

## India

### Export Price

The petitioners based export price (EP) on average unit values of CVP-23 imports from India for the POI. The petitioners derived such values from import statistics under the HTSUS subheading 3204.17.9040.

### Normal Value

With respect to normal value (NV), the petitioners provided a home market price for CVP-23 based on a price list obtained during the POI. The price was quoted in Indian rupees per kilogram on an ex-warehouse basis with the Central Excise and Sales Tax included. The petitioners adjusted this price by deducting the Central Excise and Sales Tax and converting the Indian value to U.S. dollars per pound using the exchange rates from the Department's website.

The estimated dumping margin for subject merchandise from India, based on a comparison of EP and NV based on a home market price quote, is 147.59 percent.

### PRC

#### Export Price

The petitioner based EP on average unit values of CVP-23 imports from the PRC during the POI. The petitioner derived such values from import statistics under the HTSUS subheading 3204.17.9040.

#### Normal Value

The petitioner alleges that the PRC is a NME country, and notes that in all previous investigations the Department has determined that the PRC is a NME. *See, e.g., Notice of Final Determination in the Less Than Fair Value Investigation of Barium Carbonate From the People's Republic of China*, 68 FR 46577, 46577–46578 (August 6, 2003). In accordance with section 771(18)(C) of the Act, any determination that a foreign country has at one time been considered a NME shall remain in effect until revoked. Therefore, the PRC will continue to be treated as a NME country unless and until its NME status is revoked. Pursuant to section 771(18)(C)(i) of the Act, because the PRC's status as a NME remains in effect, the petitioner determined the dumping margin using a NME analysis.

The petitioners assert that India is the most appropriate surrogate country for the PRC, claiming that India is: (1) A market economy; (2) at a level of economic development comparable to the PRC in terms of per-capita gross national income; and (3) a commercial producer of the subject 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 initiation of this investigation.

With respect to NV, the petitioners calculated a NV based on the constructed values for crude and finished CVP-23, which were then weight-averaged based on the relative quantity of crude and finished color pigment imported during the POI. The petitioners provided constructed values based on Indian surrogate values and factors of production from the production processes of Indian and U.S. producers of CVP-23. Most of the Indian material inputs for the production of CVP-23 are taken from a schedule published by the Government of India and used to calculate import credits in a program called the Duty Entitlement Passbook Scheme. The import credits are based on the quantity of physical inputs used to produce crude CVP-23 and other products covered by the program. For those inputs not reported by the Indian government, the petitioners relied on their own experience in producing crude and finished CVP-23, and they adjusted for any known differences between their production process, the Indian production process, and the Chinese CVP-23 production process. Petitioners were unable to obtain publicly available prices for two material inputs, chloranil and para toluene sulphonyl chloride, in India or any other surrogate country and, therefore, submitted price quotes from Indian suppliers. We determined these prices were sufficient for initiation purposes.

Where applicable, the petitioners adjusted values to be exclusive of excise and sales taxes. Indian values were converted to U.S. dollars using the exchange rates from the Department's website. Where surrogate values were not contemporaneous with the POI, the petitioners adjusted such values using wholesale price indices for all commodities from India.

For selling, general and administrative expenses, profit and packaging, the petitioners relied upon amounts reported in the 2001–2002 financial reports of Pidilite Industries Ltd., which according to its website is the largest producer of CVP-23 in India.

The estimated dumping margin for the PRC, based on a comparison of EP and NV based on a weight-averaged constructed value, is 370.06 percent.

### Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of CVP-23 from India and

the PRC are being, or are likely to be, sold at less than fair value.

### Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the cumulated imports from India and the PRC of the subject merchandise sold at less than NV.

The petitioners contend that the industry's injured condition is evident in the declining trends in net operating profits, net sales volumes, domestic prices, revenue, profit-to-sales ratios, production employment, capacity utilization, and domestic market share. The allegations of injury and causation are supported by relevant evidence including U.S. import data, lost sales, and pricing information.

The Department has assessed the allegations and supporting evidence regarding material injury and causation and determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See the Initiation Checklist.*

### Initiation of Antidumping Investigations

Based upon our examination of the petition, we have found that it meets the requirements of section 732 of the Act. *See the Initiation Checklist.* Therefore, we are initiating antidumping duty investigations to determine whether imports of CVP-23 from India and the PRC are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended, we will make our preliminary determinations no later than 140 days after the date of these initiations.

### 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 representatives of the governments of India and the PRC. We will attempt to provide a copy of the public version of the petition to each exporter named in the petition, as provided for under 19 CFR 351.203(c)(2).

### ITC Notification

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

### Preliminary Determinations by the ITC

The ITC will determine no later than January 5, 2004, whether there is a reasonable indication that imports of