

Countries above. Petitioner also adjusted this AUV data for foreign inland freight costs. *See* Petition at Exhibit 28 and *Initiation Checklist*.

Normal Value

With respect to normal value ("NV"), Petitioner provided information that there were no commercial quantity sales of EMD in the home market during the POI and that there is no viable third country market on which to base NV. *See* Petition at Exhibit 6 and 18. Therefore, Petitioner based NV on CV. *See* Supplemental Response at Exhibit K.

Petitioner calculated cost of manufacturing ("COM") based on its own production experience, adjusted for known differences between costs incurred to produce EMD in the United States and Australia using publicly available data. To calculate interest, Petitioner relied upon information from Delta-Australia's corporate parent, Delta PLC, for the year 2002. Petitioner based profit on the 2002 experience of Ticor Limited, a producer of titanium dioxide, which Petitioner stated was similar to the production process of manganese dioxide. *See* Petition at page 21. We have accepted this methodology for purposes of this initiation. The price to CV comparison produced an estimated dumping margin of 47.01 percent.

Greece

Export Price

For a description of export price for Greece, *see Export Price for All Countries* above. Petitioner made no deduction for imputed credit expenses or foreign inland freight costs. *See Initiation Checklist*.

Normal Value

With respect to NV, Petitioner stated it did not know whether the home market for Greece was viable and home market prices were not reasonably available for Tosoh-Greece's sales of EMD during the POI. *See* Petition at page 23. However, Petitioner provided a third country price for EMD offered for sale in Belgium. The Petition provides evidence that these sales of EMD in the third-country market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act. We note, however, that Petitioner did not request a sales-below-cost of production investigation for Greece. Therefore, because the home market prices were unavailable, the home market viability is unknown and the largest third country market price is below COP, Petitioner's dumping allegation is based on CV.

Pursuant to section 773(b)(3) of the Act, cost of production ("COP") consists of manufacture ("COM"), selling, general and administrative (SG&A) expenses, and packing. Petitioner calculated COM based on its own production experience, adjusted for known differences between costs incurred to produce EMD in the United States and Greece using publicly available data. To calculate interest, Petitioner relied upon information based upon the 2002 financial statement of Tosoh Corporation, the corporate parent of Tosoh-Greece. To calculate SG&A, petitioner relied upon the 2002 financial statement of a similar company for which data was reasonably available, Aluminum de Grece Industrial and Commercial S.A. ("Aluminum de Grece"). Petitioner chose Aluminum de Grece, an aluminum producer, because the production of aluminum is similar to EMD production.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner based NV for Greece on constructed value ("CV"). Petitioner calculated CV using the COM, SG&A and interest expense figures used to compute Greece home market costs. Consistent with section 773(e)(2) of the Act, the petitioner included in CV an amount for profit. For profit, Petitioner relied upon amounts reported in Aluminum de Grece's 2002 financial statement. *See* Supplemental Response at Exhibit L. Petitioner explained that the production of Aluminum De Grece is similar to the process of EMD as they are both energy intensive and involve purification of the ore feedstock and electrolysis. *See* Petition at page 24.

We are initiating this investigation based on constructed value of EMD from Greece calculated by Petitioner. Based on the comparison of the U.S. price to NV, the estimated dumping margin is 22.86 percent. *See Initiation Checklist*.

Ireland

U.S. Price

For a description of export price for Ireland, *see Export Price for All Countries* section above. Petitioner made adjustments for foreign inland freight to the AUV data. *See* Petition at Exhibits 3, 33 and *Initiation Checklist*.

Normal Value

With respect to NV, Petitioner relied on foreign market research and third country market price, as Mitsui-Ireland's EMD production was not sold in the home market during the POI and Petitioner demonstrated that all

production was for export activities. *See* Petition at Exhibit 34.

Petitioner used Germany as the viable third country comparison market as Germany is the second largest export market for Irish EMD after the United States. Pursuant to section 773 of the Act, Petitioner retrieved data confirming that Mitsui-Ireland's EMD exports to Germany represent at least 22 percent of its total EMD exports to the United States during the period July 2000 through May 2003. Petitioner calculated an average net third-country price and adjusted for movement expenses from Ireland to Germany and for imputed credit expenses. *See* Petition at Exhibit 33 and Supplemental Response at Exhibit M.

Petitioner alleges that the sales of EMD in the third-country market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act. Pursuant to that section of the Act, COP consists of the COM, SG&A expenses, and packing. In the analysis of the third-country market price (above), market prices are inclusive of selling expenses, and therefore Petitioner used a COP also inclusive of SG&A. In regard to SG&A expense, Petitioner states it was unable to obtain specific and detailed financial data for Mitsui-Ireland, and believes it reasonable to use an SG&A ratio of the most similar Irish metals producer for which data was available - Glencar Mining, PLC. *See* Petition at Exhibit 56, page 16 and Supplemental Response at Exhibit M.

Petitioner used its own COM in the CV calculations with adjustments for known differences in production costs between Ireland and the U.S. for materials, energy and labor costs across the manufacturing process of EMD: ore handling (a.k.a. "leaching"), electrolysis, and finishing.

For interest expense, Petitioner relied upon amounts reported for the Japanese parent company Mitsui Mining & Smelting Co., Ltd. (Mitsui Kinzoku)'s interest expense for the year ending March 2002. *See* Petition at Exhibit 55, page 14. Consistent with 773(e)(2) of the Act, Petitioner included in CV an amount for profit. However, Petitioner applied the "zero" profit rate of Glencar Mining, PLC. *See* Petition at Exhibit 56, pages 16-17.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioner based NV for sales in Ireland on CV. *See* Supplemental Response at Exhibit M.

We have accepted this methodology for purposes of this initiation. The price to CV comparison produced an estimated dumping margin of 25.04 percent. *See Initiation Checklist*.