

price (gross unit price) in accordance with section 772(c) of the Act.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using a factors-of-production methodology if (1) the merchandise is exported from a NME country, and (2) available information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act.

In every case conducted by the Department involving the PRC, the PRC has been treated as a NME country. Pursuant to section 771(18)(C)(i) of the Act, any determination that a foreign country is a NME country shall remain in effect until revoked by the administering authority. TTPC did not contest such treatment in this review. Accordingly, we have applied surrogate values to the factors of production to determine NV. *See Surrogate Values Used for the Preliminary Results of the Antidumping Duty New Shipper Review of Glycine from the People's Republic of China*, dated March 13, 2003 (*Factor Values Memo*).

We calculated NV based on factors of production in accordance with section 773(c)(4) of the Act and section 351.408(c) of our regulations. Consistent with the original investigation and the subsequent new shipper review of this order, we determined that India (1) is comparable to the PRC in level of economic development, and (2) is a significant producer of comparable merchandise. We valued the factors of production using publicly available information from India. We adjusted the Indian import prices and price quotes from *Chemical Weekly* (which publishes chemical prices in India and which has been used as a source in other antidumping duty cases) by adding foreign inland freight expenses to make them delivered prices.

We valued the factors of production as follows:

Materials and Energy

To value chloroacetic acid (also known as monochloroacetic acid), we used prices concurrent with the POR as reported in *Chemical Weekly*. To value liquid ammonia, we used the weighted-average unit import value derived from the *Monthly Trade Statistics of Foreign Trade of India—Volume II—Imports (Indian Import Statistics)* for the period March 2001 through January 2002. To value hexamine, we used prices reported in *Chemical Weekly* during the months coinciding with the POR. To value methanol (also known as methyl

alcohol), we used the weighted-average unit import value derived from the *Indian Import Statistics* for the period March 2001 through January 2002. We adjusted these values to include freight costs incurred between the supplier and the factory. For transportation distances used in the calculation of freight expenses on these inputs, we added, to surrogate values from India, a surrogate freight cost using the shorter of (a) the distance between the closest PRC port and the factory, or (b) the distance between the domestic supplier and the factory. *See Notice of Final Determination of Sales at Less Than Fair Value: Collated Roofing Nails From the People's Republic of China*, 62 FR 51410, 51413 (October 1, 1997) (*Roofing Nails*).

To value coal, we relied upon Indian import data for steam coal for the period March 2001 through January 2002 from the *Indian Import Statistics*. We adjusted the cost of coal to include an amount for transportation. To value electricity, we used the 2001 total cost per kilowatt hour (KWH) for "Electricity for Industry" as reported in the International Energy Agency's publication, *Key World Energy Statistics, 2002*. For water, we relied upon public information from the October 1997 *Second Water Utilities Data Book: Asian and Pacific Region*, published by the Asian Development Bank. To achieve comparability of electricity and water prices to the factors reported for the POR, we adjusted these factor values to reflect inflation to the POR using the Wholesale Price Index (WPI) for India, as published in the 2002 *International Financial Statistics (IFS)* by the International Monetary Fund (IMF).

To value packing materials (plastic bags and cardboard drums), we relied upon Indian import data. To value plastic bags, we used data for the period March 2001 through January 2002 as reported in the *Indian Import Statistics*. To value cardboard drums, we used data for the period March 2001 through December 2001 from the *Indian Import Statistics*, which was the latest available to the Department for this factor. We adjusted the values of packing materials to include freight costs incurred between the supplier and the factory following the methodology discussed above.

Labor

For labor, we used the PRC regression-based wage rate at Import Administration's home page, Import Library, Expected Wages of Selected NME Countries, revised in September 2002, and corrected in February 2003.

See <http://ia.ita.doc.gov/wages/corrected00wages/corrected00wages.htm>. Because of the variability of wage rates in countries with similar per capita gross domestic products, section 351.408(c)(3) of the Department's regulations requires the use of a regression-based wage rate. The source of these wage rate data on the Import Administration's web site is the *Year Book of Labour Statistics 2001*, International Labour Office (Geneva: 2001), Chapter 5B: Wages in Manufacturing.

Factory Overhead, SG&A, and Profit

To value factory overhead, selling, general, and administrative expenses (SG&A), and profit, we used financial information from the most recent financial statements of two Indian chemical producers: Calibre Chemicals Pvt. Ltd. and National Peroxide Ltd. This information was used in the preliminary determination in the antidumping duty investigation of saccharin from the PRC. *See Notice of Preliminary Determination of Sales at Less than Fair Value: Saccharin from the People's Republic of China*, 67 FR 79049 (December 27, 2002). We applied these rates to the calculated cost of manufacture. *See Factor Values Memo*. Other information regarding potential surrogate values for factory overhead, SG&A, and profit has recently been placed on the record of this case. We will consider this information, and any other new surrogate information, for the final results of this review.

Transportation Expenses

To value truck freight expenses we used nineteen Indian price quotes as reported in the February 14, 2000 issue of *The Financial Express* (an Indian business publication), which were used in the antidumping duty investigation of certain circular welded carbon-quality steel pipe from the PRC. *See Notice of Final Determination of Sales at Less than Fair Value: Certain Circular Welded Carbon-Quality Steel Pipe from the People's Republic of China*, 67 FR 36570 (May 24, 2002) (*China Pipe*). We adjusted the rates to reflect inflation to the POR using the WPI for India from the IFS.

To value foreign brokerage and handling, we used a publicly summarized version of the average value for brokerage and handling expenses reported in *Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from India*, 66 FR 50406 (October 3, 2001) (*Hot-Rolled from India*), which was also used in *China Pipe*. We used the average of the