

F. No. 15/22/2006-DGAD
Government of India
Ministry of Commerce & Industry
Directorate General of Anti-Dumping & Allied Duties
Department of Commerce

New Delhi-110 011
Dated 26th March 2007

NOTIFICATION

Sub: Violation / Revision of Price undertaking executed by M/s Taiwan Pulp & Paper Corporation, Taiwan in respect of antidumping duty imposed on import of Potassium carbonate from Chinese Taipei.

Whereas, 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, the Designated Authority investigated alleged dumping of potassium Carbonate from countries inter alia, including Chinese Taipei and consequent injury to the domestic industry in India and notified its final findings vide notification No. 14/42/2002-DGAD dated 16th January 2004. The Government of India vide Notification No 37/2004 dated 20th February 2004, imposed definitive antidumping duty on the subject goods imported from the countries named including Chinese Taipei.

And whereas, the Designated Authority accepted the price undertaking offered by one of the exporter from Chinese Taipei, i.e. M/s Taiwan Pulp & Paper Corporation, Taiwan and suspended the said investigation against the said exporter upon acceptance of voluntary price undertaking by the said exporter. Acceptance of the price undertaking was also notified in the said notification dated 16th January 2004. As per the conditions of the said undertaking the exporter agreed to export the subject goods to India at a price higher than US\$471.00 Per MT so as to eliminate the injurious effects of dumped imports and to submit information, which may be required to demonstrate adherence to the undertaking. The exporter also undertook to amend the undertaking, including it's appendices, in whole or in part, to take into account any change in circumstances from those which prevailed at the time the undertaking was accepted.

And whereas the domestic industry has filed an application before the Authority alleging violation of the said price undertaking and requesting for revocation of the said undertaking. It has been brought to the notice of the Authority that the domestic selling price of the exporter in its home market has increased substantially whereas the export price to India has not been adjusted commensurate to the formula agreed upon in the said undertaking.

The exporter has also intimated the Authority that due to change in its domestic selling price structure in their home market as well as in the Indian market they would like to revise the undertaking price taking into account the current price levels. The exporter was asked vide letter dated 18th September 2006 to file detailed information about its cost of production, domestic sales and export sales for the period 1st April 2005 to 30th September 2006 for examination of the issue. The exporter vide its letter dated 11th January 2007 submitted that the price of raw material potassium chloride has pushed up the production cost and increase in exchange rates has also contributed to higher prices in terms of US\$. They also submitted information about their cost of production, domestic sales and export sales and also consented for verification of the same. However, vide its letter dated 16th March 2007 the exporter has requested to defer the on-the-spot investigation till 3rd quarter of 2007 due to certain installation of heavy equipments in their production unit in the intervening period.

The Authority notes that rule 15(6) of Antidumping Rule provide “.....in case of any violation of undertaking, the DA shall, as soon as may be possible, inform the Central Government of the violation of the undertaking and recommend imposition of provisional duty from the date of such violation in accordance with the provisions of these rules”. Timely action to prevent injury that may be caused to the domestic industry in the event of violation or alteration of the conditions of the price undertaking, being the essence of the above provision, it would not be possible to defer the investigation as requested by the exporter without imposition of provisional duty.

In view of the above, the price undertaking is hereby revoked and the investigation suspended vide Notification dated 16th January, 2004 is hereby resumed to examine the definitive duty or the revised undertaking price level that may be sufficient to eliminate dumping by this exporter and consequent injury to the domestic industry.

Pending further investigation the Authority recommends imposition of provisional anti dumping duty as recommended vide preliminary findings dated 30th April, 2003, which was suspended vide final finding notification 16th January, 2004, upon acceptance of the said price undertaking, with immediate effect. The duty shall be provisionally collected at the rate of US\$ 70.45 per MT on all exports of the subject goods by M/s. Taiwan Pulp and Paper Industry, Chinese Taipei, from the date of its imposition, pending final recommendations of the Authority.

The interested parties to this investigation may make their submissions in this respect, in the form and manner prescribed, within 30 days from the date of this notification along with non-confidential summary thereof for further examination by the Authority.

**Christy L. Fernandez
Designated Authority**