

The Petitioners selected India as their surrogate country. The Petitioners argued that pursuant to section 773(c)(4) of the Act, India is an appropriate surrogate because it is a market-economy country that is at a comparable level of economic development to the NME and is a significant producer of comparable merchandise. Based on the information provided by the Petitioners, we believe that the Petitioners' use of India as a surrogate country is appropriate for purposes of initiating this investigation. *See Initiation Checklist.*

In accordance with section 773(c)(4) of the Act, the Petitioners valued factors of production, where possible, on reasonably available, public surrogate country data. To value certain raw materials, the Petitioners used official Indian government import statistics, excluding those values from countries previously determined by the Department to be NME countries and imports into India from Indonesia, Korea and Thailand, in light of the prevalence of export subsidies in those countries. *See Notice of Final Determination of Sales at Less Than Fair Value: Ferrovanadium from the People's Republic of China* 67 FR 71137, 71139 (November 20, 2002). For inputs valued in Indian Rupees and not contemporaneous with the POI (*i.e.*, April 2003-September 2003), the Petitioners used information from the wholesale price indices ("WPI") in India as published in the *International Financial Statistics* of the International Monetary Fund to determine the appropriate adjustments for inflation. In addition, the Petitioners made currency conversions, where necessary, based on the average rupee/U.S. dollar exchange rate for the POI. *See Petition* at Exhibit 11.

To value the raw materials, (lumber (*e.g.*, ash, birch, maple, oak, pine, poplar tupelo), other wood items (*e.g.*, cherry wood veneer, fiberboard, hardboard, okoume plywood, lauan plywood, particle board, poplar veneer, oak veneer, wood pulls and okoume veneer), fasteners (*e.g.*, brad & nails, staples, dowels, screws, washers, brass hinges, nuts, brass bolts and hex key), paints and stains (non-water based stains, sealers and lacquers), other miscellaneous items (*e.g.*, printed labels, printed tags, printed paper, glues, plastic furniture fittings, metal drawer pulls & parts, drawer guide brackets, felt and mirrors), packing materials (*e.g.*, polyethylene foam, styrofoam, corrugated cardboard, tape, poly bags, poly straps, plywood, and shrink wrap)), the Petitioners calculated surrogate values from the Indian import

statistics. *See Petition* at Exhibits 12 & 13.

To value electricity, the Petitioners calculated surrogate values using prices paid by industrial electrical users in India from *Key World Energy Statistics* published by the International Energy Agency in 2003. However, the price listed in *Key World Energy Statistics* is for electricity prices from 2000. Therefore, this price was adjusted for inflation using the WPI from the *International Financial Statistics*. *See Petition* at Exhibits 12 and 15.

Pursuant to 19 C.F.R. §351.408(c)(3) of the Department's regulations, the Department calculates and publishes the surrogate values for labor to be used in non-market economy cases. Therefore, the Petitioners used the labor rate of \$0.83 per hour listed on the Department's website. *See Petition* at Exhibit 14.

The Petitioners calculated surrogate financial ratios (factory overhead, selling, general and administrative expenses (SG&A) and profit) using the publicly available financial statements from India Furniture Products, Ltd., an Indian producer of wooden bedroom furniture for the period (March 1, 2002-March 31, 2003), the most recently available financial period.

Based on comparisons of EP to NV, calculated in accordance with section 773(c) of the Act, the estimated recalculated dumping margin for wooden bedroom furniture ranges from 158.74 percent to 440.96 percent.

Fair Value Comparisons

Based on the data provided by the Petitioners, there is reason to believe that imports of wooden bedroom furniture from China are being, or are likely to be, sold in the United States at less than fair value.

Allegations and Evidence of Material Injury and Causation

The Petition alleges that the U.S. industry producing the domestic like product is being materially injured and is threatened with material injury, by reason of the imports of the subject merchandise sold at less than NV. The Petitioners contend that the industry's injured condition is evident in: (1) increasing imports' market share and apparent domestic consumption; (2) declining employment; (3) declining production and capacity utilization; (4) plant closures; and (5) lost sales and revenues. *See Initiation Checklist* at Attachment V (Injury).

The Department assessed the allegations and supporting evidence regarding material injury and causation and determined that these allegations

are supported by accurate and adequate evidence and meet the statutory requirements for initiation.

Initiation of Antidumping Investigation

Based upon our examination of the Petition on wooden bedroom furniture from China, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of wooden bedroom furniture from China are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the Petition has been provided to the government representatives of China.

International Trade Commission Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, no later than mid-January, whether there is a reasonable indication that imports of wooden bedroom furniture from China are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination will result in this investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 777(i) of the Act.

Dated: December 10, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

Export Trade Certificate of Review

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of application to amend an Export Trade Certificate of Review.

SUMMARY: The Office of Export Trading Company Affairs ("OETCA"), International Trade Administration, U.S. Department of Commerce, has