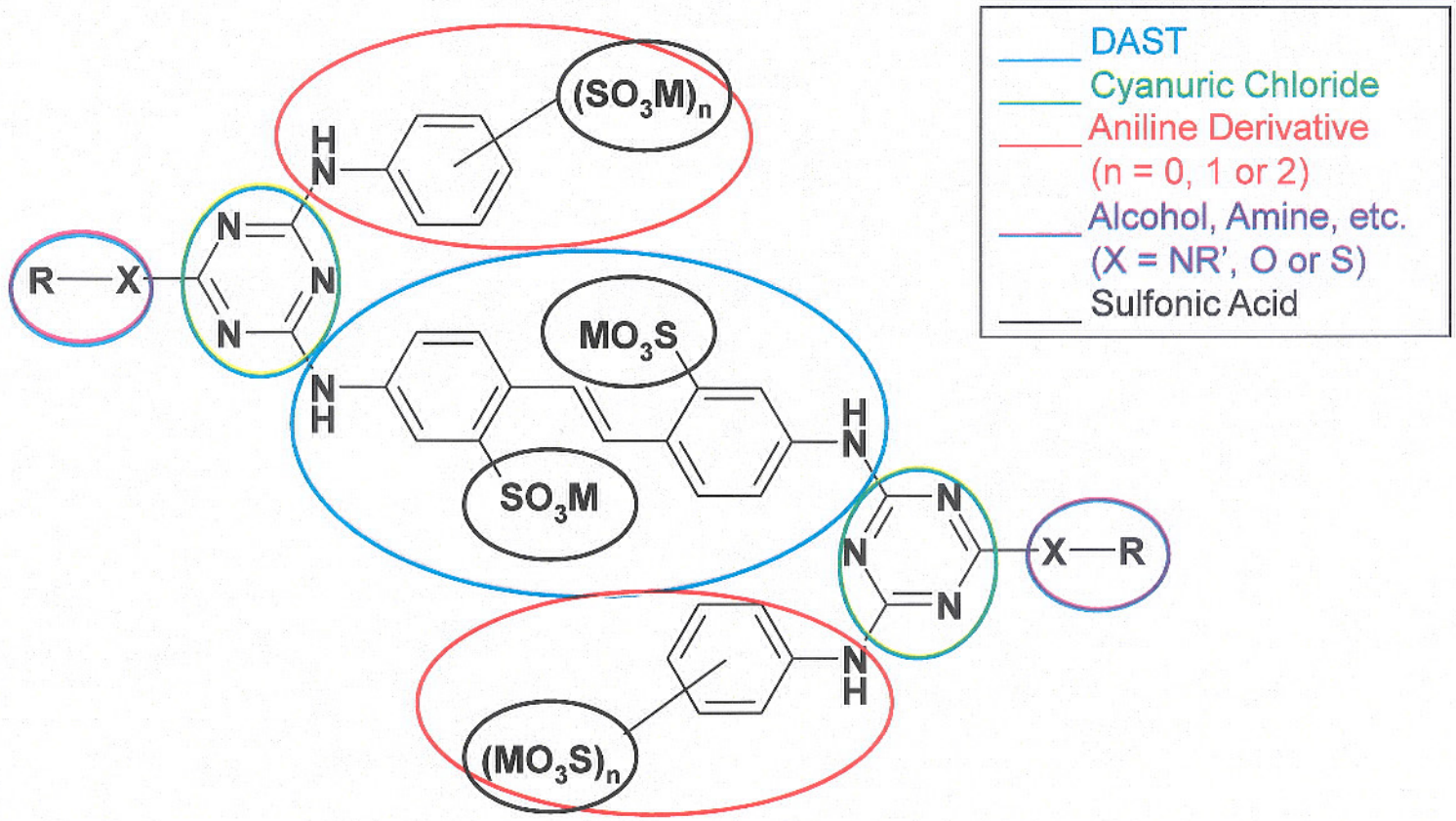
Hearing Presentation by Petitioner Clariant Corporation

Certain Stilbenic Optical Brightening Agents from the People's Republic of China and Taiwan

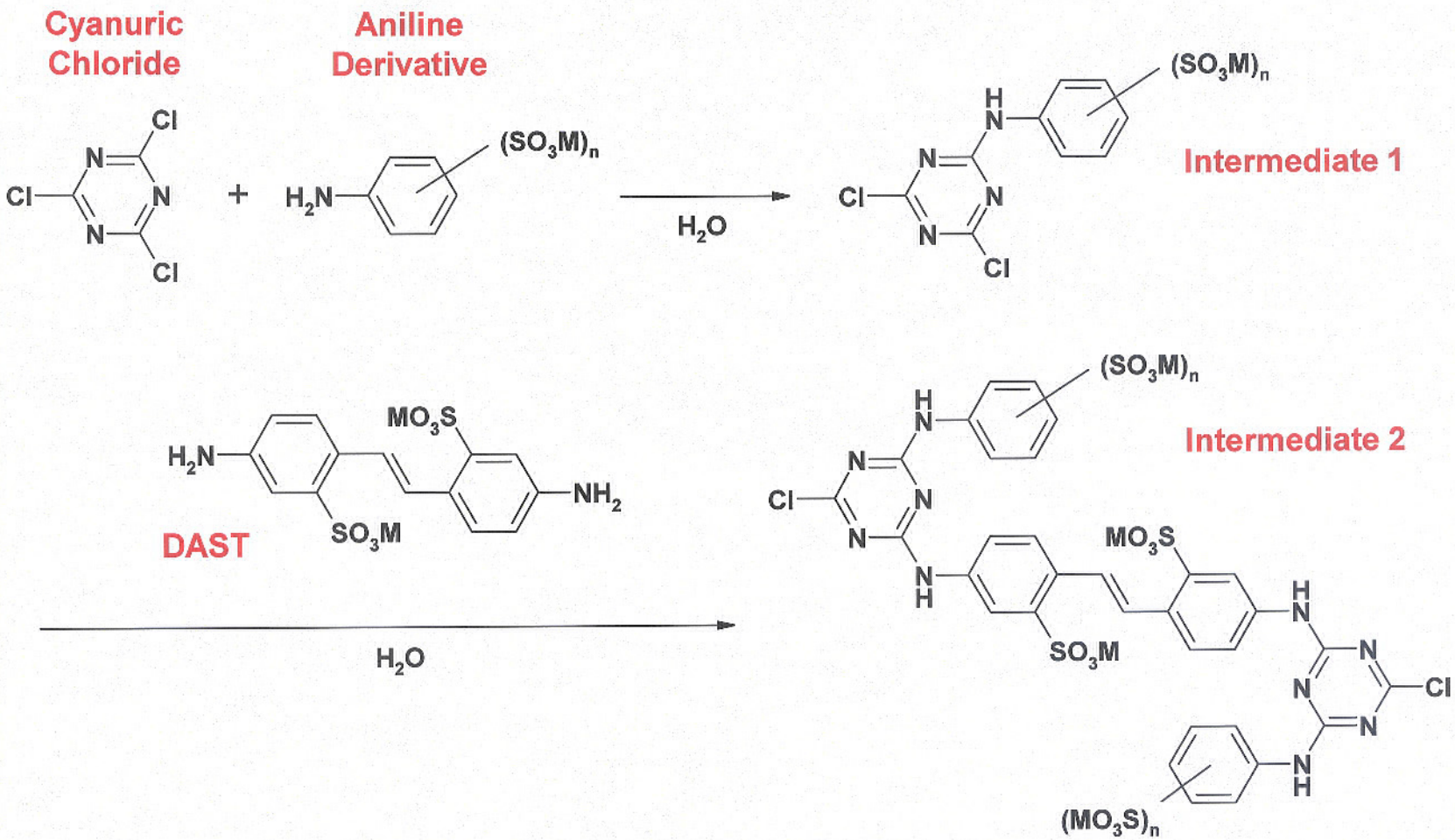
Inv. Nos. 731-TA-1186 & 1187
Investigation (Final)

March 15, 2012

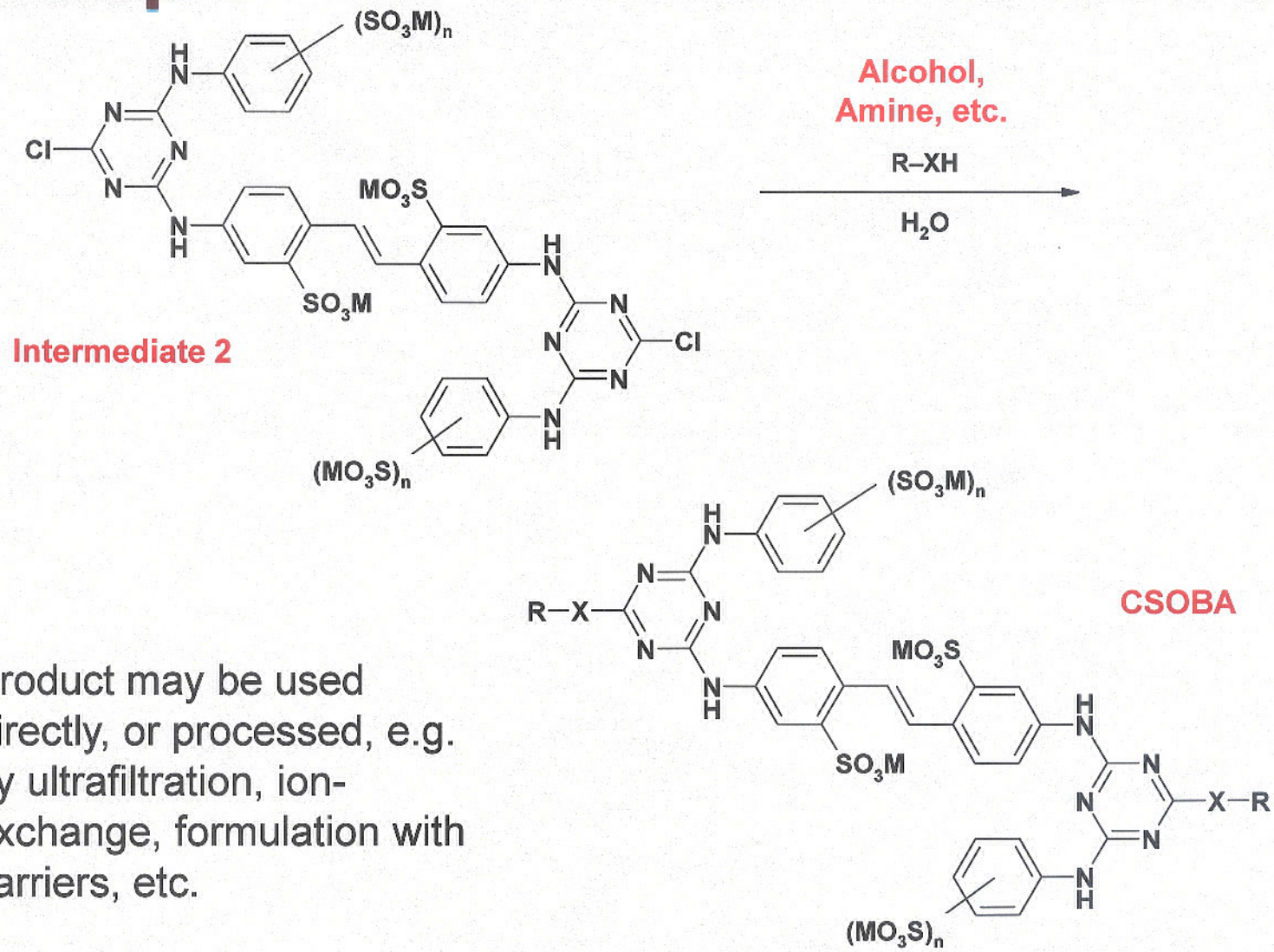
Permutations of CSOBAs



Generalized CSOBA Synthesis: Steps 1 & 2

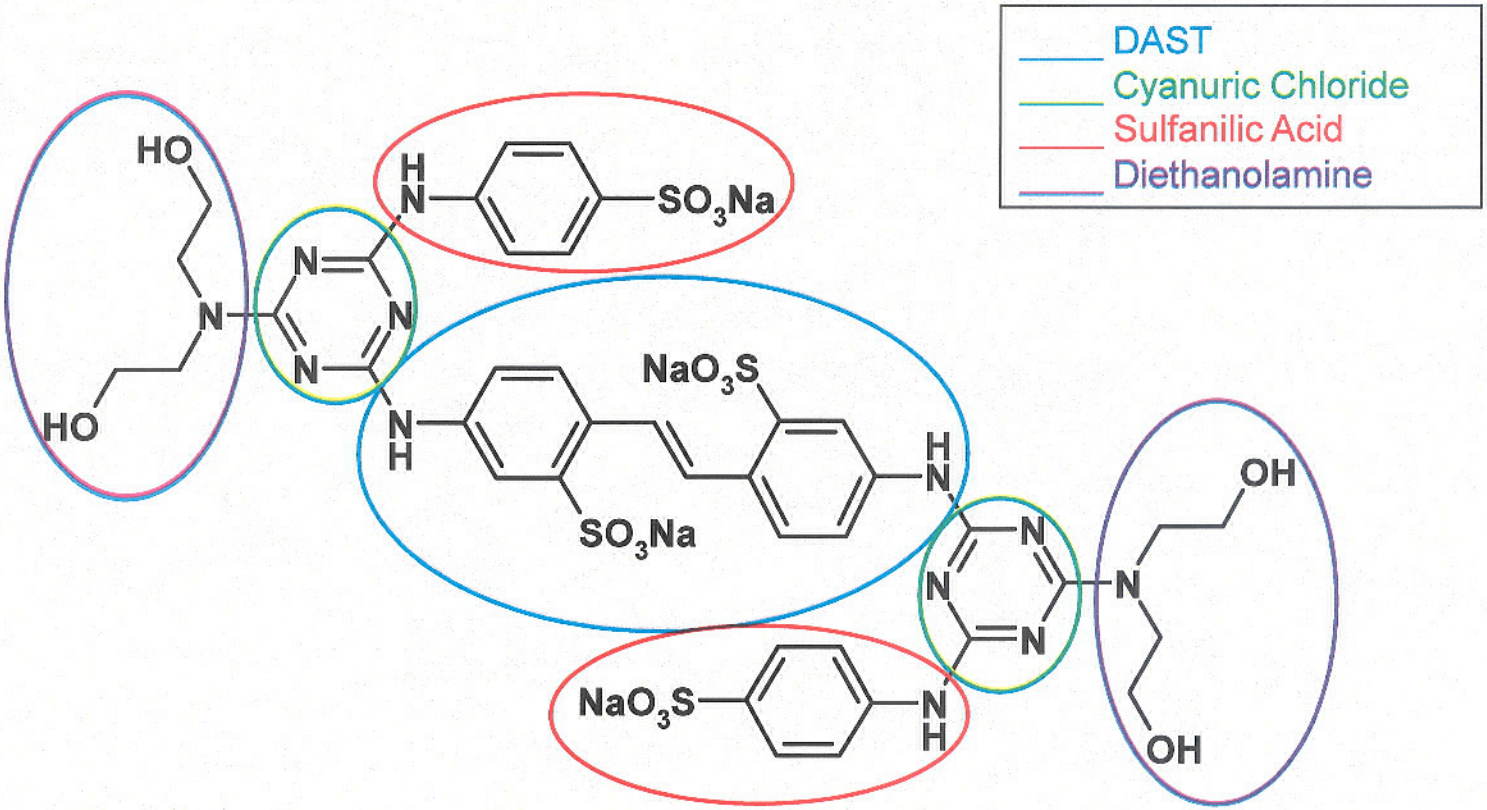


Generalized CSOBA Synthesis: Step 3

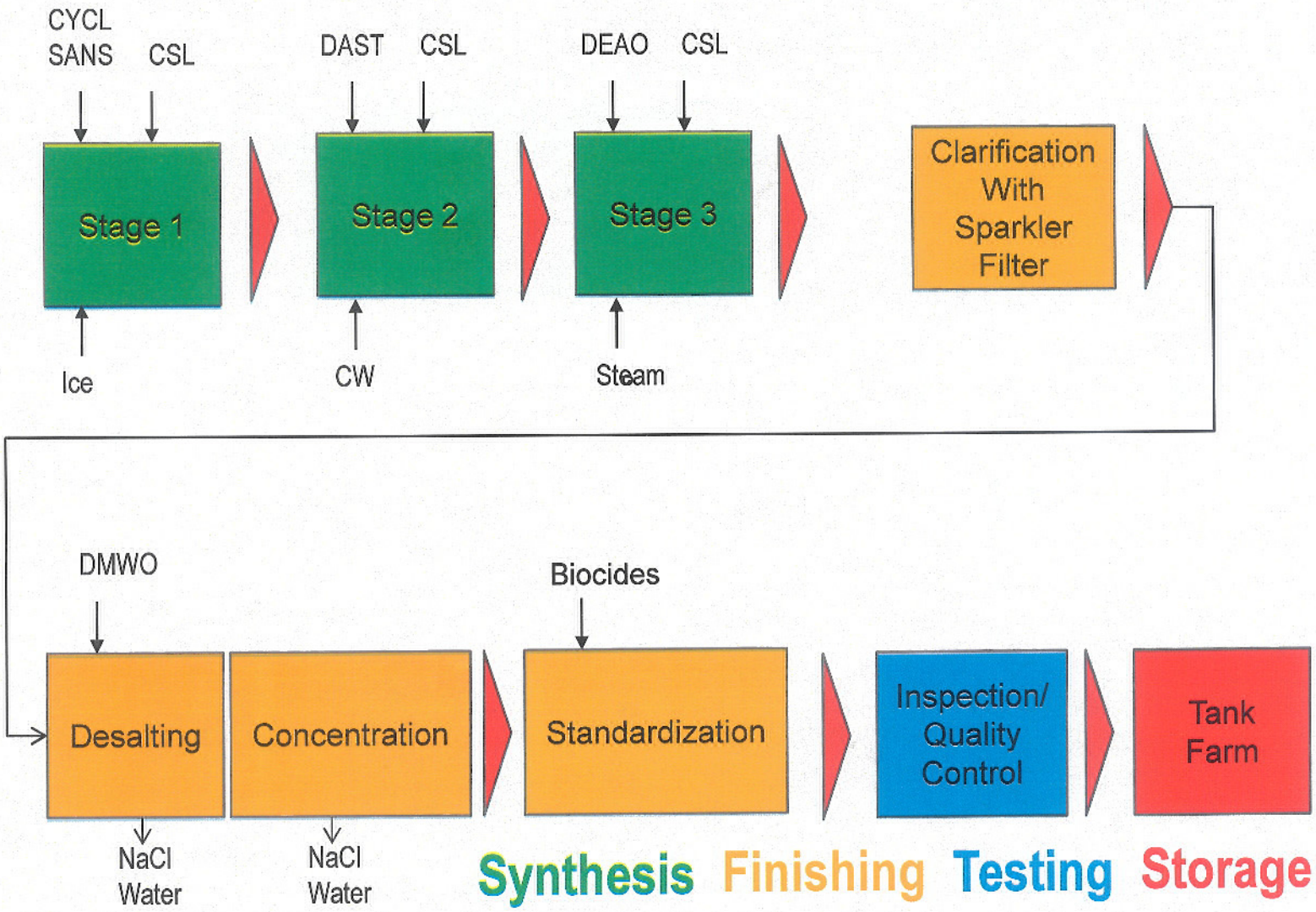


Product may be used directly, or processed, e.g. by ultrafiltration, ion-exchange, formulation with carriers, etc.

Tetrasulfo CSOBA: FB 220



FB 220 Production Process



Industry Publications Confirming Impact of Subject Imports

- "Clariant . . . faces ***mounting pressure on price as Asian suppliers increase their market share*** . . . . Certainly pricing in the Americas is lower than that in other regions, and this is primarily attributable to the efforts of the largest buyers in the paper industry to exploit the competition. The major {purchasing} groups typically retain a portion of business with one of the key suppliers, while ***the imported product provides leverage on pricing*** . . . ."

  Paperchem Report, June 2011

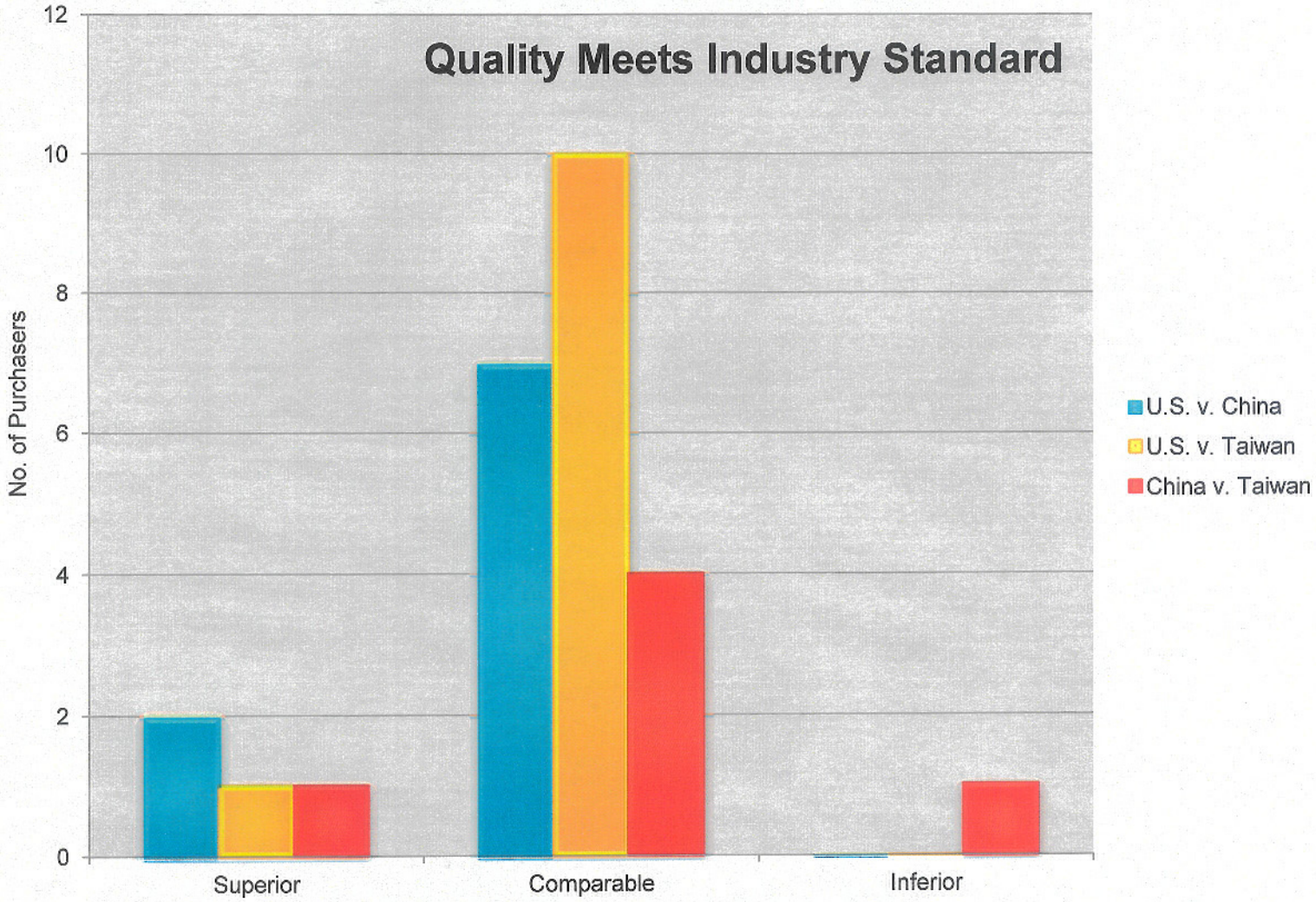
- "Customers have seen OBA pricing flat or slightly down, and have found there is sufficient competition to provide leverage . . . . ***The Chinese and Taiwanese suppliers insist that OBA pricing will remain unchanged***, but other OBA suppliers believe that this will be the case only if raw material pricing remains on a level. The suppliers that will feel the greatest effect envisage a 20% rise in costs, but are ***still eager to increase market share and will accept a part of the additional costs***."

  Paperchem Report, August 2011

Non-Price Purchasing Factors: Quality

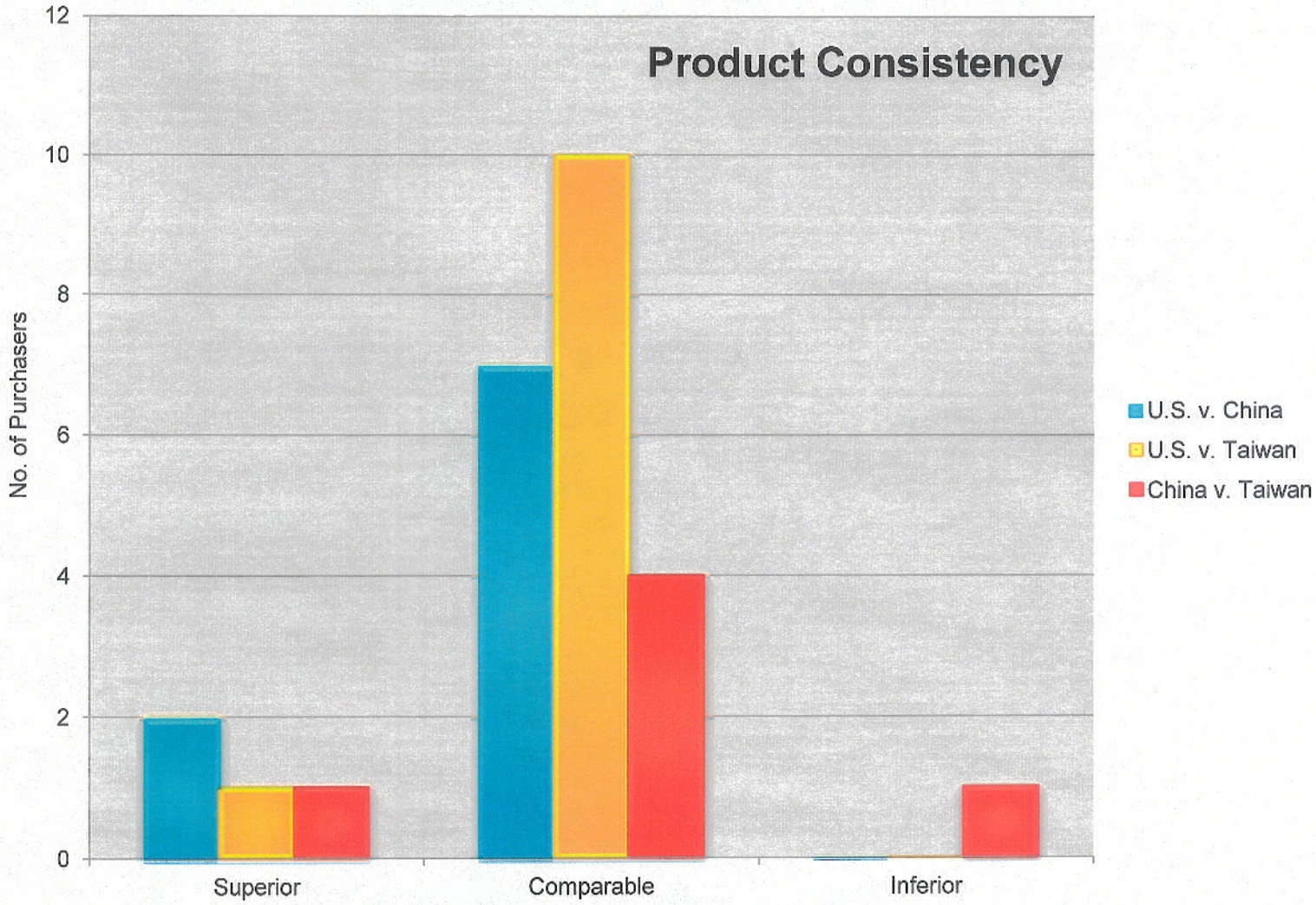
Source: Commission Pre-hearing Staff Report at Table II-10

Non-Price Purchasing Factors: Quality (cont.)



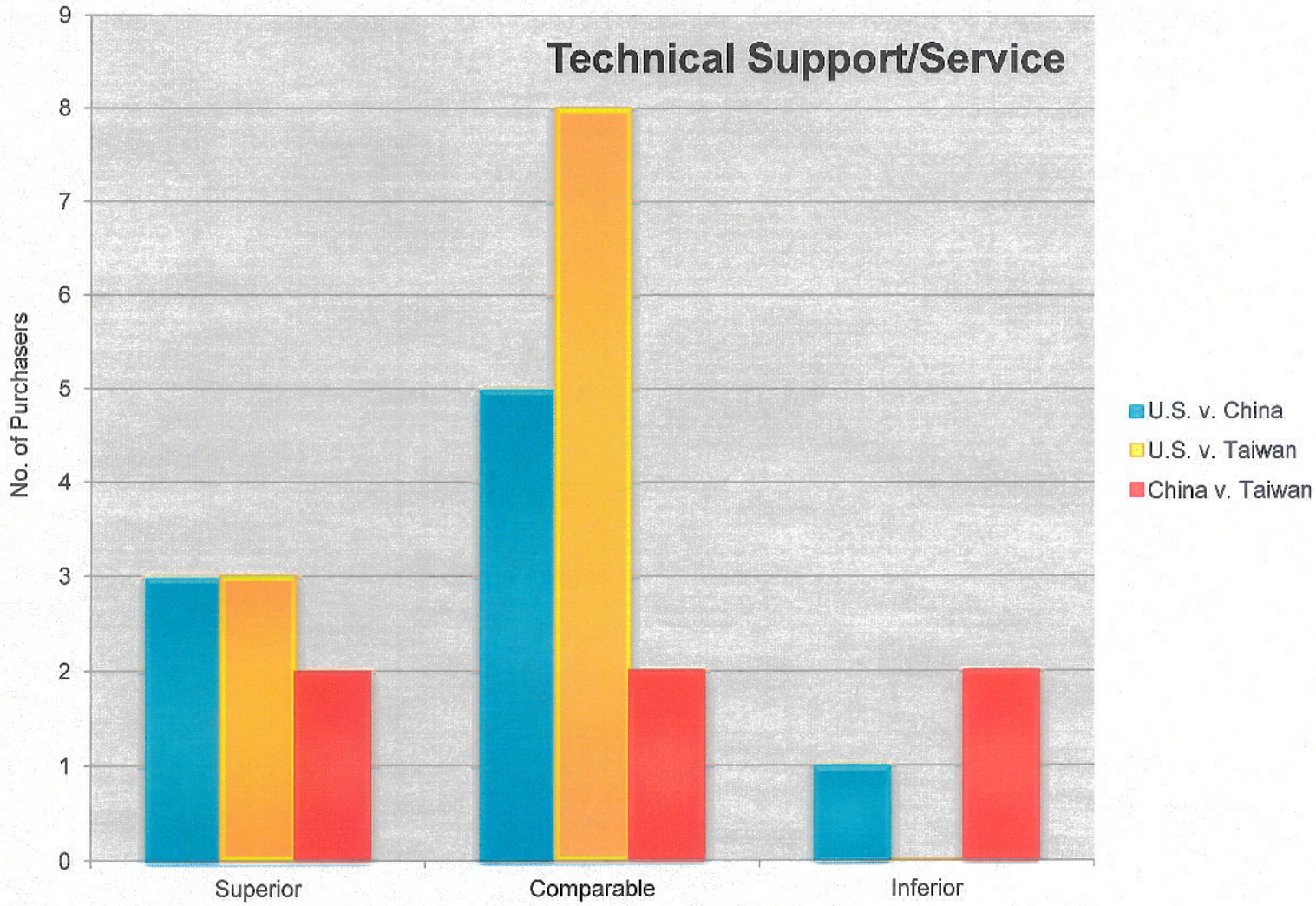
Source: Commission Pre-hearing Staff Report at Table II-8

Non-Price Purchasing Factors: Quality (cont.)



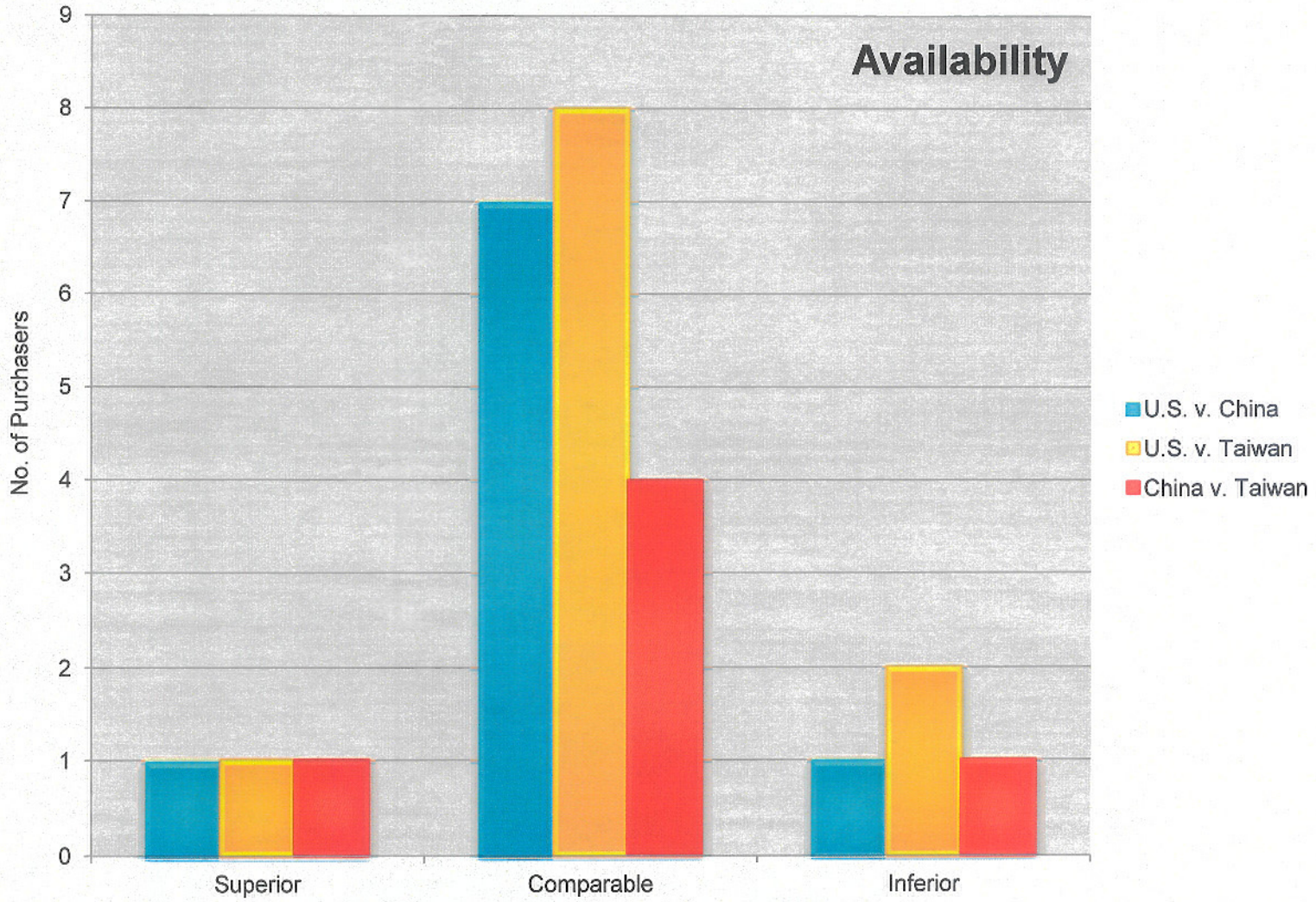
Source: Commission Pre-hearing Staff Report at Table II-8

Non-Price Purchasing Factors: Service



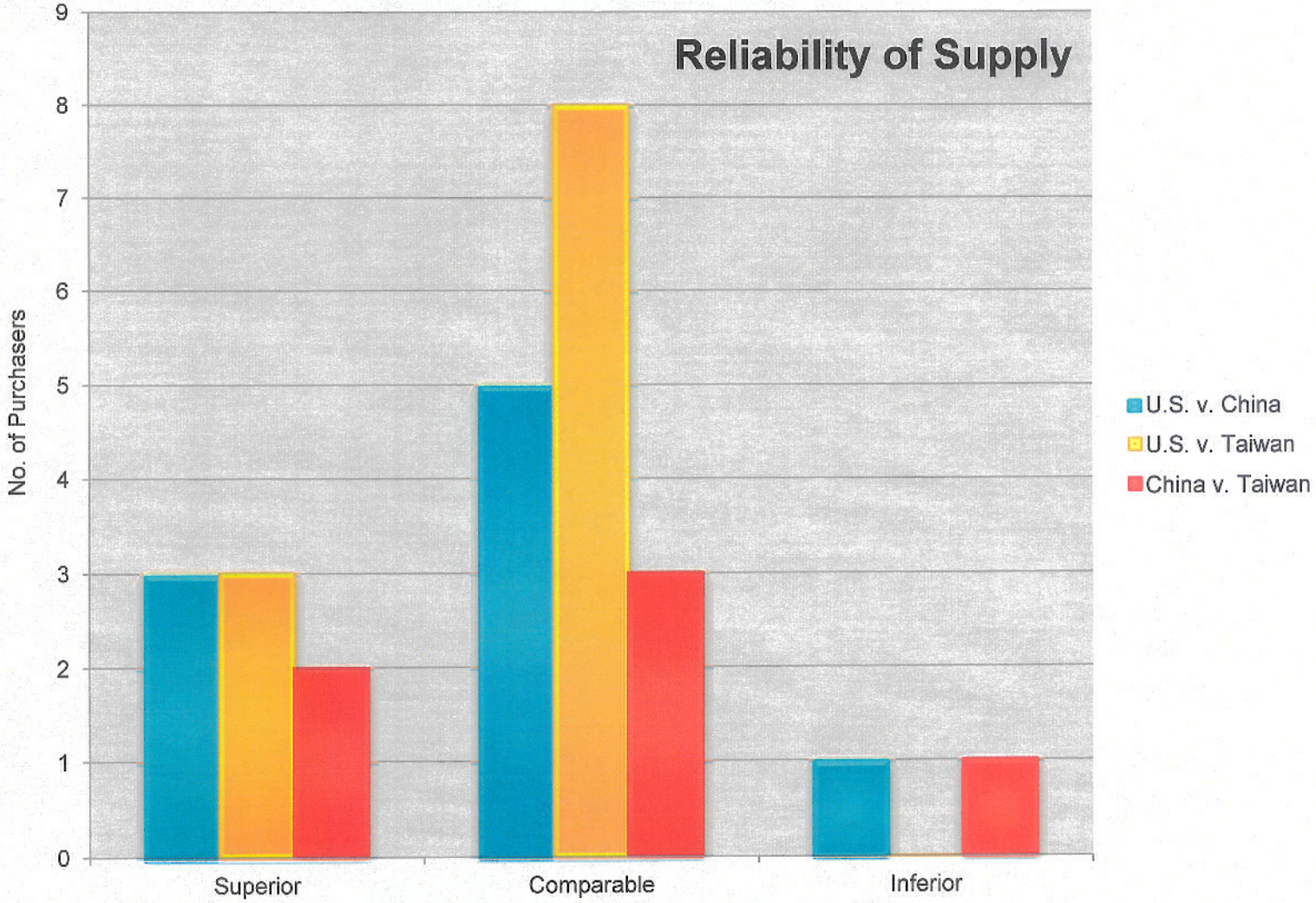
Source: Commission Pre-hearing Staff Report at Table II-8

Non-Price Purchasing Factors: Supply



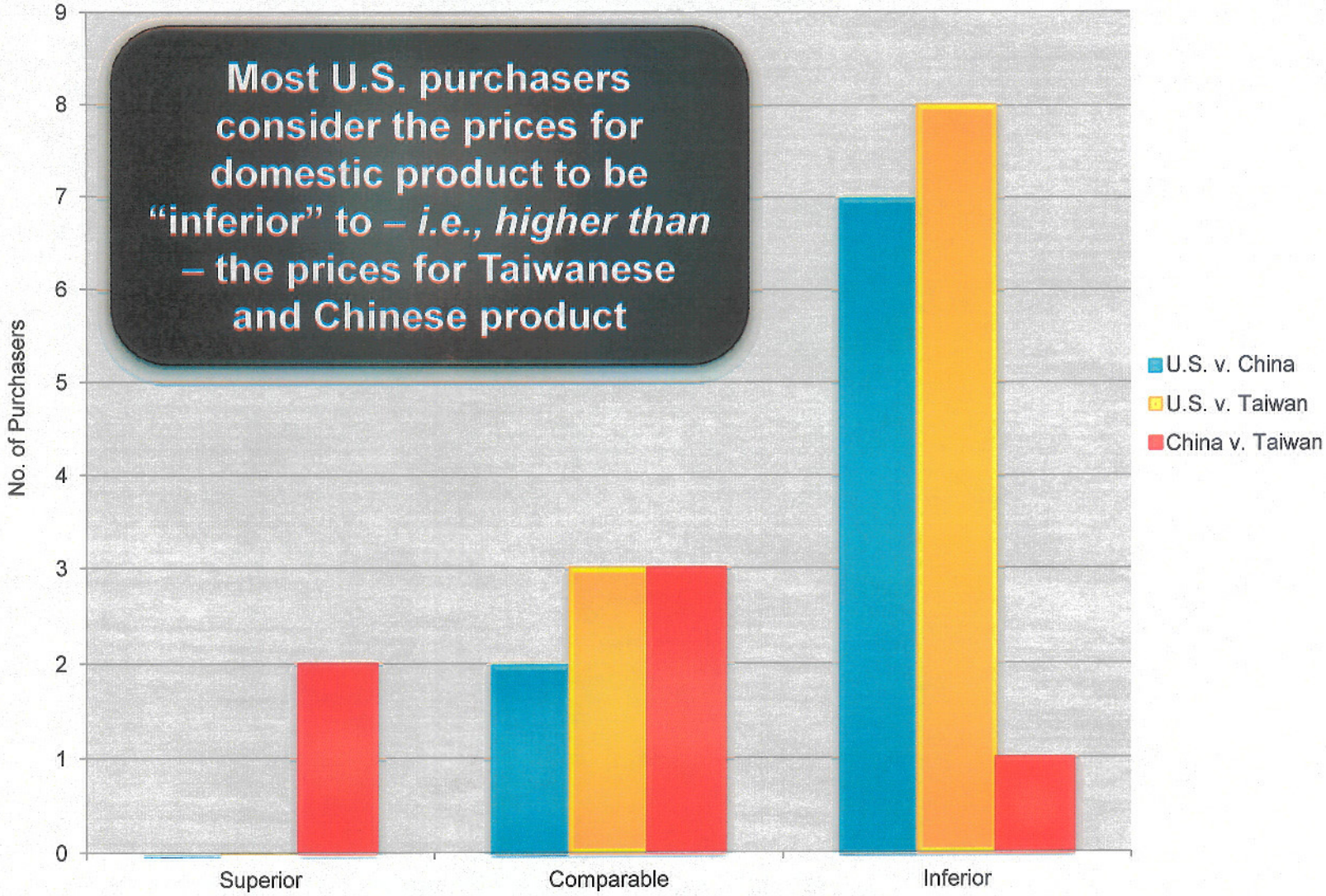
Source: Commission Pre-hearing Staff Report at Table II-8

Non-Price Purchasing Factors: Supply (cont.)



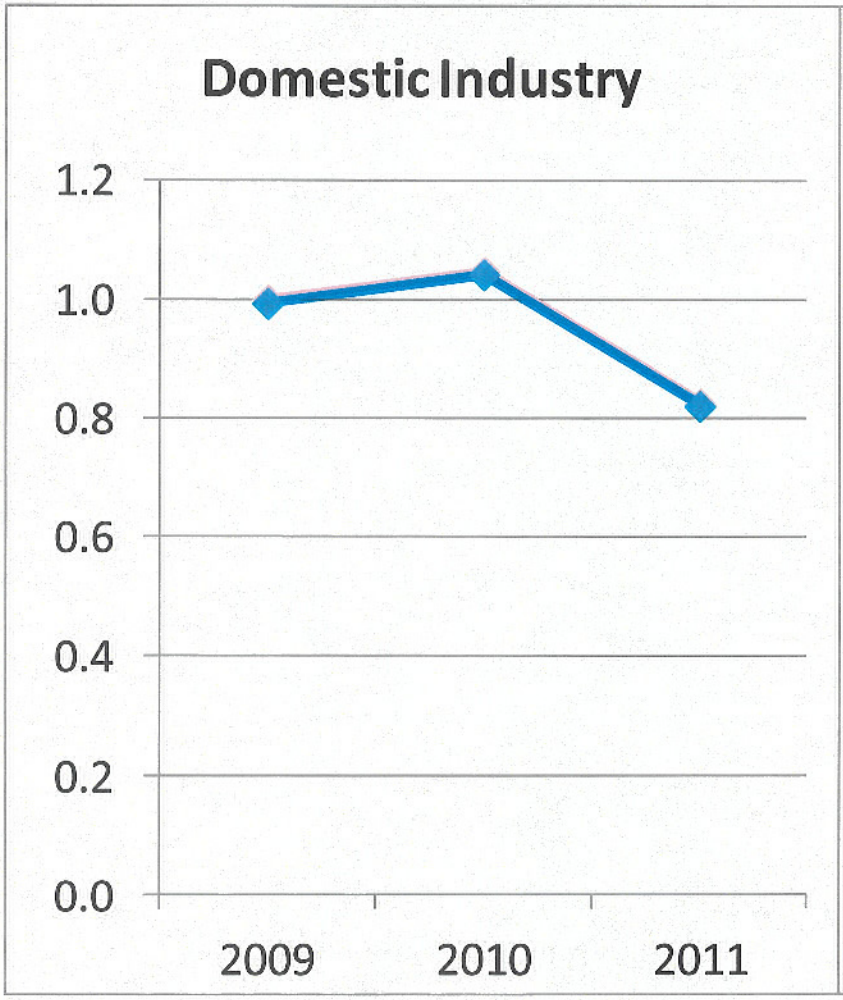
Source: Commission Pre-hearing Staff Report at Table II-8

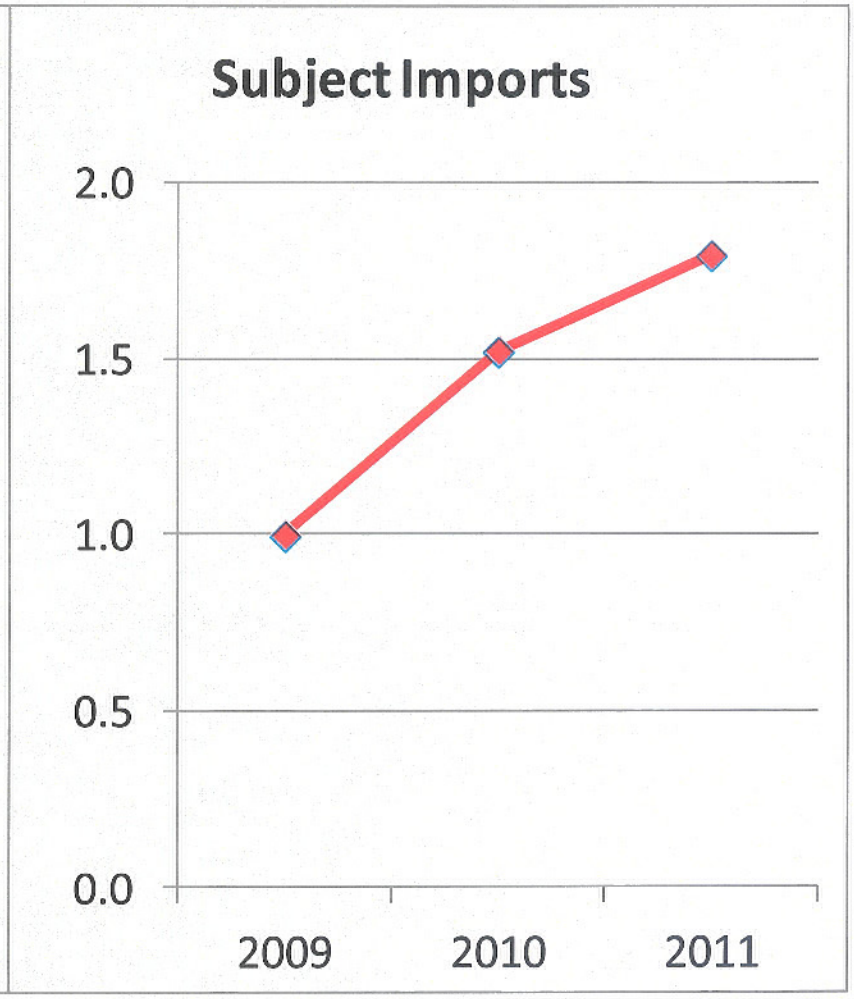
Price Underselling



Source: Commission Pre-hearing Staff Report at Table II-8

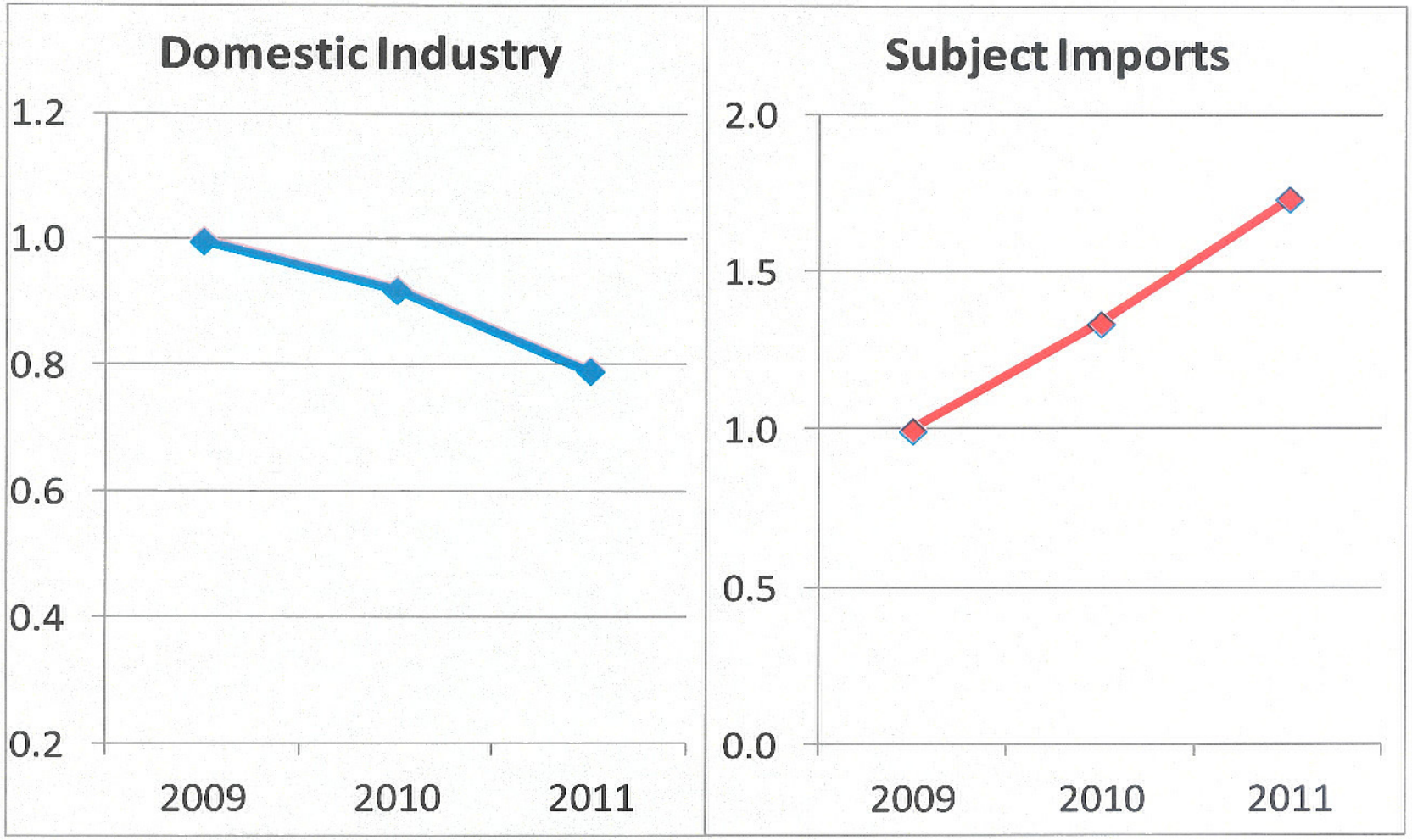
Domestic Industry and Subject Import Shipments





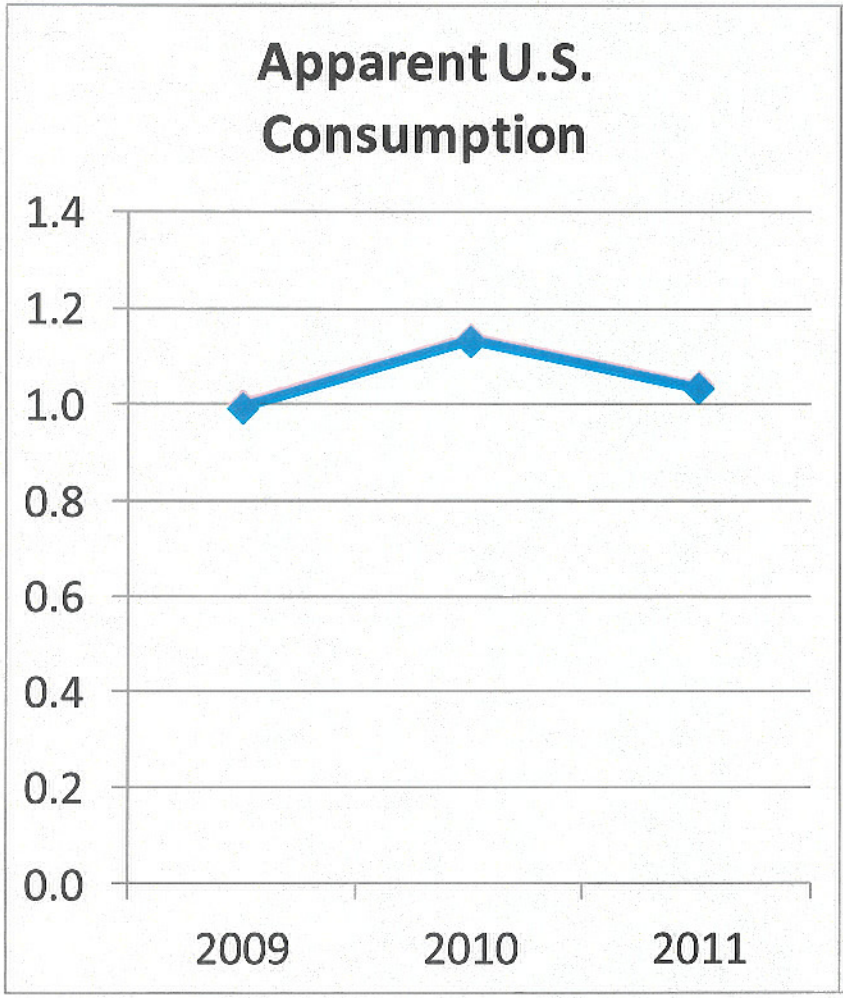
Note: Domestic industry and subject import data independently indexed to preserve confidentiality
Source: Commission Pre-hearing Staff Report at Table IV-8

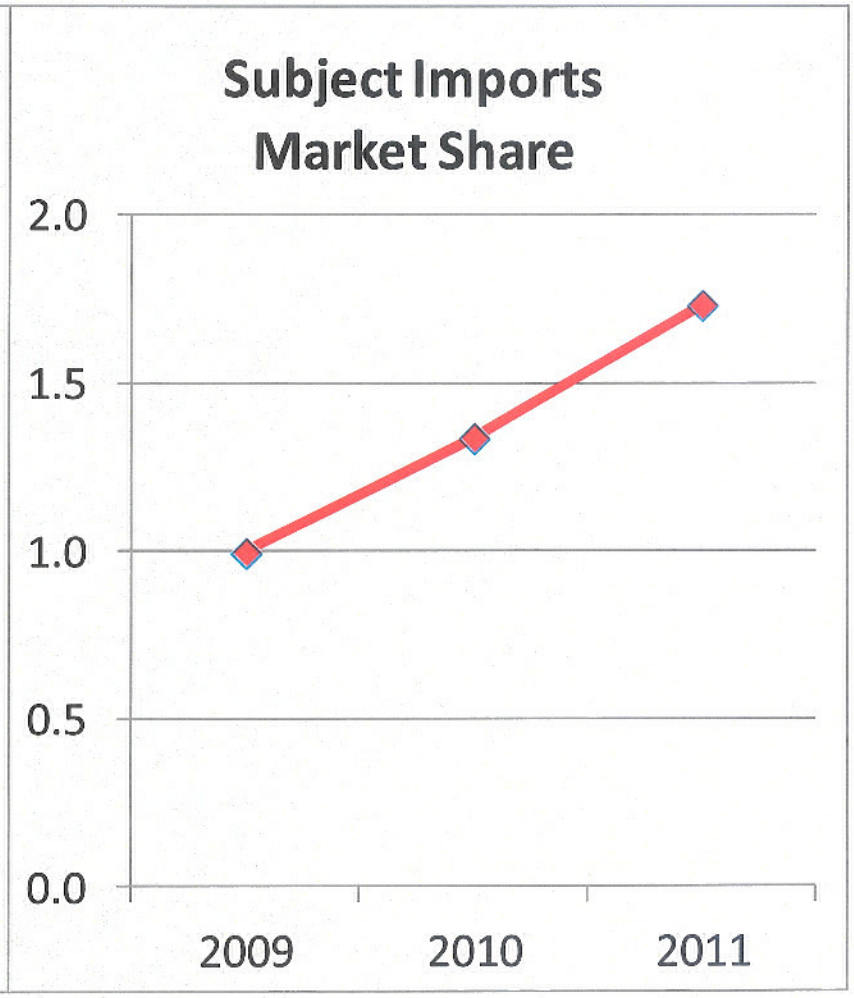
Domestic Industry and Subject Import Market Share



Note: Domestic industry and subject import data independently indexed to preserve confidentiality
Source: Commission Pre-hearing Staff Report at Table IV-9

Apparent U.S. Consumption and Subject Import Market Share



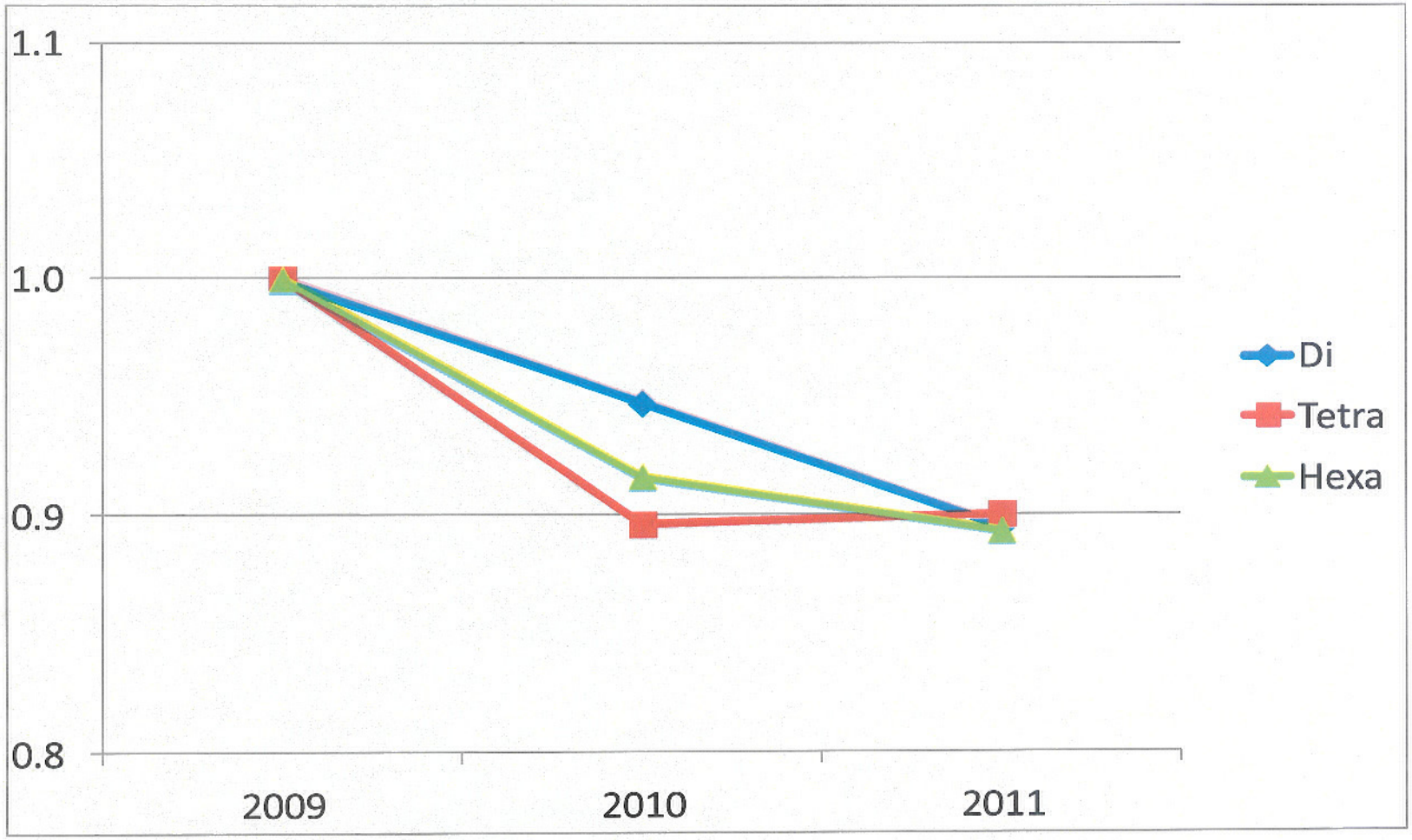


Note: Apparent U.S. consumption and subject import data independently indexed to preserve confidentiality
Source: Commission Pre-hearing Staff Report at Table IV-9

CSOBA Elasticity

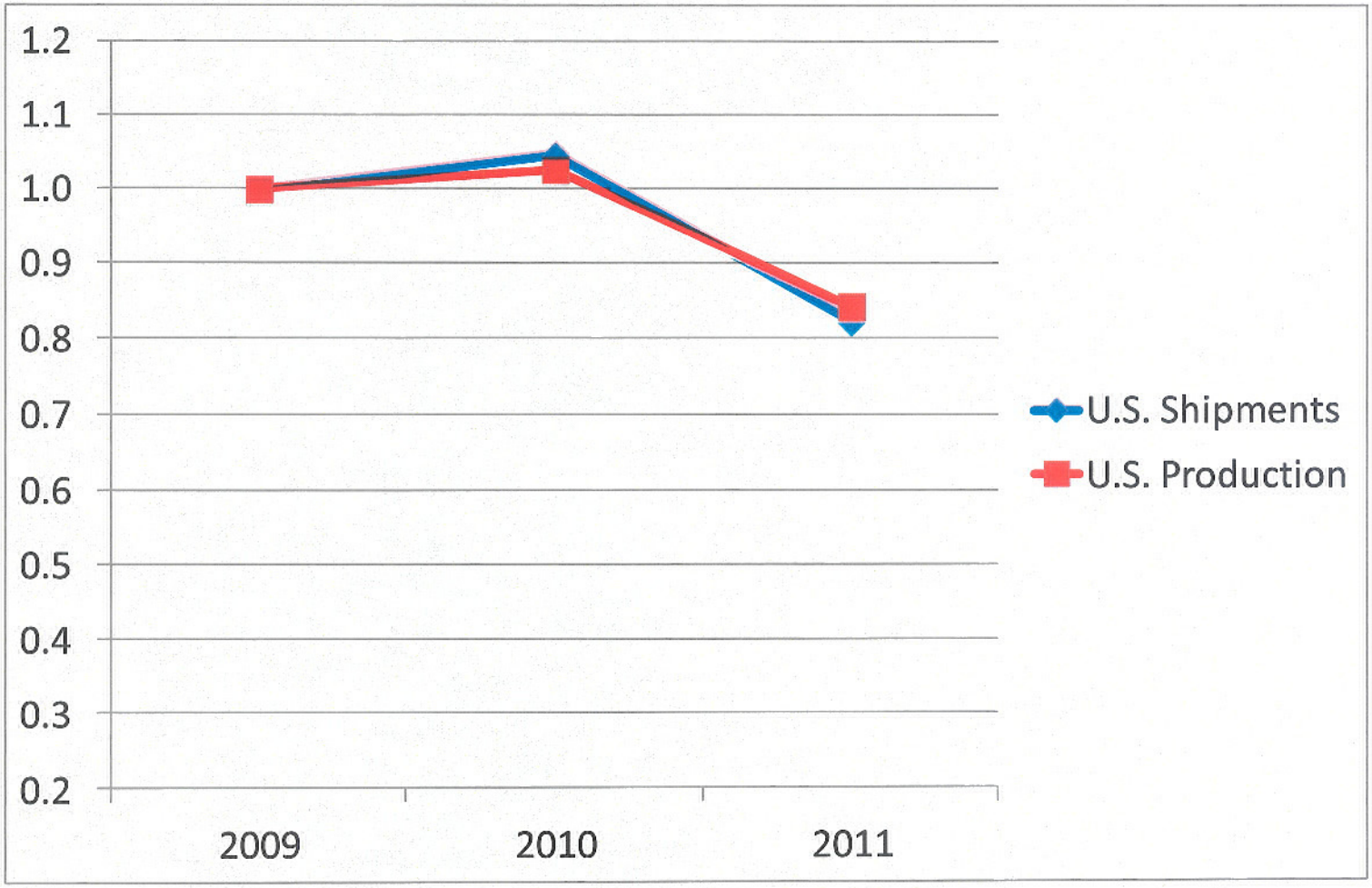
- Substitution Elasticity
  - Range 3 to 5
- U.S. Supply Elasticity
  - Range 4 to 6
- U.S. Demand Elasticity
  - Range -0.25 to -0.6

Domestic Industry Average Unit Prices by CSOBA Product Category



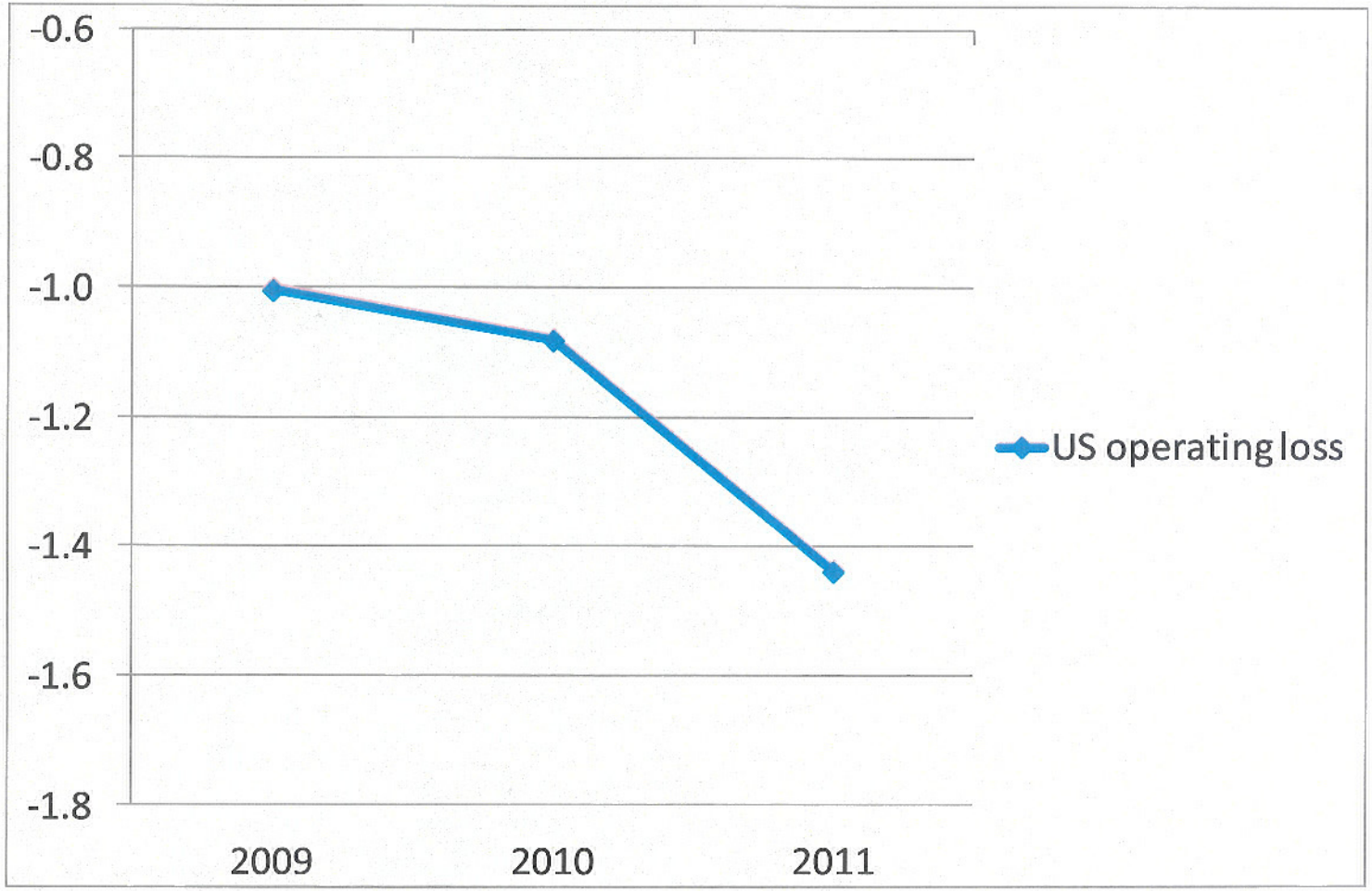
Note: Data indexed to preserve confidentiality
Source: Commission Pre-hearing Staff Report at Table IV-3

Domestic Industry Shipments and Production



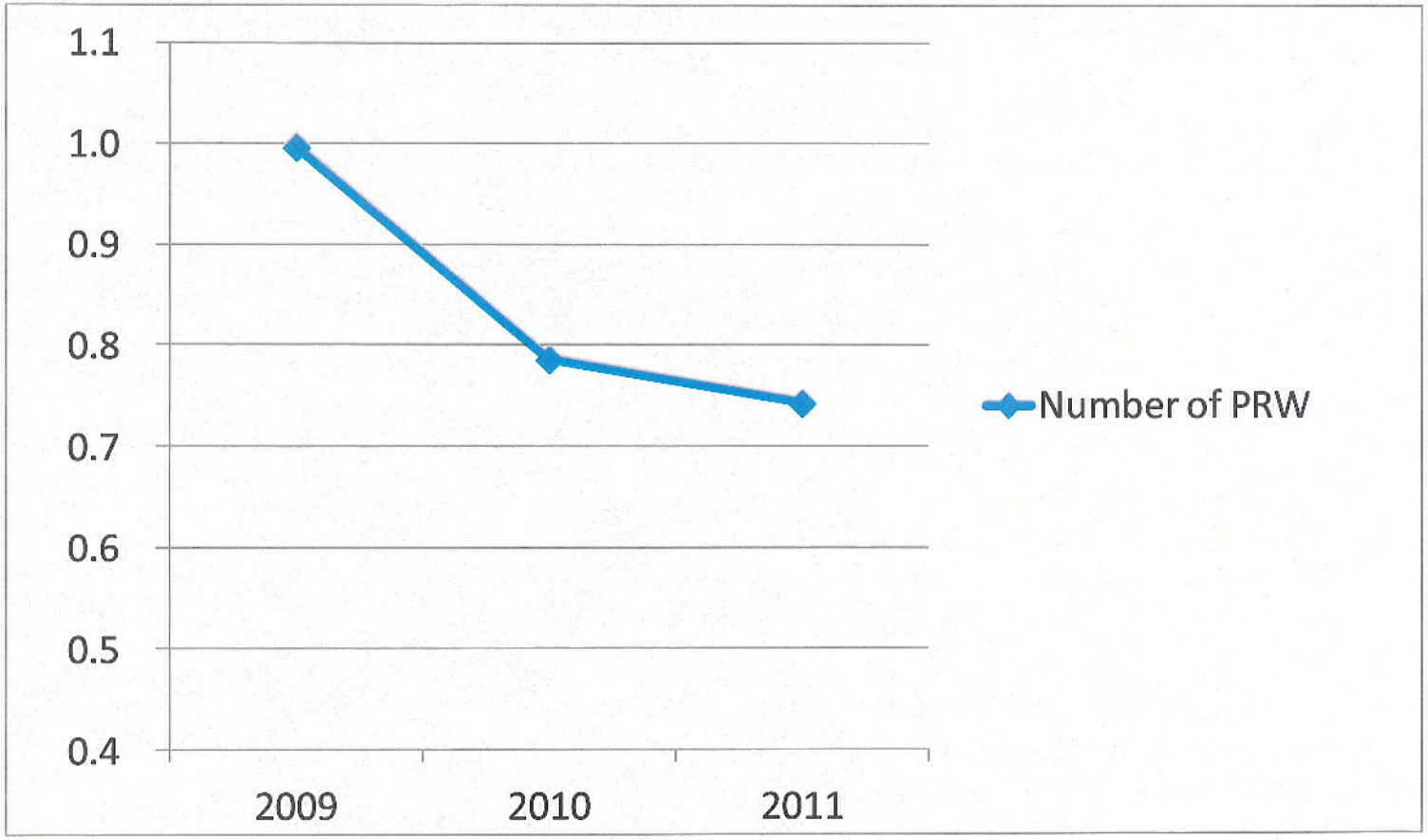
Note: Data indexed to preserve confidentiality
Source: Commission Pre-hearing Staff Report at Tables III-2 and IV-8

Domestic Industry Operating Income (Loss)



Note: Data indexed to preserve confidentiality
Source: Commission Pre-hearing Staff Report at Table VI-1

Number of Domestic Industry Production Related Workers



Note: Data indexed to preserve confidentiality
Source: Commission Pre-hearing Staff Report at Table III-6

Material Injury Summary

- Subject import volumes increased at expense of domestic producers' market share
- Subject imports have undercut domestic prices, resulting in price depression and suppression, and lost sales and revenue
- Domestic industry's financial performance has deteriorated
  - Production and shipments have decreased
  - Operating losses have increased
  - Return on investment has become more negative
  - Capacity utilization has fallen from already low levels
  - Employment has been reduced