

No.14/27/2004-DGAD  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)

**NOTIFICATION**

NEW DELHI, Dated the 1<sup>st</sup> April 2006

**Preliminary Findings**

**Subject: Anti-dumping investigation involving imports of Saccharin exported from or originating in China PR**

NO.14/27/2004-DGAD : - Having regard to the Customs Tariff Act 1975 as amended in 1995 (hereinafter 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, (hereinafter referred to as the Rules) thereof:

2. Whereas M/s AS Enterprises, Mumbai, M/s Swati Petrochemicals Pvt. Ltd., Thane and M/s Shree Vardayani Chemical Industry Co. Ltd., Gujarat and their supporters representing All India Saccharin Manufacturers Association, Mumbai (herein after referred to as the Applicants) have filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred as Rules), alleging dumping of Saccharin (herein after referred to as subject goods), originating in or exported from China PR (herein after referred to as subject country) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods. The Authority notified the Embassy of China PR about the receipt of dumping allegation in accordance with sub rule 5(5) of Rules.

3. AND WHEREAS, the Authority on the basis of sufficient evidence submitted by the applicant on behalf of the domestic industry, issued a public notice dated 4<sup>th</sup> July, 2005 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of the subject goods originating in or exported from the subject country in accordance with the sub-Rule 6(1) 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.

**A. Procedure**

4. Procedure described below has been followed with regard to this investigation after issuance of the public notice notifying the initiation of the above investigations by the Authority.

- (i) The Designated Authority sent copies of initiation notification dated 4<sup>th</sup> July 2005 to the Embassy of the subject country in India, known exporters from the subject country, importers and the domestic industry as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification.
- (ii) The Authority provided copies of the non-confidential version of the application to the known exporters and to the Embassy of China PR in accordance with Rule 6(3) supra.
- (iii) The Embassy of the People's Republic of China in India, was informed about the initiation of the investigation in accordance with Rule 6(2) with a request to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time. Copies of the letters and questionnaire sent to the exporters were also sent to them, alongwith the names and addresses of the exporters.
- (iv) A questionnaire for according market economy treatment was forwarded to all the known exporters and the Embassy of the Peoples' Republic of China and Bureau of Fair Trade China (BOFT) China PR. While, for the purpose of initiation, the normal value in China PR was considered based on the constructed cost of production of the subject goods in China PR, the authority informed the known exporters that it proposed to examine the claim of the applicant in the light of para (7) & (8) of Annexure-I of the Anti-Dumping Rules as amended. The concerned exporters / producers of the subject goods from China PR were therefore requested to furnish necessary information / sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 to enable the Designated Authority to consider whether market economy treatment could be granted to cooperating exporters / producers who could demonstrate that they satisfied the criteria stipulated in the said paragraph.
- (v) The Authority sent a questionnaire, to elicit relevant information to the known exporters in China PR in accordance with Rule 6(4);
- (vi) In response to the above notification the following exporters from the subject country filed their responses to questionnaire:
  - a) M/s Shanghai Fortune Chemicals Co. Ltd., China PR (Manufacturer) and M/s Majestic International Trading Co. Ltd., Hong Kong (Exporter)
  - b) M/s Kaifeng Xinghua Fine Chemical Factory
  - c) M/s Tianjin Changjie Chemical Co. Ltd.
- (vii) Questionnaires were sent to known importers and Consumers of subject goods in India calling for necessary information in accordance with Rule 6(4).
- (viii) Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years and the period of investigations;
- (ix) The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties;
- (x) Optimum cost of production and cost to make and sell the subject goods in India based on the information furnished by the applicant on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry;

- (xi) \*\*\* in this Notification represents information furnished by the applicant on confidential basis and so considered by Authority under the Rules;
- (xii) Investigation was carried out for the period starting from 1.1.2004 to 31.12.2004 (POI). The examination of trends in the context of injury analysis covered the period from 1<sup>st</sup> April 2001 to 31<sup>st</sup> March 2004 and the POI.

## **B. Product under Consideration**

5. The product under consideration in the present investigation is Saccharin.

6. Saccharin is a non-nutritive sweetener and considered to be low calorie substitute for cane sugar. Saccharin is primarily produced in three types i.e. sodium saccharin, calcium saccharin and insoluble saccharin. Saccharin is produced in two physical forms, viz. granular and powder. Sodium saccharin in granular form is used in situation where saccharin will be dissolved, the powder form which have been grounded and spray dried is used in dry mixes and pharmaceuticals. Insoluble form of saccharin is used in many pharmaceutical and medical applications. It is slightly soluble in water. Saccharin is more than 500 times sweeter than sugar. All forms of Saccharin are within the scope of the present investigation.

7. Saccharin is used in a variety of industry such as food and beverage, personal care products, table top sweeteners, electroplating brighteners, pharmaceuticals, etc.

8. Saccharin is classified under Chapter 29 of the Customs Tariff Act, 1975 under sub-headings No 29251100. The Custom classification is indicative only and not binding on the scope of investigations.

### **B.1 Like Article**

9. The domestic industry has claimed that the goods produced by them are 'like articles' to the goods originating in or exported from subject country. The domestic industry is producing Saccharin in all its forms. Material produced by domestic industry and imported from China are comparable in physical form and chemical composition. Saccharin imported from China and produced by the domestic industry are technically and commercially substitutable. The domestic industry has also claimed that for manufacturing of Saccharin, Chinese producer follows maumis process for production of Saccharin whereas the Indian producers follow sodium dichromate route, however, there is no difference in the final product.

10. M/s Shanghai Fortune Chemicals Co. Ltd. stated that they are selling only sodium saccharin to the Indian market.

11. The authority notes that saccharin produced by the domestic industry and imported from China are comparable. There is no difference in product imported from China PR and produced by the domestic industry. The products produced by the domestic industry and imported from subject Country being identical in all essential characteristics and commercially and technically substitutable, therefore, are treated as like articles within the meaning of the term as per 2(d) of the Rules.

### **C. Standing of the Domestic Industry and initiation of the investigation**

12. The application was filed by M/s A S Enterprises, Mumbai, M/s Swati Petrochemicals Pvt. Ltd., Thane and M/s Shree Vardhyani Chemical Industry Co. Ltd., Gujarat and their supporters representing All India Saccharin Manufacturers Association, Mumbai, which are the producers of the subject goods in India. The applicants and their supporters account for 81.73% production of subject goods in India and there is no opposition to the application, therefore, the applicant constitute domestic industry within the meaning of the Indian Anti-dumping Rules. Other interested parties have not raised any argument in this regard.

### **D. Methodology for calculation of dumping margin and examination of market economy**

#### **D.1 Views of the Domestic Industry**

13. The domestic industry submitted that China is a non-market economy. China has been treated as non-market economy by European Commission and USA in the past three years. In India the Designated Authority has treated China as non-market economy practically in all the investigations initiated after the amendment dated 31.5.2002. Therefore, China is a non-market economy and market economy status treatment cannot be granted to the Chinese producers.

#### **D.2 Submissions made by producers/exporters**

##### **D.2.1 Submissions by M/s Shanghai Fortune Chemicals Co. Ltd.(manufacturer) China PR and M/s Majestic International Trading Co. Ltd. (Exporter), Hong Kong.**

14. The above mentioned producer and exporter stated that M/s Shanghai Fortune Chemicals Co. Ltd. is a limited company 100% owned by Fortune Knitting Co. Ltd., a company incorporated in Hong Kong. None of the shareholders of the company is a Chinese national. It further states that entire capital of the company has been contributed by a foreign company listed in Hong Kong and is regulated and governed by Company Law, Labour Law and Law of Wholly Foreign-owned Enterprises and Law of Accountancy of China PR. It also stated that raw materials purchased by the company reflect the market prices are not affected by any State intervention/direction/involvement. It states that M/s Shanghai Fortune Chemicals Co. Ltd. is independently operating its business and arranging its production or sales according to the development of the market and no State or local authority involved in fixing prices to be sold or quantities to be procured.

15. The protocol of accession of China to the WTO do not indicate Saccharin or any of the raw material for its production as subject to the price control. M/s Shanghai Fortune Chemicals Co. Ltd. is regulated and governed by all the laws including bankruptcy and property law applicable to the company. The company and the business sector does not have any special exemption.

16. The respondent company was asked to provide details, inter alia about raw materials, power supply and restriction/control on production of saccharin. Though the complete reply has not been submitted, however, regarding raw material details it has been stated that only 5 major raw materials for which consumption norms are available

have been given, for others it has been stated that to prepare complete norms for all the remaining 15 items would be too cumbersome and hence not given. Regarding control on production of Saccharin, it has been admitted that there is a production control over saccharin in China by the Government but production control is primarily intended to ensure quality of the product as it is used for edible preparations. It has been further stated that such restrictions do not amount to market intervention. Chinese control over production of saccharin is solely intended to control unauthorised use of saccharin which may cause health hazards. It has also been stated that regulations on saccharin have been issued jointly by Ministry of Health and SETC. Therefore, these regulations should not be construed as Government intervention leading the industry to operate under non-market condition.

#### **D.2.2 Submission made by M/s Kaifeng Xinghua Fine Chemical Factory (Xinghua)**

17. Xinghua is a State-owned enterprise in which Government of Kaifeng city holds 100% shares on behalf of Chinese people. It is governed by law of People's Republic of China on Industrial Enterprises owned by the whole people and Ordinance of Workers' Representative Congress of Industrial Enterprise of Public Ownership. Company Law is not applicable to them.

18. Raw materials and other inputs for manufacturing of Saccharin are procured from open market and rates are negotiated and fluctuant. It also states that 'since saccharin industry has a nature of serious pollution, it is necessary for State to take some measures to guide saccharin producers for the purpose of environment protection. Saccharin producers can independently determine production, quantity and sales prices'.

19. Accounting principles are governed by Accounting Law of People's Republic of China which is issued by Standing Committee of the National People's Congress and Accounting System for Business Enterprises which is issued by the Ministry of Finance. About profit distribution, it states that 'Xinghua allocates 10% of its profits to its statutory common welfare fund. The rest eighty percent is undistributed. It should be noticed that the profit distribution will be decided by Xinghua itself and it is not involved any government control'. About bankruptcy and property law it states that Law of People's Republic of China Enterprise Bankruptcy applies to Xinghua.

#### **D.2.3 Submissions made by M/s Tianjin Changjie Chemical Co. Ltd (Changjie)**

20. Changjie states that it is a Chinese-foreign joint venture company registered under the Law of PR China on Chinese Foreign Equity Joint Ventures and owned by Tianjin Sanqian Science and Technology Group Company (Chinese company) and Xianggang Jielian Trading Co. Ltd. (Hong Kong company). It also states that the Company Law is not applicable to it as it is a Sino-Foreign Joint Venture company.

21. All raw materials and other inputs for manufacturing of Saccharin are purchased from open market and rates are negotiated and fluctuant.

22. Accounting principle and practices used by Changjie are governed by the Accounting Law of the People's Republic of China which is issued by the Standing Committee of the National People's Congress and Accounting System of Business Enterprises which is issued by the Ministry of Finance.

23. About the profit distribution, it states that ‘Changjie shall withdraw the reserve fund, the enterprise development fund and the employees’ encouragement and welfare fund according to the law. Those funds are drawn from the profit after Changjie pays the income tax according to the law, and the percentage to be withdrawn is decided by the board. It should be noticed that the profit distribution will be decided by Changjie itself and it is not involved any government control.

### **D.3 Examination of Response to Market Economy Treatment Questionnaire by the Authority**

24. The Designated Authority, as per para 8 (2) of the annexure 1 of AD rules for the purpose of assessing the normal value proceeded with the presumption that any country that has been determined to be or has been treated as a non-market economy for the purposes of anti-dumping investigations by the Designated Authority or by the competent authority of any WTO member country during the three years period preceding the investigation is a non-market economy country. In the past three years China PR has been treated as a non-market economy country in the anti-dumping investigations by WTO members such as EU and USA. In the instant case China PR has been proposed to be investigated as a non-market economy country.

25. 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 provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and prove the contrary. The cooperating exporters/producers of the subject goods from People’s Republic of 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:-

- a) 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;
- b) 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;
- c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and
- d) the exchange rate conversions are carried out at the market rate.

26. The Authority sent copies of the questionnaires to all the known exporters for the purpose of determination of normal value. Responses have been received from three producer and related exporter and they have claimed Market Economy Treatment (MET). Response information to the questionnaire was filed by the following producers/exporters:

1. M/s Shanghai Fortune Chemicals Co. Ltd., China PR and M/s Majestic International Trading Co. Ltd., Hong Kong
2. M/s Kaifeng Xinghua Fine Chemical Factory, China PR
3. M/s Tianjin Changjie Chemical Co. Ltd., China PR

### **D.3.1 M/s Shanghai Fortune Chemicals Co. Ltd., China PR and M/s Majestic International Trading Co. Ltd., Hong Kong**

27. The Authority noted that complete details about raw material are yet to be provided. The discounts given by power companies are yet to be explained. As per submissions made by the company, there is a production control on saccharin. However, the claim of the company that it is quality control and not the production control need detailed examination. The respondent has indicated that it would be submitting additional information on these issues. The Authority has examined the submissions made by the respondent exporter and finds that, *prima facie*, there is a control on output of Saccharin and, therefore, it cannot be inferred that decisions regarding productions are being made in response to market signals reflecting demand and supply. However, the claim of the respondent that the control is intended for quality purpose need a detailed examination. In addition, other issues would also be examined in details on receipt of additional information. Therefore, at this stage it is not possible to draw any definite conclusion about market economy status of the respondent manufacturer/exporter. Consequently, the Authority is proceeding treating the respondent manufacturer/exporter as operating under non-market economy.

### **D.3.2 M/s Kaifeng Xinghua Fine Chemical Factory**

28. It is stated by the above mentioned company that it is a state-owned company to which law of People's Republic of China on Industrial Enterprises owned by the whole people applies. As per Chapter III of the said Law under the heading "Rights and Obligations of the Enterprise" it clearly states that the enterprise will work under the guidance of the State relating to production, sales, pricing etc. In the Chapter VI under the heading "Relationship between the Enterprises and the Government" it states about Government's right to issue mandatory plans about capital construction, major technical transformation, appoint or remove, reward or punish factory directors, and leading administrative cadres, etc. It also states about Government department's power to exercise administrative and supervisory control over the enterprise in respect of development plan and operational decisions. It also states that local government shall provide the enterprise with 'the needed materials and coordinate relations between enterprise and other units in the locality'.

29. From the above said provisions that are applicable to the enterprise, it is apparent that on this Government-controlled enterprise (Xinghua) decision making in respect of production, pricing and procurement of raw materials and other operational matters are guided by the Government. About the profit distribution as well the decision is guided by the Government. Therefore, in view of the aforesaid, it cannot be inferred that Xinghua is working in accordance with Market Economy principles and decisions regarding prices, cost and inputs, cost of technology and labour, output sales and investment are made in response to market signals reflecting supply and demand.

### **D.3.3 M/s Tianjin Changjie Chemical Co. Ltd**

30. The 'Tianjin' was asked to provide ownership details of the holding companies. One of the holding company was Tianjin Sanqian Science and Technology Group Company and its name was changed to Tianin Sanqian Group Limited Corporation on January 2005. It has been informed that this holding corporation is owned by four Chinese individuals, however, no further detail including Article of Association has been provided. About the other holding company, M/s Hong Kong Jielian Trading Co., it has been informed that this is a privately-owned company by a Hong Kong citizen. No further detail has been provided.

31. About the raw material purchased by 'Tianjin' it has been informed that they are not completely aware of the ownership of suppliers.

32. The 'Tianjin' was asked to clarify the Corporate Law under which it is governed. It has been informed that 'there may be some confusion. Pursuant to Article 18 of Company Law, the present law (Company Law) shall apply to limited liability companies with foreign investments where laws concerning Chinese-foreign equity joint ventures, provide otherwise, such provisions shall prevail.' Earlier it was informed that Company Laws does not apply to them. The confusion about applicability of law still prevails.

33. The 'Tianjin' was asked to specify government control/restriction on the production of Saccharin. It has been informed that 'since Saccharin industry has a nature of serious pollution, it is necessary for the State to take some measures to guide Saccharin producers for the purpose of environment protection and save resources. They are some kinds of macro policy.' 'This kind of policy is normal in all economies and should not be treated as State-control or involvement'. In the reply no policy or such kind of guidelines have been provided to make an assessment whether any control/restriction applies on the production of Saccharin. On the labour and profit distribution as well there are restrictions indicating State interference in the Changjie.

34. In absence of complete information about the ownership details, details about suppliers of raw materials and restriction on production of saccharin, it is not possible at this stage to draw a definite conclusion about the market economy status of the exporter, therefore, the Authority is proceeding treating the 'Tianjin as non-market economy exporter pending details of the assertions made. Final conclusions about the market economy status would be drawn after giving full opportunity to the exporter for rebutting this presumption.

35. The Authority however, will draw a final conclusion after preliminary findings and after detailed verification of the MET response and providing ample opportunity to the responding companies to rebut this presumption.

36. The Authority is, therefore, unable to apply the principles set out in paragraph 1 to 6 of Annexure 1 for determination of normal value for the Chinese exporters. The normal value in respect of all exporters/producers from China PR is determined as per Rules relating to non-market economy as contained in para 7 of Annexure 1 of AD Rules.

37. As per para 7 of Annexure 1 of AD Rules, the Authority is required to determine normal value on the basis of 'price or constructed value in the market economy third

country or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product.’ The domestic industry has proposed that S. Korea may be considered as appropriate market economy third country and has provided some data in respect of export prices from S. Korea in this regard. On examination of this data it has been found that if prices from S. Korea to other countries are taken as normal value, the dumping margin would be higher than that calculated by relying on the constructed normal value, therefore, at this stage this information has not been relied upon. The prices from third country to India would also be not appropriate to determine as imports from other countries (other than subject country) to India is very small to permit any meaningful conclusion of the normal value. Therefore, the Authority has determined the normal value by resorting to method ‘any other reasonable basis’.

#### **D.4 Normal Value**

38. Under the circumstances, the authority has constructed the normal value by considering the raw material for manufacture of Saccharin at the international prices, the consumption norms of the domestic industry and reasonable profit. Based on above information available, the normal value has been calculated as USD \*\*\* PMT after considering the average exchange rate during POI of 1USD=Rs.45.62/-

#### **D.5 Response to the Exporter’s Questionnaire**

##### **Export Price**

39. Though the normal value has been constructed considering China PR as a non-market economy, however, the data provided by the producer/exporter and the information given by the producer/exporter regarding inland transportation, insurance, ocean freight and marine insurance has been used to determine ex-factory export price for the purpose of this preliminary finding pending verification of the data.

##### **D.5.1 Export price (M/s Shanghai Fortune Chemicals Co. Ltd. & M/s Majestic International Trading Co. Ltd.)**

40. The authority has taken weighted average CIF price as \$\*\*\* PMT of imports from the producer and after considering adjustment on account of inland freight as \$ \*\*\*, ocean freight as \$\*\*\*, overseas insurance as \$\*\*\* and credit cost as \$\*\*\*, ex-factory export price for Saccharin comes to USD \*\*\* per MT.

##### **D.5.2 Export price (M/s Kaifeng Xinghua Fine Chemical Factory)**

41. The authority has taken weighted average CIF price as USD \*\*\* PMT of imports from the producer and after considering adjustment on account of inland freight as \$ \*\*\*, overseas freight as US\$ \*\*\*, overseas insurance as US\$ \*\*\* commissions as \*\*\* and others as \$\*\*\* ex-factory export price for Saccharin comes to USD \*\*\* PMT.

##### **D.5.3 Export Price (M/s Tianjin Changjie Chemical Co. Ltd.)**

42. The authority has taken weighted average CIF price as \$\*\*\* PMT of imports from the producer and after considering adjustment on account of inland freight as \$ \*\*\*,

overseas freight as \$\*\*\*, inland insurance as \$ \*\*\*, and rebates/commission as \$ \*\*\*, ex-factory export price for Saccharin comes to USD \*\*\* per MT.

#### **D.5.4 Other exporters/producers from China PR**

##### **Export Price**

43. The ex-factory export price has been determined as per data available with the authority. The authority has taken CIF price as \$\*\*\* of imports. after considering adjustment on account of inland freight as \$ \*\*\*, overseas freight as US\$ \*\*\*, overseas insurance as US\$ \*\*\* commissions as \*\*\* and others as \$\*\*\* ex-factory export price for Saccharin comes to USD \*\*\* PMT.(The average exchange rate of Rs.45.62/- =1USD during the period of investigation has been adopted.)

#### **D.6 Dumping Margin**

<b>Exporter/Producer</b>	<b>Normal Value</b>	<b>Export Price USD/MT</b>	<b>Dumping Margin</b>
M/s Shanghai Fortune Chemicals Co. Ltd., China PR (Manufacturer) and M/s Majestic International Trading Co. Ltd., Hong Kong (Exporter)	***	***	86.13 %
M/s Kaifeng Xinghua Fine Chemical Factory	***	***	86.73 %
M/s Tianjin Changjie Chemical Co. Ltd.	***	***	83.86 %
Others	***	***	202.22 %

44. The dumping margins so determined provisionally are significant and above de minimis.

### **E. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF CAUSAL LINKS**

#### **E.1 Views of the domestic industry**

45. Domestic industry has claimed that the injury to the domestic industry is not four years phenomena and the domestic industry has suffered injury since many years. As per the domestic industry, trend of imports shows that it has been increasing consistently since 1993-94 and share of the domestic industry had been declining since then. Domestic industry has faced severe volume injury as well as price injury and claimed that injury to the domestic industry has been caused by the dumped imports. It further states that 'There is too significant difference between the prices offered by the domestic industry and foreign

producers. Even when the domestic industry has been offering sub-optimal prices, it is facing significant price undercutting. Resultantly, the consumers are increasingly preferring imported product. This has resulted in increase in volume of dumped imports and decline in sales volume of the domestic industry.’ ‘Decline in sales volume of the domestic industry directly resulted in decline in production and capacity utilization of the domestic industry. Such is the extent of declining demand for the domestic industry’s product that the Indian producers are being forced to suspend or close their operations; existence of significant price undercutting and resultant sub-optimal prices offered by the domestic industry have had direct impact on the financial situation of the Indian producers. Indian producers have been facing continuous financial losses. Such financial losses have been increasing; deteriorating financial losses are adversely impacting the cash flow and the ROI of the Indian producers; continuous dumping has resulted in loss of production, capacity utilization and the employment of the country; significant price undercutting has resulted in increase in volume of imports and consequently increase in share of imports in the demand of the product in the country. As a direct consequence, market share of the domestic industry fell from over 80% a decade before to less than 15% at present.’

## **E.2 Examination by the Authority**

46. The Authority has taken note of various arguments raised by various parties in their submissions. For the purpose of injury analysis the data provided by applicants and their supporters namely, M/s Jetsons, Dist. Thane, Maharashtra, M/s Goldstar, Ankleshwar, and M/s Ameeta Chemicals, Baroda, Gujarat have been taken into account.

47. Article 3.1 of the ADA and Annexure II of the AD Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices in the domestic market for the like products; and (b) the consequent impact of these imports on domestic producers of such products, with regard to the volume effect of the dumped imports. The authorities are required to examine whether there has been a significant increase in imports, either in absolute term or relative to production or consumption in the importing member. With regard to the price effect of the dumped imports, the authorities are required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in the importing country, or whether the effect of such imports is otherwise to depress prices to a significant degree, or prevent price increase, which would have otherwise occurred to a significant degree.

48. For the purpose of injury analysis the Authority has examined the volume and price effects of dumped imports of the subject goods 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.

49. Since positive dumping margin has been established for the exports from the subject country, entire exports from the subject country has been treated as dumped imports for the purpose of injury analysis and causal links examination.

(A) **VOLUME EFFECT:** Volume Effect of dumped imports and Impact on domestic Industry

50. The domestic industry stated that their subject goods are being exported under heading 29251100 of the Chapter 29 of Custom Tariffs Act, 1975. The Authority taken

transaction-wise data from Directorate General of Commercial Intelligence & Statistics (DGCI&S). The year wise data of imports of saccharin from subject country and other countries are given below:

**i) Import Volumes and share of subject country**

Particulars	Unit	2001-2002		2002-2003		2003-2004		Jan 04-Dec 04	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
<b>Import as per DGCI&amp;S</b>									
Subject Country (China)	MT/Lacs	1140.00	1217	1344	1428	1772	2006	1872	2017
Trend	Indexed	100	100	118	117	155	165	164	166
Other Countries	MT/Lacs	14.25	59	46	44	5	13	6	19
Trend	Indexed	100		321		36		44	
Total Imports	MT/Lacs	1154.25	1276	1389	1472	1778	2019	1878	2036
Trend	Indexed	100		120		154		163	

**Market Share in Imports**

Market share of Import	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
China	%	98.77	96.70	99.71	99.68
Trend	Indexed	100	98	101	101
Other countries	%	1.23	3.30	0.29	0.34
Trend	Indexed	100	267	23	27

51. Import data shows that imports from China constitute major portion of total imports. Imports from other countries constitute insignificant quantities from base year to POI.

52. Imports from China had been rising consistently and had increased by 64% during POI as compared to base year. This indicates that as compared to growth in demand which had risen by 52% during POI as compared to base year the imports growth from the subject country had been disproportionately high.

53. The prices of imports from subject country had remained same from base year to POI, however, these prices were significantly below as compared to the prices from the other countries. Prices of subject goods from subject country were in the range of 25%-45% of the prices from other countries from base year to POI.

54. Data on imports shows share of subject goods from the subject country had been rising consistently except in the year 2002-03. It was 98.8% in the year 2001-02 and it increased to 99.7% during POI whereas share of the other countries which was only 1.2% during 2000-01, declined to 0.3% during POI.

**ii) Demand, Output and Market shares**

**a) Growth in Demand**

<b>Demand</b>	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
Imports from China	Mt	1140	1344	1772	1872
Other Countries	Mt	14	46	5	6
Sales - domestic industry	Mt	***	***	***	***
Sales -Others	Mt	***	***	***	***
Total demand	Mt	***	***	***	***
Trend	Indexed	100	116	142	149

55. The total demand of the subject goods has been calculated by addition of domestic sales of domestic producers and imports (as reported by DGCI&S) of subject goods from all the countries. The subject goods shows robust growth in demand during POI as compared to base year. During POI the demand had risen by 49% as compared to the base year. On the year to year basis, in 2002-03 and 2003-04 it rose by 16% and 22% respectively and during POI it rose by 5% indicating consistent growth in demand.

**b) Production of the Domestic Industry**

<b>Capacity</b>	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
Domestic industry	MT	570	570	570	570
Indian Industry	MT	1220	1220	1220	1220

<b>Production</b>	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
<b>Domestic industry</b>	MT	***	***	***	***
Trend	Indexed	100	107	106	95

<b>Capacity Utilization</b>	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
Domestic industry	%	***	***	***	***
Trend	Indexed	100	107	106	95

56. The domestic industry has alleged that dumping from China had been continuously taking place since many years. The industry, therefore, have been under severe pressure to compete with the dumped imports and many of the units were unable to survive and had to close down. The data, of the Indian producers which are still having plants, though may be producing very small quantities, show that capacities of the Indian industry and applicants had not changed during POI as compared to base year.

57. The data on production of saccharin shows that production during POI had come down to 95% of the base year. The production had risen by approximately 6 to 7% during the intervening period but declined to 95% of base year during POI.

58. As the capacity had not changed during the POI and production had come down to 95% during POI, accordingly the capacity utilisation has also come down to 95% of base year during POI. The data indicates that the robust growth in demand of the subject goods had not benefited the domestic industry rather it shows that producer had been finding it difficult even to continue with the same level of production.

**c) Sales of Domestic Industry**

<b>Domestic Sales</b>	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
Domestic industry	MT	***	***	***	***
Trend	Indexed	100	106	101	100

59. The data on sales shows the domestic sales quantity had not changed much, though it risen by 6% during 2001-02, however, it declined in subsequent year and came down to the level of the base year during POI. The average inventory stock shows that it was equivalent to 10 days of sales in 2001-02 and it kept on rising and reached to 31 days of stock during POI.

60. Despite the growth in demand by 49% during POI and available capacity, the domestic industry neither could increase their production nor increase their sales rather their average inventory increased considerably showing difficulties of producers in selling their product in the market conditions where dumped materials were available at cheap prices.

**d) Demand and Market Share**

<b>Share in Demand</b>	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
Imports from China	%	***	***	***	***
Trend	Indexed	100	102	110	111
Other Countries	%	***	***	***	***
Trend		100	278	25	30
Domestic industry	%	***	***	***	***
Trend	Indexed	100	91	71	67
Others	%	***	***	***	***
<b>Trend</b>		100	57	38	37

61. The data shows that growth in demand during POI was 49% as compared to the base year. The share in demand from subject country was quite significant during the base year, however, it kept on increasing and rose by 11% during POI as compared to base year. The share in demand from other countries was insignificant during base year and declined to miniscule 30% of the base year during POI. The share in demand of the domestic industry kept on declining from base year to POI. It declined to 67% of the base year during POI. Similarly, the share of the other domestic producers kept on declining consistently and declined to 37% of the base year during POI. The analysis shows that the exporters from the subject country not only took advantage of growth in demand rather they captured the market share of other exporters and domestic industry, consequently the other exporters had been reduced to insignificant players.

**(B) Price Effect of the Dumped imports on the Domestic Industry**

62. The impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis the weighted average cost of production, weighted average Net Sales Realization (NSR) and the Non-injurious Price (NIP) of the Domestic industry (worked out after normating the costing information of the Domestic Industry) have been compared with the landed cost of imports from the subject country.

**(i) Evaluation of price over Period of Investigation**

Export Price	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
China	Rs./Kg	106.78	106.27	113.17	107.75
Trend	Indexed	100.00	99.52	105.99	100.91
Other Import	Rs./Kg	411.81	97.13	259.97	309.60

63. The data on prices reveal that prices from subject country had not changed much from base year to POI. However, these prices were very low as compared to prices from other countries. The prices from subject country were in the range of 25%-45% of the prices from the other countries.

**(ii) Price undercutting and underselling effects**

	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
<b>Cost of Production</b>					
Petitioner	Rs./kg.	***	***	***	***
Trend	Indexed	100	98	92	95
<b>Selling Price</b>					
Petitioner	Rs./kg.	***	***	***	***
Trend	Indexed	100	96	95	90
<b>Profit/ Loss</b>					
Petitioner	Rs./kg.	***	***	***	***
Trend	Indexed	-100	-113	-66	-156
<b>Profit/ Loss on Domestic sales</b>					
Petitioner	Rs./Lacs	***	***	***	***
Trend	Indexed	-100	-120	-66	-155
Cash Profit					
Petitioner	Rs. Lacs	***	***	***	***
Trend	Indexed	-100	-141	-62	-197
<b>Net Sales Realisation Value (NSR x Sales)</b>					
Petitioner	Rs. Lacs	***	***	***	***
Trend	Indexed	100	103	95	90
<b>Landed value</b>					
<b>Customs Duty</b>		35%	30%	25%	20%

<b>China</b>	Rs./kg.	145.59	139.53	142.88	130.59
<b>Trend</b>	Indexed	100	96	98	90
<b>Price Undercutting</b>		***	***	***	***
<b>Price Undercutting Range</b>	%				35-45%
<b>NIP</b>	Rs/Kg				***
<b>Price underselling</b>	Rs/Kg				***
<b>Price underselling Range</b>	%				37-47%

64. Selling price (Net Sales Realisation) of the domestic industry shows decline to 90% of the base year during the period of investigation as compared to the cost of production which declined to 95% of the base year during POI.

65. Price undercutting has been determined by comparing the weighted average landed value of dumped imports from the subject country over the entire period of investigation with the weighted average net sales realization of the domestic industry for the same period. For this purpose landed value of imports has been calculated by adding 1% handling charge and applicable basic customs duty to the value reported in the DGCI&S data of export prices from the subject country.

66. In determining the net sales realization of the domestic industry, the rebates, discounts and commissions offered by the domestic industry and the central excise duty paid have been rebated.

67. For the purpose of price underselling determination the weighted average landed prices of imports from subject country have been compared with the Non-injurious selling price of the domestic industry determined for the POI.

68. The Authority notes that Imports from the subject country have been significantly below the net sales realization of the domestic industry as well as the non-injurious price estimated for the domestic industry thus resulting in significant price undercutting and underselling. Price undercutting is in the range of 35-45% and price underselling is in the range of 37-47 % during POI.

**(iii) Price suppression and depression effects of the dumped imports**

69. The price suppression effect of the dumped imports has also been examined with reference to the cost of production, net sales realization and the landed values from the subject country.

70. The trend of cost of production shows that cost of production declined to 95% of the base year whereas the selling price declined to 90% of the base year during POI. As imports from subject country were coming at significantly low prices since many years, therefore, selling prices were already depressed. However, the undercutting in the range of 35%-45% during POI further suppressed the prices whereby selling prices declined to 90% of the base year as compared to the cost of production which declined to 95% of the base year during POI.

### E.3 Examination of other Injury Parameters

71. 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 analysed hereunder as follows:

#### i) Growth

72. Growth measured on year to year basis shows that demand had been rising consistently. The imports also show consistent growth. Change in production for the domestic industry, sales and market share of the domestic industry shows declining trend. Average inventory had been rising consistently.

#### Productivity

Employment (Number of employees)	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
Petitioner	Nos.	***	***	***	***
Trend	Indexed	100	98	85	81

Salary & Wages DI	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
Petitioner	Rs. Lacs	***	***	***	***
Trend	Indexed	100	92	66	68

Productivity (Production per employee)	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
Petitioner	Mt	***	***	***	***
Trend	Indexed	100	109	124	116

73. The data on employment shows that the number of employees had been continuously declining and it declined to 81% of the base year during POI. The salary and wages of domestic industry had been falling from base year to POI. It declined to 68% of the base year during POI. On the other hand, productivity which is measured as production of subject goods per employee, shows a rising trend. It had been consistently rising from base year to POI and after increasing by 24% during 2003-04 it declined during POI, however, from the base year the productivity improved by 16% during POI. The wages per unit of production declined to 72% of the base year during POI.

#### ii) Profits and actual and potential effects on the cash flow

	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
<b>Cost of Production</b>					
Petitioner	Rs./kg.	***	***	***	***
Trend	Indexed	100	98	92	95
<b>Selling Price</b>					
Petitioner	Rs./kg.	***	***	***	***

Trend	Indexed	100	96	95	90
<b>Profit/ Loss</b>					
Petitioner	Rs./kg.	***	***	***	***
Trend	Indexed	-100	-113	-66	-156
<b>Profit/ Loss on domestic sales</b>					
Petitioner	Rs./Lacs	***	***	***	***
Trend	indexed	-100	-120	-66	-155
<b>Cash Profit</b>					
Petitioner	Rs. Lacs	***	***	***	***
Trend	Indexed	-100	-141	-62	-197

74. The data indicates the cost of production had been declining from base year to POI. It declined to 95% of the base year during POI. The selling price had been showing declining trend, however, the decline in selling price is more pronounced as compared to the decline in cost of production. The selling price declined to 90% of the base year during POI. The losses per unit increased by 56% during POI as compared to base year. Similarly, the losses on domestic sales had been rising and increased by 55% during POI as compared to base year. The cash (losses) increased by 97% during POI as compared to the base year.

### iii) Employment and wages

<b>Employment (Number of employees)</b>	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
Petitioner	Nos.	***	***	***	***
Trend	Indexed	100	98	85	81
<b>Salary &amp; Wages DI</b>					
Petitioner	Rs. Lacs	***	***	***	***
Trend	Indexed	100	92	66	68

75. The data on employment shows that the number of employees had been declining and it declined to 81% of the base year during POI. The salary and wages of domestic industry had been falling consistently from base year to POI. It declined to 68% of the base year during POI.

### iv) Return on investment and ability to raise capital

	<b>Unit</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Jan-Dec' 04</b>
<b>Net Fixed Assets (for Product)</b>					
Petitioner	Rs. Lacs	***	***	***	***
Trend	Indexed	100	111	97	101
<b>Capital Employed (for Product)</b>					
Petitioner	Rs. Lacs	***	***	***	***
Trend	Indexed	100	98	103	97
<b>Return on Capital Employed</b>					

Petitioner	%	***	***	***	***
Trend	Indexed	-100	-139	-67	-209

76. The above data shows that the net fixed assets of the company for this product had not changed significantly and rose by 1% during POI as compared to the base year. The total capital employed for the product had declined by 3% during POI as compared to the base year. The return on capital employed steeply declined to -209 (indexed) from the base of -100 in the base year.

**v) Investment**

77. The authority notes that the domestic industry had not raised the capacity from base year to POI. There had been no fresh investment by the domestic industry during the period of investigation and there are no plan for further investment as submitted by them.

**vi) Magnitude of Dumping**

78. Magnitude of dumping as an indicator of the extent to which the dumped imports can injure the domestic industry shows that the dumping margin determined against the subject country named, for the POI, is significant.

**vii) Factors affecting prices**

79. Change in cost structure if any, competition in the domestic industry and prices of competing substitutes have been examined for analyzing the factors other than dumped imports that might be affecting the prices in the domestic market. The cost of production declined to 95% of the base year during POI. The export price from China increased by 6% during 2003-04 before declining and it was 1% higher during POI as compared to base year. The custom duty declined from 35% in base year to 20% during POI. Consequently, landed value of imports from China declined to 90% during POI as compared to base year. However, the selling price declined to 90% of the base year during POI. The Authority notes that Landed values of imported material from subject country was significantly below the selling price of the domestic industry, causing severe price undercutting in the Indian market.

**viii) Inventories**

	Unit	2001-02	2002-03	2003-04	Jan-Dec' 04
<b>Average Stock</b>					
Petitioner	MT	***	***	***	***
Trend	Indexed	100	158	306	316
<b>Number of days of sales in stock</b>					
<b>Domestic Industry</b>	Days	9.79	14.67	29.96	30.92

80. The data indicates that the inventory of the domestic industry had been consistently rising from base year to POI. It increased by 316% during POI as compared to base year.

Translated in to number of days of sales it was equivalent to 10 days in 2001-02 and it increased to 31 days during POI.

#### **E.4 Conclusion on injury parameters**

81. The demand of subject goods increased by 52% during POI whereas sales volume of domestic industry remained at the same level. The average inventory translated in to number of days of sales increased from 10 days to 31 days during POI. The production declined to 95% of the base year, the capacity utilization which was at sub-optimal level in the base year further declined to 90% of the base year during POI. The market share in demand of the domestic industry declined during POI. The cost of production declined to 95%, the selling price declined to 90% of the base year during POI. Despite depression of prices because of continuous dumping, the prices were suppressed further because of undercutting in the range of 35-45% during POI. The financial situation of the domestic industry which was facing losses during the base year further deteriorated because of the dumping and severe undercutting adversely impacting the cash flow and ROI. The analysis of economic parameters indicate significant decline in the performance and injury to the domestic industry.

#### **E.5 Other Known factors and Causal Link**

82. The foregoing analysis indicates that there were significant differences in the prices of the domestic industry and the exporter from the subject country. Even when the domestic industry were selling the product by incurring losses they were still facing significant undercutting from dumped imports consequently the imports from the subject country displaced the domestic industry and captured their share. This resulted in increase in volume of dumped imports, in absolute term in relation to production and share in demand. Existence of undercutting and the level of prices at which domestic producer was forced to sell directly impacted on their financial situation and consequently impacting the cash flow and return on investment of the domestic industry.

83. The Authority has also examined the issue of causal link and other non-attribution factors as laid down in the Rules to segregate injury if any caused by other factors. In this regard the following indicative factors as laid down in the Rules have been examined.

##### **i) Volume and prices of imports from other sources**

84. The authority notes that the volume of imports from other country is insignificant. Imports from the subject country is having share of 99.7% of total imports during Period of Investigation. Thus, imports from other countries have not contributed to the injury to the domestic industry.

##### **ii) Contraction in demand and / or change in pattern of consumption**

85. The subject goods have shown consistent growth during the injury period. The total demand of subject goods have shown growth of 49% during Period of Investigation as compared to the base year. There is also no significant change in consumption pattern of the product in the domestic market which could be attributed to the injury to the domestic industry.

**iii) Trade restrictive practices of and competition between the foreign and domestic producers**

86. The Authority notes that there is no restrictive practice prevalent in the industry which could be attributed to the injury to the domestic industry.

**iv) Development of technology**

87. The Authority notes that technology for production of the product has not undergone any change. Development of any other technology, therefore, cannot be attributed to the injury to the domestic industry.

**v) Export performance**

88. The Authority notes that there was no exports made by the domestic industry, therefore, this factor is not attributable to the injury to the domestic industry.

**vi) Productivity of the Domestic Industry**

89. Productivity of the domestic industry in terms of production per employee has shown significant improvement. Therefore, productivity is not a factor which can be attributed to the injury of the domestic industry. In fact wages per unit of production had declined during POI.

90. No other factor which could have possibly caused injury to the domestic industry has been brought to the knowledge of Authority.

91. On the basis of the above examination it is concluded that the subject goods exported from the subject country are at prices far below their normal value, Non Injurious Price of the domestic industry and the average sales realization of the subject goods of the applicants, and the dumping, injury and causal links have been clearly established

**F. Magnitude of Injury Margin**

92. The non-injurious price determined by the Authority has been compared with the landed value of the exports for determination of injury margin. The injury margins have been worked out as follows:

**Injury Margin**

<b>Name of company</b>	<b>Injury Margin</b>
M/s Shanghai Fortune Chemical Co. Ltd.	US\$***per MT
M/s Kaifeng Xinghua Fine Chemical Factory	US\$ ***per MT
M/s Tianjin Changjie Chemical Co. Ltd	US\$ ***per MT
Others from China PR	US\$ ***per MT

## G. Conclusions

93. The Authority has, after considering the foregoing, come to the conclusion that:

- a. The subject goods have been exported to India from the subject country below its normal value;
- b. The domestic industry has suffered material injury;
- c. The injury has been caused by the dumped imports from subject country.

## H. Indian Industry's Interest & Other Issues

94. 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 country in any way, and, therefore, would not affect the availability of the products to the consumers.

## I. Recommendations

95. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal links. Having initiated and conducted a preliminary investigation into dumping, injury and causal links between dumping and injury to the domestic industry in terms of the Rules laid down and having provisionally established positive dumping margin against the subject country, as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of provisional duty is required to offset dumping and injury pending completion of the investigation.

96. Therefore, Authority considers it necessary and recommends provisional anti-dumping duty on imports of subject goods from the subject country in the form and manner described hereunder.

97. Having regard to the lesser duty rule followed by the authority, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Accordingly, provisional antidumping duty equal to the amount indicated in Col 8 of the table below is recommended to be imposed from the date of notification to be issued in this regard by the Central Government, on all imports of subject goods originating in or exported from the subject country.

### Duty Table

Sl. No	Sub-Heading Or Tariff Item	Description of Goods	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit of Measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	29251100 or	Saccharin	China PR	China PR	Shanghai Fortune Chemicals Co.	Majestic International	1643.92	MT	USD

	Any other Head of Customs				Ltd., China	Trading Co. Ltd.			
2.	Do	Do	China PR	China PR	Shanghai Fortune Chemicals Co. Ltd., China	Any	1643.92	MT	USD
3.	Do	Do	China PR	China PR	Kaifeng Xinghua Fine Chemical Factory	Any	1568.19	MT	USD
4	Do	Do	China PR	China PR	Tianjin Changjie Chemical Co. Ltd.	Any	1576.97	MT	UDS
5.	Do	Do	China PR	China PR	Any	Any	2770.48	MT	USD
6.	Do	Do	China PR	Any country other than China PR	Any	Any	2770.48	MT	USD
7.	Do	Do	Any country other than China PR	China PR	Any	Any	2770.48	MT	USD

## J. Further Procedures

98. The following procedure would be followed subsequent to notifying the preliminary findings:-

- (a) The Authority invites comments on these findings from all interested parties and the same would be considered in the final finding;
- (b) Exporters, importers, applicants and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the dispatch of the letter. Any other interested party may also make known its views within forty days from the date of publication of these findings;
- (c) The Authority would conduct further verification to the extent deemed necessary;
- (d) The Authority would disclose essential facts before announcing final findings.

Christy L. Fernandez  
The Designated Authority