

**File No. 14/3/2011-DGAD**  
**Government of India**  
**Department of Commerce**  
**Ministry of Commerce & Industry**  
**Directorate General of Anti-Dumping & Allied Duties**  
**Udyog Bhawan, New Delhi**

Dated the 10<sup>th</sup> February, 2012

**INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping Duty investigation concerning imports of ‘Soda Ash’ originating in or exported from Turkey and Russia.**

**No. 14/3/2011-DGAD:** M/s Alkali Manufacturers’ Association of India (AMAI) has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975, 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) for initiation of Anti-Dumping Duty investigation concerning imports of ‘Soda Ash’ (hereinafter also referred to as the subject goods) originating in or exported from Turkey and Russia (hereinafter also referred to as the subject countries). Gujarat Heavy Chemicals Limited (GHCL), Saurashtra Chemicals Limited (SCL), Nirma Limited and DCW Limited, who are the producers of Soda Ash in India and are the members of the Association, have provided relevant information/data for alleged dumping of the subject goods originating in or exported from the subject countries.

2. AND WHEREAS, the Authority finds that sufficient evidence of dumping of the subject goods originating in or exported from the subject countries; ‘injury’ to the domestic industry and causal link between the alleged dumping and injury exists to justify initiation of an anti-dumping investigation, the Authority, hereby, initiates anti dumping duty 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 any alleged dumping and to recommend the amount of antidumping duty, which, if levied, would be adequate to remove the ‘injury’ to the domestic industry.

### **Domestic Industry & 'Standing'**

3. The Application has been filed by M/s Alkali Manufacturers' Association of India (AMAI) on behalf of Gujarat Heavy Chemicals Limited (GHCL), Saurashtra Chemicals Limited (SCL), Nirma Limited and DCW Limited.

As per information available on record, production of the petitioner companies, being almost 69% in the POY, accounts for a major proportion of the total Indian production. The application, therefore, satisfies standing and petitioner constitute the domestic industry within the meaning of the Rules.

The applicant has claimed that as far as current subject countries are concerned, petitioner companies have neither imported the subject goods nor are they related to any exporter or importer of the product in subject countries. GHCL has a related company in Romania and Nirma has a related company in USA & France. However, since the petition is against dumped imports from Turkey and Russia, the Authority considers that this relationship is not relevant.

### **Product under consideration**

4. The product under consideration is Disodium Carbonate, popularly known as Soda Ash, having chemical formula  $\text{Na}_2\text{CO}_3$ . Soda Ash is a white, crystalline, water soluble material. Soda Ash is produced in two forms - Light Soda Ash and Dense Soda Ash. The difference in the two types is bulk density. Further, soda ash can be either natural soda ash or synthetic soda ash. Both products are essentially the same. However, the present petition includes all types and form of Soda Ash.

Soda Ash can be produced through synthetic route and natural route. In case of natural soda ash, dissolution process is employed where natural deposits of Sodium Carbonate occur in a large scale. In case of synthetic soda ash, various types of synthetic process are employed where the natural resources are not available, as is the case in India.

In India, Solvay process or modifications commonly known as Dual Process and Akzo Dry Lime Process, is used to manufacture Soda Ash. Salt and limestone are the major raw materials required for producing soda ash. In Solvay process, the raw brine prepared by dissolving crude soldar salt in raw water is purified by use of milk of lime and soda ash to prepare purified brine which is then ammoniated in ammonia absorber to prepare ammoniated brine. Ammoniated brine is carbonated to precipitate sodium bi-carbonate, which is then filtered to separate crude bi-carbonate cake, which is further heated to decompose into light soda ash. Akzo dry lime process is a modification of the conventional Solvay process to the extent that milk of lime slurry is not prepared and the heat of hydration of lime and of chemical reaction are sufficient to raise the mother liquor to the boiling temperature, thereby, reducing the

steam and lime consumption in distillation process as compared to Solvay process. In the dual process, the ammonia recovery unit and milk of lime section are dispensed with and an ammonium chloride section exists where the ammonium chloride is crystallized and recovered.

Soda Ash is an essential ingredient in the manufacture of detergents, soaps, cleaning compounds, sodium based chemicals, float glass, container and specialty glasses, silicates and other industrial chemicals. It is also widely used in textiles, paper, metallurgical industries and desalination plants.

Soda Ash is an inorganic chemical. It is classified under Chapter 28 of the Customs Tariff Act, 1975, falling under the customs sub-heading no. 2836.20. Customs classification is, however, illustrative only and not binding on the present investigation.

### **Like Articles**

5. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods. The two are technically and commercially substitutable and, hence, should be treated as 'like article' under the AD Rules.

The Authority, for the purpose of the present investigation, treats the subject goods produced by the applicant in India as 'Like Article' to the subject goods being imported from the subject countries.

### **Subject Countries**

6. The countries involved in the present investigation are Turkey and Russia.

### **Normal value**

7. The Applicant has submitted that they were not able to get any evidence of actual transactions conducted in these countries. However, the applicant has been able to get evidence of prices prevailing in domestic market of Russia as per the Chlor Alkali published by Harimann Chemsult which regularly publishes prices of various Alkali products including Soda Ash. Chlor Alkali does not publish prices of Soda Ash in Turkey. Chlor Alkali, however, publishes prices of Soda Ash in Europe. The applicant has also submitted that price of Soda Ash in Europe is a good indicator of prices prevailing in the domestic market of Turkey. Further, since the Journal mentions high and low prices, applicant has adopted weighted average price. The

Normal value claims by the applicant have been considered for the purpose of initiation.

### **Export Price**

8. The applicant has claimed export prices on the basis of data obtained from DGCI&S up to December 2011 and from IBIS for subsequent period. Price adjustments have been allowed on account of Ocean Freight, Marine Insurance, Inland Freight and Port expenses to arrive at the net export price.

### **Dumping Margin**

9. The applicant has provided sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, prima-facie, indicating that the subject goods originating in or exported from the subject countries are being dumped into India, and justifying initiation of antidumping duty investigation.

### **Injury and Causal Link**

10. The applicant has furnished evidence regarding the 'injury' having taken place as a result of the alleged dumping in the form of increased volume of dumped imports, price undercutting, price suppression and decline in profitability, return on capital employed and cash flow for the domestic industries. There is sufficient evidence of the 'injury' being suffered by the applicant caused by the dumped imports from the subject countries to justify initiation of an antidumping investigation.

### **Period of Investigation**

11. The period of investigation (POI) for the purpose of present investigation is 1<sup>st</sup> July 2010 to 30<sup>th</sup> September 2011 (15 months). The injury investigation period will, however, cover the periods April 2008-March 2009, April 2009-March 2010, April 2010-March 11 and the POI. For threat of material injury, the data beyond the POI may also be examined.

### **Submission of information**

12. The known exporters in the subject countries and their Governments through their Embassies in India, importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below. The information/submissions may be submitted to:

**The Designated Authority,**

**Directorate General of Anti-Dumping & Allied Duties,  
Ministry of Commerce & Industry,  
Department of Commerce  
Room No.240, Udyog Bhawan,  
New Delhi -110107.**

**Time limit**

13. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of the notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the AD Rules.

**Submission of Information on Non-Confidential basis**

14. All interested parties shall provide a non-confidential summary in terms of Rule 7 (2) of the AD Rules for the confidential information, if any, provided as per Rule 7 (1) of the AD Rules. Confidential information must be clearly marked as "Confidential", failing which the information will be treated as non-confidential. 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 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.

**Inspection of Public File**

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

**Non-cooperation**

16. 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.

**Sd/-**

**(Vijaylaxmi Joshi)**  
**Designated Authority**