

U.S. customs duties, and other U.S. transportation expenses. We valued the deductions for foreign inland freight using surrogate data based on Indian freight costs. We selected India as the surrogate country for the reasons explained in the “*Normal Value*” section of this notice, below. Because the respondent used a market-economy shipper for more than an insignificant portion of its sales and paid for the shipping in a market-economy currency, we used the average price paid by that respondent to the market economy shipper to value international freight for all of its sales. See the “Factors of Production Valuation Memorandum” dated October 31, 2003 (“*FOP memo*”); See also *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China; Preliminary Results of 2000–2001 Administrative Review, Partial Rescission of Review, and Notice of Intent to Revoke Order, in Part*, 67 FR 45451, 45453 (July 9, 2002).

Normal Value

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

As discussed in the separate rates section, the Department considers the PRC to be an NME country. The Department has treated the PRC as an NME country in all previous antidumping proceedings. Furthermore, available information does not permit the calculation of NV using home-market prices, third-country prices, or CV under section 773(a) of the Act. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. We have no evidence suggesting that this determination should be changed. Therefore, we treated the PRC as an NME country for purposes of this review and calculated NV by valuing the factors of production in a surrogate country.

Section 773(c)(4) of the Act requires the Department to value the NME producer’s factors of production, to the extent possible, in one or more market economy countries that: (1) Are at a level of economic development comparable to that of the NME, and (2) are significant producers of comparable merchandise. The Department has

determined that India, Pakistan, Indonesia, Sri Lanka, and the Philippines are countries comparable to the PRC in terms of overall economic development (see Memorandum from Jeff May, Director, Office of Policy, to Blanche Ziv, Import Compliance Specialist, Group 1, April 10, 2003). Although we have no information to indicate that India produces creatine, it does produce other products within the same customs heading, and it produces other fine chemicals with nutritional characteristics. We have therefore determined that India is a significant producer of comparable merchandise. Accordingly, we have calculated NV using Indian values for the PRC producer’s factors of production.

We have obtained and relied upon publicly available information, wherever possible. In many instances, we used the *Monthly Statistics of the Foreign Trade of India; Volume II Imports (“MSFTI”)* to value factors of production, energy inputs and packing materials. Consistent with the *Final Determination of Sales at Less than Fair Value: Certain Automotive Replacement Glass Windshields From the People’s Republic of China*, 67 FR 6482 (February 12, 2002) and accompanying Issues and Decision Memorandum at Comment 1, we excluded import data reported in the *MSFTI* for Korea, Thailand and Indonesia in our surrogate value calculations. In addition to the *MSFTI* data, we used Indian domestic prices from *Indian Chemical Weekly (“ICW”)* to value certain chemical inputs. See the *FOP memo*.

Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by Sanjian during the POR. To calculate NV, the reported unit factor quantities were multiplied by publicly available Indian surrogate values.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices to make them delivered prices. For the distances reported, we added to Indian CIF surrogate values a surrogate freight cost using the reported distances from the PRC port to the PRC factory, or from the domestic supplier to the factory. This adjustment is in accordance with the United States Court of Appeals for the Federal Circuit’s (“CAFC”) decision in *Sigma Corp. v. United States*, 117 F. 3d 1401, 1407–1408 (Fed.Cir. 1997). For those values not contemporaneous with the POR, we adjusted for inflation using the appropriate wholesale or producer price index published in the

International Monetary Fund’s *International Financial Statistics*.

Sanjian reported that it purchased a portion of one its inputs, cyanamide, from a market economy supplier. Because we found that the amount of cyanamide purchased was insignificant, we did not use the price paid by Sanjian for this input, and instead used import values from the *MSFTI*. For further information, see the *FOP memo*.

Labor: We valued labor using the method described in 19 CFR 351.408(c)(3).

Electricity and Coal: Consistent with our approach in *Manganese Metal from the People’s Republic of China; Final Results of Antidumping Duty Administrative Review*, 66 FR 15076 (March 15, 2001) (“*Manganese Metal*”), we calculated the surrogate value for electricity based on electricity rate data reported by the International Energy Agency (“IEA”), 4th quarter 2001. For coal, we used import values from the *MSFTI*.

Factory Overhead, Selling, General and Administrative Expenses (“SG&A”), and Profit: We based our calculation of factory overhead, SG&A, and profit on the 2002 financial statements of a producer of comparable merchandise, Riddhi Siddhi Gluco Boils Ltd. (“RSGB”), an Indian starch and dextrine producer.

Inland Freight Rates: To value truck freight rates, we used an average of trucking rates quoted in *ICW*.

Packing Materials: For packing materials we used import values from the *MSFTI*. For a complete analysis of surrogate values, see the *FOP memo*.

Preliminary Results of the Review

We preliminarily find the weighted average dumping margin for Sanjian for the period February 1, 2002, through January 31, 2003, to be zero percent.

Any interested party may request a hearing within 30 days of publication of this notice. See 19 CFR 351.310(c). Any hearing, if requested, will be held approximately 44 days after the date of publication of this notice, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of this notice. Rebuttal briefs and rebuttals to written comments, which must be limited to issues raised in such briefs or comments, may be filed not later than 37 days after the date of publication. Parties who submit arguments are requested to submit with the argument (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities. The Department will issue a notice of final results of this