade;(c) such information would also require cooperation from a producer in such third country. Petitioners propose that the Designated Authority may consider Europe or USA as a market economy third country.
- (iii) India is an appropriate surrogate country for Chinese producers. Not only consideration of India as a surrogate country would result in access to accurate and adequate information, there is no factual basis to consider that India would not be a proper surrogate country. India has been considered as an appropriate surrogate by other Investigating Authorities too.
- (iv) As the normal value in China can be determined on any of the above-mentioned basis, the normal value in China can thus be determined on the basis of (a) price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit.
- (v) The petitioners have, therefore, claimed constructed normal value for the subject country based on the information available for the domestic industry on grade-wise basis.
- (vi) China is a Non-market Economy. Moreover, in the present case, none of the Chinese producers have claimed MET. In view of the same, the normal value is required to be determined on the basis of Para-7 of Annexure-I to the Rules. Normal Value cannot be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available. Hence, Normal Value in China needs to be constructed on the basis of cost of production in India, duly adjusted.
- (vii) Efforts were made to get information/evidence of price of subject goods in the domestic market of Japan. Efforts were also been made to get price lists or quotations of producers of subject goods in Japan. However, the petitioners have not been able to get any information/evidence of price of subject goods in the domestic market of Japan.
- (viii) There is massive increase in Chinese exports to various third countries. This increase in export to third countries is despite anti-dumping duty imposed by European Union and USA.
- (ix) Exporters and producers from China have continued to dump Persulphates in the Indian market. The imports from China are still at dumped prices and dumping is likely to not only

continue but also intensify with the revocation of anti-dumping duties.

- (x) Chinese producers have been exporting the product to third countries at significant dumping prices as evident from the data given in the table below:

Price- US \$/MT	2008- 09	2009- 10	2010- 11	Jan- Dec'11	2011- 12	2012-13 (Apr- Dec)
India	1,134	950	880	1,045	1,073	1,048
Rest of the world	1,212	1,049	1,109	1,106	1,089	1,045
Total	1,211	1,048	1,107	1,106	1,089	1,045

- (xi) Whereas prices of the product have globally increased, export price from China to India and rest of the world has significantly declined over the period. This is evident in the information given below:

Price in US\$/ MT	2008- 09	2009- 10	2010- 11	Jan- Dec'11	2011- 12	2012-13 (Apr- Dec)
China to world	1,134	950	880	1,045	1,073	1,048
Japan to world	1,233	1,391	1,355	1,474	1,476	1,362
Difference	99	441	475	429	403	314

- (xii) Over the injury period, exports from Japan to India occurred only in 2008-09 in significant volumes, which were clearly at dumping prices. However, volume of export has thereafter declined significantly and there are no known imports of the product under consideration in the period of investigation, while volume of imports in 2009-10 and 2010-11 was extremely low in order to permit correct assessment of likely prices in case of cessation of anti-dumping duty. Given the extremely low volumes involving exports from Japan to India during 2009-10 and 2010-11, it can be safely considered that these transactions do not represent commercial transactions relating to consumption of the product in the country.
- (xiii) While export from Japan to India during 2008-09 were at significant dumping prices and while this clearly establishes likelihood of dumping and consequent injury in case of cessation of present anti-dumping duty, the price at which goods are being exported from Japan to rest of the world establishes that the export price from Japan to rest of the world is below the normal value for the product under consideration and the same clearly establishes likelihood of injury in case of cessation of present anti-dumping duty. While exports price from Japan to third country is clearly at dumping price, consideration of these prices as likely price of India would show that these exports would cause significant injury to the domestic industry. Further, the volume of exports from Japan to the rest of the world is quite significant.

- (xiv) China is the major exporter of Persulphates. China exports nearly 45,000 MT to the world. The administrative review conducted in 2011 by US has reconfirmed dumping by China and has imposed duty at the rate of 119.02 percent.
- (xv) Further, EU, after revoking its 1995 antidumping duty order on Persulphates from China in April 2002, re-imposed those duties in October 2007. The current antidumping duty rates applicable to China are as high as 72 percent. Further, EU has initiated sunset review investigation on anti-dumping duties in force on China on 10<sup>th</sup> October, 2012.
- (xvi) The dumping margin established at the time of original investigation was significant. Dumping margin in the current period remains significant. Dumping margin in respect of exports to third countries is also significant. Thus, it can be clearly seen that the dumping margin is not only more than de-minimus but is substantial. Should the present duty be revoked, this would certainly lead to intensified dumping.

### **Examination by the Authority**

18. The Authority notes that Rule 6.8 of the Antidumping Rules provide that in a 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.
19. The Authority notes that the known Chinese producers/exporters and the Government of China have been adequately notified about the requirement of submission of information in the form and manner prescribed and adequate opportunity was also granted to them to make their submissions in this regard. None of the exporters/producers from China PR have cooperated with the Authority and responded to the present investigation. Further, none of the interested parties have provided any other alternative basis, as defined in the Rules, on which normal value can be determined. In view of the above position and considering China as a non-market economy, the Authority has determined the normal value in accordance with para 7 of Annexure I of the Rules. In absence of sufficient information on record regarding the other methods as are enshrined in para 7 of Annexure I of Rules, the Authority has determined the normal value by adopting the method of “other reasonable basis”.
20. Accordingly, the Authority has constructed the normal value for China PR on the basis of the cost of production in India, duly adjusted, including selling, general and administrative expenses and profit. Accordingly, the Authority constructed the normal value for China PR in respect of Ammonium Persulphate (APS), Sodium Persulphate (SPS) and Potassium Persulphate (PPS). The Authority notes that only Ammonium Persulphate (APS) and Sodium Persulphate (SPS) have been imported from China during the POI. The normal value so calculated for Ammonium Persulphate (APS), Sodium Persulphate (SPS) and Potassium Persulphate (PPS) is as follows:

Normal value - China	APS	SPS	PPS	Weighted Average
US \$ /Kg	***	***	-	***

### **G. Export Price - China PR**

21. With regard to export price in China PR, the Authority observed that none of the exporters from the subject country have cooperated. Therefore, the Authority has considered weighted average CIF price as per transaction-wise import data provided by DGCI&S for determining export price. Separate export prices have been determined for three type of persulphates involved. The net ex-factory export prices have been determined after allowing for adjustments towards inland transportation, ocean freight and insurance etc. from the CIF value reported by DGCIS, on facts available basis, in the absence of complete information from any cooperative exporter from that country. Accordingly, net-export prices at the ex-factory level have been determined as follows:

Product Type	Net Export Price US\$/Kg
Ammonium Persulphate	0.82
Potassium Persulphate.	No imports during POI
Sodium Persulphate	1.31
Weighted Average	0.90

### **H. Dumping Margin – China PR**

22. The ex-works normal values of individual types of subject goods have been compared with the respective ex-works export prices for determination of the dumping margins at product type levels and thereafter weighted average dumping margins for the product under consideration have been determined as follows:

Product Type	Import Volume kg	Normal Value US \$/kg	Export price US \$ kg	Dumping Margin US \$ /kg	Dumping Margin %
Ammonium Persulphate	370419	***	0.82	***	***

Potassium Persulphate	-	-	-	-	-
Sodium Persulphate	71500	***	1.31	***	***
Total Import Volume in Kg during POI	441919				
Weighted Average		***	0.90	***	***
Dumping Margin Range	-	-	-	-	40-50

23. The Authority notes that the dumping margin from China PR is not only above de-minimis but also substantial.

**I. Determination of Normal value in Japan**

**Submissions of the Domestic Industry**

24. The domestic industry has submitted that normal value for Japan may be constructed as per Rules since information/evidence of price of subject goods in the domestic market of Japan is not available.

**Examination by the Authority**

25. The Authority notes that none of the exporters/producers from Japan has provided any response or information on normal value as per the prescribed questionnaire. The Authority further notes that the known Japanese producers/exporters and the Government of Japan have been adequately notified about the requirement of submission of information in the form and manner prescribed and adequate opportunity was also granted to them to make their submissions in this regard. As per the DGCI&S data there are no imports from Japan in the POI as well. Under the circumstances, the Authority has determined the ex-works normal value of the subject goods for all exporters from Japan, as per facts available, as per Rule 6 (8) of Anti-Dumping rules, as follows:

	US \$ /Kg
Normal value for Japan	***

**J. Export Price - Japan**

26. In view of the “NIL” exports of the subject goods to India from Japan during the POI, the Authority has relied upon the average export price of the subject goods from Japan to world over on the basis of the data available in the World Trade Atlas. The Authority notes that the data relied upon in this regard does not show the subject goods type wise. Accordingly the Authority proposes to determine the likely net export price of the subject goods from Japan to India, with due adjustments, as follows:

	US \$ /Kg
Likely Net Export price of Japan	1.32

**K. Likely Dumping Margin – Japan**

27. The weighted average normal value and net export price of subject goods have been compared for determination of the dumping margin for the product under consideration as follows:

Particulars	Unit	
Normal Value	US \$ /Kg	***
Net export Price	US \$ /Kg	1.32
Dumping margin	US \$ /Kg	***
Dumping margin	%	***
	Range	0-10

28. Although the dumping margin determined as above in respect of Japan is positive, but the same cannot be relied upon for imposition of anti-dumping duty. However, the dumping so determined on the basis of third country exports of the subject goods from Japan can be accepted as an indicator for likelihood analysis.

29. The Authority further notes that the dumping margin in respect of China PR and the likely dumping margin in respect of Japan during the post POI is also positive as per the table below:

**Likely Dumping Margin Post POI**

**China PR**

Particulars	UOM	
Normal Value	US \$/Kg	***
Net export Price	US \$/Kg	0.95
Dumping Margin	US \$/Kg	***
Dumping Margin	%	***
Dumping Margin	Range	35-45

**Japan**

Particulars	UOM	
Normal Value	US \$/Kg	***

Net export Price	US \$/Kg	1.27
Dumping Margin	US \$/Kg	***
Dumping Margin	%	***
Dumping Margin	Range	5-15

## **L. INJURY AND CAUSAL LINK DETERMINATION**

### **Submissions of the Domestic Industry**

30. Following submissions have been made by the domestic industry with regard to injury and causal link:

- a) There is continued dumping of the product under consideration from China;
- b) Dumping of the product under consideration is likely to intensify from subject country should the current anti-dumping duty be revoked;
- c) Chinese imports have increased in absolute terms and in relation to production and consumption in India despite anti-dumping duty in force.
- d) The imports from China PR are undercutting the prices of the domestic industry in the market. The landed price of imports without anti-dumping duties is significantly below the cost of production of the domestic industry leading to depressing effect on the prices of the domestic industry in the market.
- e) Imports are depressing the prices of the domestic industry and preventing the price increase that would have occurred in the absence of dumping.
- f) Performance of the Domestic Industry has improved up to 2010-11 and then deteriorated in the POI in terms of capacity utilization, domestic sales, market share, profits, return on investments, cash flow, etc. Once the existing anti-dumping duty is revoked, there is a strong possibility of recurrence of injury to the domestic industry from the subject countries.
- g) Capacity utilization and market share of the domestic industry has continuously declined.
- h) The domestic industry is still suffering injury from the imports of dumped subject goods; revocation of anti-dumping duty shall imply intensification of injury to the domestic industry.
- i) Import of Persulphate in to India, from various countries, attracting anti-dumping duty and otherwise, has increased significantly. As a result, market share of domestic industry has substantially declined and that of imports has substantially increased. Also, consequently, the capacity utilisation of the domestic industry declined significantly.
- j) There is steady increase in the demand throughout the injury period.
- k) The sales of the domestic industry could not increase in proportion to the increase in demand. In fact, the sales declined in the POI as compared to the previous two years.
- l) Imports declined after the imposition of anti-dumping duty but have again increased significantly during the POI. However, imports from Japan have substantially declined and reached nil levels in the POI. In this regard it is relevant to point out that anti-dumping duty is

in force on imports of the subject goods from China by USA and EU. Should the present anti-dumping duty be revoked, there would definitely be increase in the volume of imports from the subject countries.

- m) There are no imports from Japan, reason of which should be attributed to the current antidumping duty in force. However, Japans' exports of subject goods to third countries are significant.
- n) Market share of dumped Chinese imports declined till 2009-10. The same has, however, once again increased in the POI. Further, with the presence of dumping from fresh sources, the market share of the dumped imports has remained quite significant over the period.
- o) Domestic Industry is still suffering injury from the dumped imports. Market share of domestic producers should have substantially increased with the imposition of anti-dumping duties, as the domestic industry would have regained the market share earlier lost by the domestic industry. However, market share of the domestic industry has further declined.
- p) The landed price of imports is materially below the selling price and even cost of production of the Domestic Industry.
- q) Should the present anti-dumping duties be withdrawn, the landed price of imports shall be significantly lower than the selling price of the domestic industry. The cessation of anti-dumping duty shall therefore lead to significant price depression and consequently price underselling.
- r) There has been a significant increase in the dumped imports, both in absolute terms and relative to production or consumption in India. Further, there has been a significant price undercutting by the dumped imports as compared with the price of like product in India and the effect of the imports is to prevent price increases which otherwise would have occurred, to a significant degree.
- s) Despite increase in demand of the subject goods, addition of capacities by the domestic industry and imposition of anti-dumping duty, sales and production of the domestic industry did not increase in proportion and to the extent of increase in demand. In fact, growth in sales and production has declined in the POI as compared to the previous two years. Resultantly, the capacity utilization of the domestic industry has declined consistently.
- t) With the increase in demand of Persulphates, the Domestic Industry also increased its capacity so that it is able to cater the growing demand. However, capacity utilization declined. The decline in capacity utilization is despite increase in demand in the Country.
- u) Even when domestic sales of the domestic industry increased till 2010-11, the same declined thereafter. Further, the rate of increase in sales of the domestic industry in any case remained much below the rate of increase in demand. Thus, despite existence of capacities, further enhancement of capacities by the domestic industry and imposition of anti-dumping duty, the domestic industry was not able to improve its domestic sales and market share.
- v) Market share of domestic producers should have substantially increased with the imposition of anti-dumping duties, as the domestic industry should have regained the market share earlier lost to dumped imports. Market share of the domestic industry has, however, further declined. Market share of Indian producers, which was 79.5% in the base year of the original investigation, declined to 68.8% in the period of investigation of original case investigated by the Designated Authority. This has further declined to 57.34% in the POI, even though it had improved after imposition of anti-dumping duty.

- w) Profits of the Domestic Industry has shown significant decline in the POI. The increase in selling price is disproportionate to the costs. It is evident that the domestic industry prices could not increase in proportion to the cost increases. In fact, the selling price is declining. Consequently, profitability of the Domestic Industry has shown significant deterioration.
- x) Inventories with the Domestic Industry even though declined after the imposition of anti-dumping duty, the same is still quite significant.
- y) Productivity of the domestic industry has shown a decline. The decline in productivity is due to decline in production as a result of dumping of the product in the Country.
- z) Employment and wages have shown improvement in the injury period.
- aa) Growth of the Domestic Industry in terms of the majority of parameters such as, production, sales, market share, profits, return on investment, cash profits, etc. is negative.
- bb) Imports are depressing the prices of the Domestic Industry and preventing the price increase that would have occurred in the absence of dumping.
- cc) Performance of the Domestic Industry has deteriorated in terms of capacity utilization, domestic sales, market share, profits, return on investments, cash flow, etc.
- dd) Price undercutting is significantly positive.
- ee) Even though the domestic industry was able to improve its production and sales volumes to some extent, the increase was disproportionate to the increase in capacity. Further, the domestic industry lost production and sales in the POI.
- ff) Capacity utilization and market share of the domestic industry has continuously declined.

### **Examination by the Authority**

31. In consideration of the various submissions made by the domestic industry in this regard and in view of absence of any response/submission by any producer/exporter of subject countries, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject countries.
32. Rule 11 of Antidumping Rules read with Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
33. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the rules supra.

34. The present investigation is a sunset review of anti-dumping duties in force. Rule 23 provide that provisions of Rule 11 shall apply, mutatis mutandis in case of a review as well. The Authority has therefore determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. Further, since anti-dumping duties are in force on imports of the product under consideration, the Authority considers that the fact of existing anti-dumping duties on the imports of subject goods from subject countries is required to be considered while examining injury to the domestic industry. The Authority has examined whether existing measure is sufficient or not to counteract the dumping which is causing injury.
35. According to Section 9 (A) (5) of the Customs Tariff Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.
36. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods from the subject countries on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any. Accordingly, the volume and price effect of dumped imports have been examined as follows:

**VOLUME EFFECT:**

37. Volume effect of dumped imports and impact on domestic industry has been examined as follows:

**Demand and Market Share**

38. The Authority has determined demand or apparent consumption of the product in the Country as the sum of domestic sales of the Indian Producers and imports from all sources. The demand so assessed can be seen in the table below :

Demand	UOM	2008-09	2009-10	2010-11	POI
Sales of Domestic Industry	MT	2,066	2,524	2,655	2,420
China PR	MT	204	266	246	442
Japan	MT	68	2	-	-
Subject countries-Imports	MT	272	268	246	442
Other imports	MT	242	771	1,011	1,309
Total demand/consumption	MT	2,580	3,562	3,912	

					4,171
Market Share in Demand					
➤ Domestic Industry	%	80.09	70.85	67.88	58.01
➤ China PR	%	7.89	7.46	6.28	10.60
➤ Japan	%	2.64	0.06	-	-
➤ Subject countries	%	10.52	7.52	6.28	10.60
➤ Other Countries	%	9.39	21.63	25.84	31.39
➤ Total	%	100	100	100	100

39. Authority notes that demand of the subject goods in the country shows a positive trend over the injury period and has significantly increased during the POI as compared the preceding years. Sales of the domestic industry have shown improvement up to 2010-11 commensurate to increase in demand and in the presence of antidumping duty on dumped imports being in force. However, the sales of domestic industry have declined in the POI. Resultantly, the market share of the domestic industry also declined significantly. It is seen that the market share of China PR declined up to 2010-11 and then increased in the POI significantly. It is further noted that the market share of other countries has also increased significantly over the injury period. The Authority has already initiated investigations on imports of the product under consideration from USA, Taiwan and Turkey.

**Import Volume & Market share**

40. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India.

Particulars	Unit	2008-09	2009-10	2010-11	POI
China	MT	204	266	246	442
Japan	MT	68	2	-	-
Subject Countries	MT	272	268	246	442
Other Countries	MT	242	771	1,011	1309
Total Imports	MT	514	1,038	1,257	1,751
Market Share in Imports					
China	%	39.61	25.60	19.56	

					25.24
➤ Japan	%	13.24	0.19	-	-
➤ Subject countries	%	52.85	25.80	19.56	25.24
➤ Other Countries	%	47.15	74.20	80.44	74.76
➤ Total Imports	%	100	100	100	100
Subject countries Imports in relation to					
➤ Consumption/Demand in India	%	10.52	7.52	6.28	10.60
➤ Production in India	%	8.12	7.33	6.08	11.83

41. The Authority notes that volume of dumped imports from China PR has increased in the POI as compared to preceding year as well as base year. However, the imports from Japan have stopped completely as can be seen from the table above. Imports from the subject countries as a whole declined in relation to consumption and production up to 2010-11 and then increased in the POI. Imports from other countries have increased over the injury period.

#### **Production, Capacity & Capacity Utilization**

42. As per table given below, the Authority notes that the Production and capacity utilization of the domestic industry improved up to 2010-11 and then declined in the POI.

Particulars	Unit	2008-09	2009-10	2010-11	POI
Installed capacity	MT	5,200	5,600	6,400	6,400
Production	MT	3343	3653	4041	3737
Capacity Utilization	%	64	65	63	58

#### **Sales**

43. The sales volume of the domestic industry shows a positive trend up to 2010-11 and then declined. It is noted that the sales of the domestic industry has declined despite having capacity to meet the increase in demand.

Particulars	Unit	2008-09	2009-10	2010-11	POI
Domestic Sales	MT	2,066	2,524	2,655	2,420
<i>Indexed</i>		100.00	122	128	117

Total Demand	MT	2,580	3,562	3,912	4,171
<i>Indexed</i>		100	138	152	162

### **Market Share**

44. The imports from China continue to hold significant share in the Indian market in the POI. The share of domestic Industry in domestic demand has declined over the injury period.

Market Share in Demand	UOM	2008-09	2009-10	2010-11	POI
➤ Domestic Industry	%	80.09	70.85	67.88	58.01
➤ China PR	%	7.89	7.46	6.28	10.60
➤ Japan	%	2.64	0.06	-	-
➤ Subject countries	%	10.52	7.52	6.28	10.60
➤ Other Countries	%	9.39	21.63	25.84	31.39

### **Price Effect of the dumped imports on the Domestic Industry**

45. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject countries have been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed value of imports from the subject countries. A comparison for subject goods during the period of investigation was made between the landed value of dumped imports and the domestic selling price in the domestic market. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission offered by the domestic industry have been adjusted. The price underselling is an important indicator of assessment of injury; thus, the Authority has worked out a non-injurious price and compared the same with the landed value to arrive at the extent of price underselling. The non-injurious price has been evaluated for the domestic industry by appropriately considering the cost of production for the product under consideration during the POI. The position is as follows:

### **Price undercutting and underselling effect**

46. The Authority has made price undercutting and underselling analysis both with and without anti-dumping duty as below:

**Price Undercutting: China PR**

Particulars	UOM	APS	SPS	PPS	Weighted Average
Net Sales Realization	Rs./Kg	***	***	-	***
Landed Price	Rs./Kg	46.54	72.88	-	50.80
Price Undercutting without ADD	Rs./Kg	***	***	-	***
	%	***	***	-	***
	Range	25-35	15-25	-	35-45
Price Undercutting with ADD	Rs./Kg	(***)	(***)	-	***
	%	(***)	(***)	-	***
	Range	(15)-(25)	(10)-(20)	-	0-10

**Price Under-selling: China PR**

Particulars	UOM	APS	SPS	PPS	Weighted Average
Non-Injurious Price	Rs./Kg	***	***	***	***
Landed Price	Rs./Kg	46.54	72.88	-	50.80
Price Underselling without ADD	Rs./Kg	***	***	-	***
	%	***	***	-	***
	Range	25-35	25-35	-	30-40
Price Underselling with ADD	Rs./Kg	(***)	(***)	-	(***)
	%	(***)	(***)	-	(***)
	Range	(15)-(25)	(0)-(10)	-	(0)-(10)

The Authority notes that there are no imports of subject goods from Japan during the POI. The Authority further notes in respect of imports of the subject goods from China PR during the POI, the price undercutting, both with and without antidumping duty, is positive. As regards price underselling effect, it is positive without anti-dumping duty.

**Price suppression and depression effects of the dumped imports:**

47. In order to assess whether the imports from subject countries were suppressing/depressing the prices of the domestic industry, the Authority has compared the cost of production and net selling price of the domestic industry along with the landed price of imports over the injury period without anti dumping duty, which is given in the following table:

Particulars	UOM	2008-09	2009-10	2010-11	POI
Cost of production	Rs./Kg	***	***	***	***
Trend	Index	100.00	120	95	127
Net selling Price	Rs./Kg	***	***	***	***
Trend	Index	100	107	106	107
Profit/Loss	Rs./Kg	***	***	***	***
Trend	Index	100	59	144	30
Landed Price China PR	Rs./Kg	56.69	48.66	48.60	50.80
Trend	Index	100	86	86	90
Landed Price from Japan	Rs./Kg	46.95	90.92	-	-
Trend	Index	100	194	-	-

48. From the above table, it is evident that both the cost of production and net selling price increased during the POI as compared to the immediate preceding as well as the base year. However, the cost of sales has increased more than the selling price. At the same time the landed price of imports has declined during POI as compared to immediate preceding year. This signifies suppressing effect of dumped imports of the subject goods on the domestic industry's selling price.

**Examination of other Injury Parameters**

49. After having examined the effect of dumped imports on the volumes and prices of the domestic industry and major injury indicators like volume and value of imports, capacity, output, capacity utilization and sales of the domestic industry as well as demand pattern with market shares of various segments in the earlier section, other economic parameters which could indicate existence of injury to the domestic industry have been analyzed hereunder as follows:

**Profit/loss, Return on Investment and Cash Flow**

50. The return on investment, profit/loss before and after interest, return on investment and cash profit are shown in the table below:

Particulars	Unit	2008-09	2009-10	2010-11	POI
Cost of production	Rs./Kg	***	***	***	***
Trend	Index	100	120	96	128
Net selling Price	Rs./Kg	***	***	***	***
Trend	Index	100	108	106	108
Profit/Loss	Rs./Kg	***	***	***	***
Trend	Index	100.00	60	145	30
Profit/loss	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	109	175	48
Profit before Interest	Rs.Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	112	154	65
Cash Profit		***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	105	135	72
Return on Capital Employed	%	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	98	122	42

51. From the above table, it is evident that both the cost of production and net selling price increased during the POI as compared to the immediate preceding as well as the base year. However, the cost of sales has increased more than the selling price. At the same time the landed price of imports has declined during POI as compared to immediate preceding year. However, the profit before interest, cash profit and return on investment declined in the POI.

### **Inventories**

52. It is noted that inventories with the domestic industry have declined.

Particulars	Unit	2008-09	2009-10	2010-11	POI
Average Stocks	MT	145.06	164.72	164.44	182.21
Average Stocks	Index	100	114	113	126

### **Employment, wages and productivity**

53. It is noted that employment and wages have improved over the injury period and productivity has moved in tandem with production.

Particulars	Unit	2008-09	2009-10	2010-11	POI
Employment	No	68	78	98	99
<i>Trend</i>	Indexed	100	114	143	144
Wages	Rs. Lacs	***	***	***	***
<i>Trend</i>	Indexed	100	139	167	179
Productivity per Employee	Mt	48.93	46.81	41.41	37.91
<i>Trend</i>	Indexed	100	96	85	77
Productivity per day	Mt	9.55	10.44	11.54	10.68
<i>Trend</i>	indexed	100	109	121	112

### **M. Growth**

54. Although the domestic industry has shown positive growth in some of the economic parameters, the performance of the domestic industry in terms of both volume and price parameters in general have deteriorated in POI due to dumped imports.

#### **Magnitude of Margin of Dumping**

55. The Authority notes that the dumping margin determined in respect of imports from China PR is substantial. There are, however, no imports of the subject goods reported from Japan in the POI. The likely dumping margin from Japan is also positive.

#### **Ability to raise Capital Investment**

56. The Authority notes majority of the applicants constituting domestic industry in the present investigation are single-product concerns. Thus, should the dumping persist, ability of the domestic industry to raise capital would suffer.

### **N. Other Known factors and Causal Link:**

#### **Submissions by Domestic Industry**

57. The causal link has already been established in the original investigation. In the present sunset review investigation, the Hon'ble Designated Authority has to examine whether revocation of anti-

dumping duty would lead to continuation or recurrence of dumping and injury. Thus, an examination of whether cessation of anti-dumping duties would lead to continuation or recurrence of injury involves such an analysis that a positive finding would be recorded only if cessation of anti-dumping duties would lead to continuation or recurrence of injury. This clearly establishes that a positive finding of injury would be recorded only in case there is a relationship between cessation of anti-dumping duties and recurrence or continuation of injury.

58. There exists a causal relationship between the likelihood of continuation or recurrence of dumping and likelihood of continuation or recurrence of injury.

### **Examination by the Authority**

#### **Causal Link**

59. Under Section 9A (5) of the Act, the Authority is required to examine the likelihood of dumping and injury and the need for continuation of duties. Notwithstanding this, the Authority examined whether other known factors could have caused injury to the domestic industry as follows:

i. **Imports from Third Countries:** - Anti-dumping investigations on imports from Taiwan, Turkey and USA are in process. Imports from any other country are either below de-minimus or the import price is higher. Therefore, imports from any other country cannot have any adverse effect on the domestic industry.

ii. **Contraction in Demand:** - The Authority notes that there is no contraction in demand as the demand of the subject goods in the country has consistently increased throughout the injury period.

iii. **Pattern of consumption:** - It is noted that no significant change in the pattern of consumption for the subject goods has come to the knowledge of the Authority, nor any interested party has made any submission to that regard.

iv. **Conditions of competition:-** The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.

v. **Developments in technology:** - The Authority notes that the investigation has not shown that there was any significant change in technology which could have caused injury to the domestic industry.

vi. **Export performance:** The domestic industry has also made export sales of subject goods. However, the injury analysis has been done without including export performances of the domestic industry.

## **O. Likelihood of Continuation or Recurrence of Injury**

60. Following submissions have been made by the domestic industry with regard to likelihood of continuation or recurrence of injury :

- i. Producers in China PR maintain huge capacities to produce persulphates. In case of revocation of anti-dumping duty, the volume of subject goods' imports is bound to increase further.
- ii. The imports from subject countries declined after the imposition of duty. However, imports from China PR have once again increased in the POI. Such continued presence of dumped imports has prevented the domestic industry from fully recovering from past effects of dumping. In the event of cessation of current antidumping duty, the domestic industry will have to either reduce the price by the amount of ADD or will maintain the current selling price. In either case, it will suffer material injury.
- iii. The prices at which subject goods are being imported from China PR are substantially lower than the price at which the goods are being sold in the Indian market. Therefore, in case of expiry of duty, the exporters would further channelize their output in the Indian market as they are already holding excessive capacities and are in fact selling the subject goods to third countries at substantially lower prices.
- iv. Price undercutting in the absence of anti-dumping duty is significant in case of China PR.
- v. Japan is exporting the subject goods to third countries at the prices which are far below the selling price offered by the domestic industry. Petitioners submit that, it is due to the protection cover of the present anti-dumping duty that Japan is not dumping the subject goods in India. Cessation of anti-dumping duty would result in recurrence of dumping from Japan.
- vi. China has massive production capacity for the subject goods. The information given below in respect of only eight Chinese producers shows their collective capacity for the subject goods is 1,32,000 MT:

S.N.	Producers In China	Capacity (MT)
1	Shanghai Ansin Chemical Co., Ltd	5,000
2	Degussa-aj (Shanghai) Initiators Co.,Ltd	15,000
3	Fujian JianouYongsheng industry Co., Ltd	35,000
4	HebeiJiheng Group Co.,Ltd	27,000
5	HengshuiJiamu Chemical Co., Ltd.	18,000
6	Fulida Industry Co. Ltd.	15,000
7	ZHANHUA Chemicals Industrial Co. , Ltd.	27,000
8	ABC Chemicals (Shanghai) Co. Ltd.	6,000
	Total	1,32,000

- vii. Chinese producers also have significant unutilised capacities for the subject goods.
- viii. There is continued dumping of the product under consideration from China; Dumping of the product under consideration is likely to intensify from subject country, should the current anti-

- dumping duty be revoked.
- ix. Chinese imports have increased in absolute terms and in relation to production and consumption in India despite anti-dumping duty in force.
  - x. The domestic industry is still suffering injury from the imports of dumped imports; revocation of anti-dumping duty shall imply intensification of injury to the domestic industry.
  - xi. There is continued dumping from China and consequent injury to the Domestic Industry. Even if it is concluded that the domestic industry has not suffered injury, in any case, the performance of the domestic industry continues to be fragile. Further, dumping and consequent injury is likely to continue and intensify further, should the current anti-dumping duty cease.
  - xii. The following factors suggest the likelihood of injury to the Domestic Industry, should the present duty in force be revoked:

a). Excessive production capacity held by the Subject Country

- Producers/exporters in China are having excessive production capacities as shown in the table below. In case of cessation of the present duty, dumping from China would definitely increase and ultimately cause intensified volume and price injury to the Domestic Industry.

S.N.	Producers In China	Capacity (MT)
1	Shanghai Ansin Chemical Co., Ltd	5,000
2	Degussa-aj (Shanghai) Initiators Co.,Ltd	15,000
3	Fujian JianouYongsheng industry Co., Ltd	35,000
4	HebeiJiheng Group Co.,Ltd	27,000
5	HengshuiJiamu Chemical Co., Ltd.	18,000
6	Fulida Industry Co. Ltd.	15,000
7	ZHANHUA Chemicals Industrial Co. , Ltd.	27,000
8	ABC Chemicals (Shanghai) Co. Ltd.	6,000
	Total	1,32,000

b.) Vulnerability of the Domestic Industry

- Vulnerability of the domestic industry relates to whether the industry would be susceptible to material injury in the event of cessation of antidumping duty imposed. In such a situation, the authority must consider whether the industry will deteriorate further upon revocation or termination.
- In the instant case, the imports from subject countries reduced after the imposition of duty but it has once again increased in the POI. The extent of imports is significant in the POI. Such continued presence of dumped imports has prevented the domestic industry from fully recovering from past effects of dumping. In the event of cessation of current antidumping

duty, the domestic industry will have to either decrease the price by the amount of ADD or will maintain the current selling price. In either case, it will suffer material injury.

c). Price attractiveness of Indian market

- The prices at which subject goods are being imported from subject countries are substantially lower than the price at which the goods are being sold in the Indian market. Therefore, in case of expiry of duty, exporters would further channelize their output in the Indian market as they are already holding excessive capacities and are in fact selling subject goods to third countries at substantially lower prices.

d). Price undercutting in the absence of measures

- As submitted earlier, revocation of present anti-dumping duties would lead to significant price undercutting.

e.) Existence of anti-dumping duties in other countries on the same product

- China is attracting anti-dumping duties in US and Europe. US has concluded its second review against imports of Persulphates and imposed duty. The administrative review recently conducted by US has reconfirmed dumping by China and has imposed duty at the rate of 119.02 percent. Further, EU after revoking its 1995 antidumping duty order in April 2002 on persulphates from China, re-imposed those duties in October 2007. The current antidumping duty rate applicable to China is as high as 72 percent.
- Unless the exporters establish that dumping is unlikely to continue, intensify or recur in the event of revocation of anti-dumping duties, it must be held that the dumping would continue or recur or intensify in the event of revocation of anti-dumping duties. Since in the present case, the producers/exporters from the subject countries have not responded, likelihood of dumping and injury cannot be denied.

**Examination by the Authority**

61. The present investigation is a sun set review of anti-dumping duties imposed on the imports of subject goods from China PR and Japan. Under the Rules, the Authority is required to determine whether continued imposition of anti-dumping duty is warranted. This also requires examination of whether the duty imposed is serving the intended purpose of eliminating injurious dumping. In the present investigation, as there are continued dumped imports from China PR, the Authority is not required to examine whether revocation of duty is likely to lead to continued dumping of the product from China PR. However, considering the fact that the dumping margin in the original as well as the present investigation is significant and that there are favorable market conditions in the Indian market as far as demand and price for the subject goods are concerned, the Authority notes that dumping may continue if the duty is revoked in respect of China PR. It is a matter of fact that

despite the anti-dumping measures in force, China PR could maintain a significant presence in the Indian market to the detriment of the domestic industry.

62. The Authority notes that imports of product under consideration from the China PR remained significant over the current injury period in absolute terms. The imports of the subject goods from China PR continued to be at dumped prices inspite of existing anti-dumping duties. With regard to price effect, it is observed that imports were significantly undercutting and underselling the prices of the domestic industry without the anti-dumping duty. Even with anti-dumping duty, there is positive price undercutting effect from China PR. The analysis of various economic parameters shows that the overall economic health of the domestic industry had improved up to 2010-11 on account of the anti-dumping measures in force and then declined during POI as a result of dumped imports from China PR as well as fresh sources. In view of the above position, the Authority concludes that in the event of cessation of the anti-dumping measures, the dumping of subject goods from China PR is likely to continue causing injury to the domestic industry.
63. As regards Japan, the Authority notes that the volume of imports declined after the imposition of anti-dumping duty. In fact, there have been no imports from Japan in 2010-11 and the POI. However, on the basis of information available in the World Trade Atlas, the Authority notes that Japan has significant exports to other countries in the region of 7856 MT at an average price of \*\*\* US\$/MT during POI. The Authority further notes that during post POI, Japan has exported to third countries 4668 MT at an average price of US \$ \*\*\*/MT.
64. The Authority notes that there is no response from the producers/exporters of the subject goods from the subject countries. However based on information provided by the domestic industry and other available information, the Authority notes that the Chinese producers have substantial production capacity. Further, as submitted by the domestic industry, China PR is also attracting anti-dumping duty in US and Europe. Considering the substantial increase in demand in the Indian market during the period of investigation and considering continued dumping of the subject goods despite the anti-dumping duty in force, the Authority notes that cessation of the existing duty may result in continued dumping, causing injury to the domestic industry.

**P. Magnitude of injury and injury margin**

65. The non-injurious price of the subject goods produced by the domestic industry has been determined by the Authority in terms of Annexure III to the Anti-dumping Rules. The NIP so determined, has been compared with the landed value of the exports of subject goods from China PR for determination of injury margin during the POI and the likely injury margin in respect of Japan as under:

**China PR**

Particulars	UOM	APS	SPS	PPS	Weighted Average
Non-Injurious Price	Rs./Kg	***	***	***	***
Landed Price without ADD	Rs./Kg	46.54	72.88	-	50.80
Injury Margin	Rs./Kg	***	***	-	***
	US\$/Kg	***	***	-	***
	%	***	***	-	***
	Range	40-50	35-45	-	40-50

**Japan**

Particulars	UOM	Weighted Average
Non-Injurious Price	Rs./Kg	***
Landed Price without ADD	Rs./Kg	74.38
Likely Injury Margin	Rs./Kg	***
	US\$/Kg	***
	%	***
	Range	0-10

The Authority notes that the injury margin in respect of China PR and the likely injury margin in respect of Japan during POI are positive. Moreover, the likely injury margin from both the countries during the post POI period is also positive as per the table below:

**Likely Injury Margin Post POI**

**China PR**

Particulars	UOM	
Non-Injurious Price	US \$/Kg	***
Landed Price without ADD	US \$/Kg	1.12
Injury Margin	US \$/Kg	***
Injury Margin	%	***
Injury Margin	Range	35-45

## **Japan**

Particulars	UOM	
Non-Injurious Price	US \$/Kg	***
Landed Price without ADD	US \$/Kg	1.48
Injury Margin	US \$/Kg	***
Injury Margin	%	***
Injury Margin	Range	5-15

### **Q. Post- Disclosure Comments**

66. The following are the post-disclosure comments made by the domestic industry:

- i.** Product under consideration continues to be exported to India at dumping prices from China. Dumping and consequent injury to the domestic industry is likely to recur in case of imports from Japan.
- ii.** Domestic industry has suffered continued injury in case of imports from China.
- iii.** There exists a typographical error in the capacity figures mentioned with regard to Calibre Chemicals. The company has made significant additions to plant & machinery and building during this period.
- iv.** The non injurious price determined is too low. Authority should consider actual raw material and utilities consumption and actual production. Capital employed should be determined considering present value of fixed assets, or at the least gross value of fixed assets.
- v.** The same quantum of anti-dumping duties are required to be extended in view of significantly high dumping margin and injury margin in respect of exports to third countries.
- vi.** The form of measure is required to be kept as fixed quantum and the currency of the anti-dumping duty is required to be modified to US\$.

### **Examination by the Authority**

67. The Authority notes that except the domestic industry no other interested party has made any post-disclosure comment. The Authority further notes that most of the post-disclosure comments made by the domestic industry are merely reiterations of their earlier submissions. However, the comments made by the domestic industry considered relevant by the Authority are addressed below:

- i.** As regards the claim of the domestic industry concerning capacity of M/s Calibre Chemicals, one of the domestic producers constituting domestic industry in the present

investigation, the Authority notes that the data/information of the concerned industry has been verified and the Authority has accepted and adopted the verified information.

- ii. As regards the contention of the domestic industry that the non injurious price (NIP) determined is too low, the Authority notes that the NIP has been determined as per the principles laid down in Annexure III of the Anti-dumping Rules.

## **R. Indian industry's Interest & Other Issues**

68. The Authority recognizes that imposition of anti-dumping duties might affect the price level of product in India. However, fair competition in the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain one or even more sources of supply.
69. The Authority notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and, therefore, would not affect the availability of the products to the consumers.

## **S. CONCLUSIONS**

70. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority as recorded in this final finding and on the basis of the above analysis of the state of continuation of dumping and consequent injury and likelihood of continuation/recurrence of dumping and injury, the Authority concludes that:
  - i. Imports from China PR have increased over the injury period and continue to command a significant share;
  - ii. Volume of dumped imports from China PR is quite significant in relation to production and consumption in India;
  - iii. There has been continued dumping of the subject goods from China PR and the dumping is likely to continue if the anti-dumping duty is allowed to cease.
  - iv. Price undercutting and price underselling effect without anti-dumping duty are significantly positive;

vi. Although the domestic industry has shown positive growth in some of the economic parameters, the performance of the domestic industry in terms of both volume and price parameters in general have deteriorated in POI due to dumped imports.

viii. The subject goods are entering the Indian market at dumped prices from China PR and the dumping margin is above de-minimis. Should the present anti-dumping duties be revoked, dumping of the subject goods may continue causing injury to the domestic industry.

ix. As regards Japan, the Authority notes that the volume of imports declined after the imposition of anti-dumping duty. In fact, there have been no imports from Japan in 2010-11 and the POI. However, considering the magnitude and price of Japan's exports of subject goods world over, in the event of revocation of antidumping duty, the subject goods are likely to be dumped in India causing injury to the domestic industry.

x. During the post-POI, the dumping margin and injury margin in respect of China PR has reduced as compared to the POI. As regards Japan, although the imports continue to be Nil during the post-POI period, the likely dumping margin and likely injury margin determined on the basis of Japan's third country exports indicate more intensified dumping and injury as compared to similarly determined dumping margin and injury margin for the POI.

## **T. Recommendations**

71. Having concluded as above, the Authority is of the view that the anti-dumping measure is required to be revised and extended in respect of imports of the subject goods, originating in or exported from China PR, as specified in the duty table below.
72. As regards Japan, having concluded that there is likelihood of resumption of dumping and injury on account of imports of the subject goods, originating in or exported from Japan, in the event of revocation of the anti-dumping duty, the Authority is of the view that the anti-dumping measure, as recommended earlier vide Final Finding Notification No.14/1/2006 --DGAD dated 20<sup>th</sup> July, 2007 and imposed by the Central Government vide Notification No. 96/2007-Customs dated 29<sup>th</sup> August, 2007 [validity extended vide Notification No. 20/2010-Customs (ADD) dated 4<sup>th</sup> April, 2012], is required to be extended.
73. Having regard to the lesser duty rule followed by the Authority, in respect of China PR, the Authority recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury, so as to remove the injury to the domestic industry, as specified in the duty table below. As regards Japan, the Authority recommends extension of the extant anti-dumping duty imposed earlier by the Central Government vide Notification 96/2007-Customs dated 29<sup>th</sup> August, 2007 [validity extended vide Notification No. 20/2010-Customs (ADD) dated 4<sup>th</sup> April, 2012] as specified in the duty table below.

**Duty Table**

S.No.	Heading/ Subheading	Description of goods *	Specification	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	2833 40 00	Peroxosulphates or Persulphates	Ammonium Persulphates, Potassium Persulphates or Sodium Persulphates	China PR	China PR	Any	Any	420	MT	US \$
2	2833 40 00	Peroxosulphates or Persulphates	Ammonium Persulphates	China PR	Any	Any	Any	420	MT	US \$
3	2833 40 00	Peroxosulphates or Persulphates	Ammonium Persulphates	Any	China PR	Any	Any	420	MT	US \$
4	2833 40 00	Peroxosulphates or Persulphates	Ammonium Persulphates	Japan	Japan	Any	Any	822	MT	US \$
5	2833 40 00	Peroxosulphates or Persulphates	Ammonium Persulphates	Japan	Any	Any	Any	822	MT	US \$
6	2833 40 00	Peroxosulphates or Persulphates	Ammonium Persulphates, Potassium Persulphates or Sodium Persulphates	Any	Japan	Any	Any	822	MT	US \$

**U. Further Procedures**

74. Landed value of imports for the purpose shall be the assessable value as determined by the Customs Authority under the Customs Act, 1962 and all duties of Customs except duties levied under sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.
75. An appeal against this order shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

**J.S. Deepak**  
**Designated Authority**