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

Dated the 28th February, 2014

INITIATION NOTIFICATION

Subject: Anti Dumping investigation concerning imports of Sodium Citrate, originating in or exported from China PR.

No.14/23/2013-DGAD: M/s Posy Pharmachem Private Limited (hereinafter also referred to as the applicant) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with 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) for initiation of anti-dumping investigation and imposition of anti dumping duty on the imports of Sodium Citrate, originating in or exported from China PR (hereinafter also referred to as the subject country).

2. And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject country; injury to the domestic industry and causal link between the alleged dumping and injury exist to justify initiation of an anti-dumping investigation, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of 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 Posy Pharmachem Private Limited, as domestic industry of the product under consideration. M/s Sunil Chemicals has supported the application. As per the evidence available on record, the production of the applicant accounts for major proportion of the total domestic production of the subject goods. The Authority, therefore,

determines that the applicant constitutes domestic industry within the meaning of Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

Product under consideration

4. The product under consideration for the purpose of present investigation is “Sodium Citrate”.

5. Sodium Citrate is a chemical compound that comes in the form of monosodium citrate, disodium citrate and tri sodium citrate. Sodium Citrate is the sodium salt of citric acid.

6. It is mainly used as an expectorant and a urine alkalinizer. It is also used as a pharmaceutical aid and as a food additive in dairy industries which cater in cheese manufacturing and beverages. It is a water treatment chemical and is used as a laboratory reagent. It is used as an acidity regulator in drinks, and also as an emulsifier for oils when making cheese. Sodium Citrate is also used as an antioxidant in food.

7. Sodium Citrate is classified in Chapter 29 of the Customs Tariff Act under the subheading 29181520, as ‘Salts and esters of citric acid: Sodium citrate’.

Like Article

8. The applicant has claimed that the subject goods being produced by the domestic industry are identical to the subject goods being dumped into India. The applicant has claimed that sodium citrate produced by the petitioner and imported from the subject country are having comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as ‘Like Article’ to the subject goods being imported from the subject country.

Countries involved

9. The present investigation is in respect of alleged dumping of the product under consideration from China PR.

Normal Value

10. The petitioner has claimed that China PR should be treated as a non-market economy and has determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. The petitioner has claimed normal value on the basis of cost of production in India, duly adjusted. In terms of Para 8 in Annexure 1 to the Rules, it is presumed that the producers of the subject goods in China PR are operating under non-market economy conditions. In view of the non-market

economy presumption and subject to rebuttal of the same by the responding exporters, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules. The applicant has determined the normal value based on cost of production in India, duly adjusted with selling, general and administrative expenses and reasonable profit.

Export Price

11. The applicant has determined the export price on the basis of data published by the DGCI&S. Price adjustments have been claimed on account of commission, ocean freight, port expenses, inland freight, marine insurance, VAT difference and bank commission.

Dumping Margin

12. The normal value and the export price have been compared at ex-factory level, which show significant dumping margin in respect of the subject country. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject country. There is sufficient evidence of the significant dumping margin to justify initiation of antidumping investigation.

Injury and Causal Link

13. The applicant has claimed that domestic industry has suffered material injury from dumped imports. The demand for the product has increased over the injury period. Subject imports have increased in absolute terms and relative to production and consumption in India. The imports are undercutting the domestic prices and the imports have suppressed the domestic prices to a significant extent till 2011-12 and have thereafter depressed the domestic prices. With regard to consequent impact of the imports on the domestic industry, performance of the domestic industry has deteriorated in respect of parameters such as profits, return on capital employed and cash profits. The domestic industry is suffering significant financial losses, cash losses and negative return on investments. The petitioner has claimed that the material injury has been caused due to the dumped imports from the subject country. There is sufficient prima facie evidence of injury to the domestic industry caused by dumped imports from subject country to justify initiation of an anti-dumping investigation.

Period of Investigation (POI)

14. The Period of Investigation (POI) determined by the Authority is 01.10.2012 to 30.09.2013. The injury investigation period will, however, cover the periods Apr'09-Mar'10, Apr'10-Mar'11, Apr'11-Mar'12 and the Period of Investigation.

Submission of Information

15. The exporters in the subject country, their government through their Embassy in India, the importers and users in India known to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

The Designated Authority
Directorate General of Anti-Dumping and Allied Duties
Ministry of Commerce and Industry
Department of Commerce
Room No 240, Udyog Bhavan, New Delhi-110011

16. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

Time Limit

17. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 days) from the date of publication of this Notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules.

18. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses and offer their comments to the domestic industry's application within forty days (40 days) from the date of publication of this Notification. The information must be submitted in hard copies as well as soft copies.

Submission of information on confidential basis

19. The parties making any submission (including Appendices/Annexure attached thereto), before the authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof:-

(a) one set marked as Confidential (with title, number of pages, index, etc.), and

(b) the other set marked as Non-Confidential (with title, number of pages, index, etc.).

20. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority and the Authority shall be at liberty to allow the other interested parties to inspect such submissions. Soft copies of both the versions will also be required to be submitted, along with the hard copies, in five (5) sets of each.

21. The confidential version shall contain all information which are by nature confidential and/or other information which the supplier of such information claims as confidential. For information which are claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information can not be disclosed.

22. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

23. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

24. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Authority.

25. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

Inspection of Public File

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

Non-cooperation

27. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

J S Deepak
Designated Authority