BARIUM CHLORIDE FROM THE PEOPLE'S REPUBLIC OF CHINA

Determination of the Commission in Investigation No. 731-TA-149 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

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Note.--Information which would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

Investigation No. 731-TA-149 (Final)

BARIUM CHLORIDE FROM THE PEOPLE'S REPUBLIC OF CHINA

<u>Determination</u>

On the basis of the record 1/ developed in the subject investigation, the Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is materially injured by reason of imports from the People's Republic of China of barium chloride, provided for in item 417.70 of the Tariff Schedules of the United States, which the Department of Commerce has found are being sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this final antidumping investigation, effective April 6, 1984, following a preliminary determination by the Department of Commerce that imports of barium chloride from the People's Republic of China are being, or are likely to be, sold in the United States at LTFV (49 F.R. 13728). Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of May 2, 1984 (49 F.R. 18791). On May 29, 1984, Commerce postponed the date for making its final LTFV determination (49 F.R. 22365). Accordingly, the Commission published a notice in the Federal Register of June 13, 1984 (49 F.R. 24457) revising its schedule for the conduct of its investigation.

^{1/} The "record" is defined in section 207.2(i) of the Commission's Rules of Practice and Procedure (19 C.F.R. § 207.2(i)).

On August 27, 1984, Commerce published its affirmative final LTFV determination in the <u>Federal Register</u> (49 F.R. 33916).

The Commission's hearing was held on August 23, 1984, and all persons who requested the opportunity were permitted to appear in person or through counsel. The Commission's determination in this investigation was made in an open "Government in the Sunshine" meeting, held on September 25, 1984.

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VIEWS OF THE COMMISSION

On the basis of the record in Investigation No. 731-TA-149 (Final), we determine that an industry in the United States is being materially injured by reason of imports of barium chloride from the People's Republic of China ("PRC") which are being sold at less than fair value ("LTFV"). 1/

We base our conclusion principally on the deteriorating condition of the barium chloride ("BaCl₂") industry, the simultaneous increases in LTFV imports, and the pervasive underselling by those imports during the 1981-83 period.

Domestic industry

The term "industry" is defined in section 771(4)(A) of the Tariff Act of 1930 as being the "domestic producers as a whole of the like product." 1/ The term "like product," in turn, is defined in section 771(10) as being "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation." 3/

The subject of this investigation is barium chloride, which is imported from the PRC in both crystalline and anhydrous forms. In our preliminary determination, we did not distinguish between the two forms, finding that the domestic product like the imported product consisted of both crystalline and anhydrous barium chloride. We further found that there was one domestic

 $[\]underline{1}$ / Material retardation of the establishment of an industry in the United States is not an issue in this investigation and will not be discussed further.

<u>2</u>/ 19 U.S.C. § 1677(4)(A).

^{3/ 19} U.S.C. § 1677(10).

industry that manufactures both forms. 4/5/ In this final investigation, no party has disagreed with our preliminary determination of like product and domestic industry. 6/ Moreover, there is no new information to suggest that the definition of the like product or of the domestic industry should be modified. Accordingly, we find that the domestically produced like product consists of both crystalline and anhydrous barium chloride and that there is one domestic industry producing both forms. 7/8/

Condition of the domestic industry 9/

The domestic market for $BaCl_2$ is contracting due to the introduction of of new products and industrial processes replacing those using $BaCl_2$. $\underline{10}/\underline{11}/$ This long term decline appears to be responsible for the

^{4/} Barium Chloride and Barium Carbonate (Precipitated) from the People's Republic of China, Invs. Nos. 731-TA-149 and 150 (Preliminary), USITC Pub. 1458 at 4-6 (1983) (hereafter Barium Chloride Preliminary).

⁵/ For a description of the physical properties of both forms of barium chloride, their production processes, and uses, see Report of the Commission ("Report") at A-3-A-4.

 $[\]underline{6}$ / Posthearing brief of petitioner at A-5; Posthearing brief of Sinochem at A-6-A-8.

^{7/} As noted in our preliminary determination, petitioner has asserted that it is unable to provide separate production and profit and loss data for each of the two forms of barium chloride. Barium Chloride Preliminary at 6, n.16. Thus, even if we were to find that only domestically produced crystalline barium chloride is like the imported product, we would still be required to assess the impact of the imports against both crystalline and anhydrous forms. 19 U.S.C. § 1677(4)(D).

^{8/} There are several producers of high purity (i.e., for laboratory use) barium chloride. This product, however, is produced only in very small amounts and at a relatively high price. It does not compete for general industrial use with the petitioner's or the imported product. Therefore, it is not a like product and the producers of this product are not part of the domestic industry.

 $[\]underline{9}$ / As there is only one domestic producer of barium chloride (the petitioner), most of the data relevant to our analysis are confidential and therefore must be stated in general terms.

^{10/} Report at A-16.

^{11/} For example, the decline in consumption of leaded gasoline has led to a decrease in the need for BaCl₂, a raw material used to produce tetraethyl lead.

fact that other BaCl₂ manufacturers have ceased production in recent years, leaving the petitioner as the only significant domestic producer. $\underline{12}$ / The industry does not anticipate new uses for the product. $\underline{13}$ /

Domestic consumption continued to decline during the period 1981-83.

Domestic production and shipments of barium chloride also declined from 1981-83. 14/ Similarly, sales of barium chloride decreased from 1981-83. The domestic industry maintained employment levels, but due to the production cutbacks, output of BaCl₂ per man-hour declined from 1981-83 and the unit labor cost of production increased throughout the period. 15/ The financial performance of the domestic industry was not healthy during any one year of this investigation. Net sales, profitability, and cash flow all deteriorated from 1981-83. 16/

Some small improvement in all the major indicators discussed above is apparent for the period January-June 1984 when compared to January-June 1983. However, even if this improvement is sustained throughout 1984, the domestic industry's performance would be only marginally improved over 1983. It would not approach the levels of 1981 or 1982, neither of which were healthy. Moreover, these improvements appear to be directly related to the decline in Chinese imports after a preliminary affirmative decision in this investigation in December 1983.

Under these circumstances, notwithstanding the slight improvement in 1984, we find that the condition of the domestic industry has deteriorated

^{12/} Report at A-5.

^{13/} Id. at A-16; Transcript at 10-11.

^{14/} Report at Tables 3 and 10.

^{15/} Id. at Table 6.

^{16/} Id. at Table 7.

throughout the period of investigation, and we determine that the domestic industry is being materially injured.

Material injury by reason of LTFV imports

Imports from China increased from 1981-83, rising from 4.0 million pounds in 1981 to 4.3 million pounds in 1982 and then to 5.3 million pounds in 1983. As a percentage of domestic consumption, imports of BaCl₂ from China increased greatly from 1981 to 1983; and as a percentage of domestic industry shipments, imports from China more than doubled during that period. 17/

Imports declined sharply from January-June 1984 when compared to the same period in 1983. 18/ The sudden decline in imports appears to be a response to the preliminary antidumping finding and not an indication of long term trends. This conclusion is based on the following factors. First, Chinese production capacity has not declined, and considerable idle capacity appears to exist in the PRC. Second, in conjunction with a dumping determination against the PRC by the European Community ("EC"), China's heretofore largest export market, Chinese shipments to the EC appear to have fallen off sharply. This development will increase the relative importance of the U.S. market to the Chinese industry.

Domestic prices for BaCl₂ have clearly been influenced by Chinese imports. Although domestic prices increased during 1981, they levelled off in 1982. Then, prices for crystalline BaCl₂ began to fall during the second quarter of 1983 and have continued to fall through the second quarter of 1984 (the last quarter for which we have information). For this form of BaCl₂, the importers' price was substantially below the domestic producer's price

^{17/} Id. at Table 10.

^{18/} Id. at Table 1.

for each quarter in which price comparisons are possible. Even during the second quarter of 1984, when the Chinese presence in the market had diminished considerably, the margins of underselling, although smaller, were still significant. 19/

Prices for anhydrous BaCl₂ fell in the fourth quarter of 1982, and remained relatively constant thereafter. <u>20</u>/ Imports of anhydrous BaCl₂ from the PRC, although quantitatively less than crystalline, significantly undersold the domestic product.

The Commission confirmed the petitioner's allegations of lost sales to seven customers. All these customers found the price of the Chinese product to be considerably lower than the domestic. They also confirmed that BaCl₂ sells principally on the basis of price. 21/ For each of those seven consumers, the lower price for the Chinese product was the principal reason for selecting the Chinese product. 22/

Likewise, purchasers confirmed more than 50 percent of the instances in which petitioner alleged it had been required to offer price concessions in order to make sales during 1983. 23/24/25/

^{19/} Id. at Table 11.

^{20/} Id. at Table 10.

²¹/ We note that several consumers expressed a need for a second source. Id. at A-21.

^{22/} Id. at A-20.

^{23/} Id. at Table 13.

^{24/} We note that Sinochem, the Chinese exporter, has asserted that there were three instances in 1984 in which the domestic industry refused to make sales that had been solicited of it. Prehearing brief of Sinochem at 3-4. We cannot discuss the issue here because it involves confidential data. However, we note that the petitioner did not allege any one of the instances as a lost sale.

^{25/} Chairwoman Stern notes that the large LTFV margins found by the Department of Commerce have contributed significantly to the ability of the PRC imports to succeed in the U.S. marketplace.

On the basis of this information, it seems clear to us that imports of BaCl₂ from the PRC have displaced American production, depressed prices, and affected the profitability of the domestic BaCl₂ industry. Therefore, we find that this domestic industry, made even more vulnerable to injury because of the declining demand for its product, is suffering material injury by reason of the LTFV imports from China.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On October 25, 1983, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce on behalf of Chemical Products Corp. (CPC), Cartersville, GA, alleging that imports of barium chloride from the People's Republic of China (China) are being sold in the United States at less than fair value (LTFV) and that an industry in the United States is materially injured or threatened with material injury by reason of such imports.

Accordingly, effective October 25, 1983, the Commission instituted antidumping investigation No. 731-TA-149 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports from China of barium chloride, provided for in item 417.70 of the Tariff Schedules of the United States (TSUS), which are alleged to be sold in the United States at LTFV.

On December 2, 1983, the Commission determined that there was a reasonable indication that an industry in the United States is materially injured by reason of alleged LTFV imports of barium chloride from China. Commerce, therefore, continued its investigation into the question of alleged LTFV imports and published its preliminary determination in the Federal Register of April 6, 1984 (49 F.R. 13728). 1/ Commerce preliminarily determined that barium chloride from China is being sold, or is likely to be sold, in the United States at LTFV. On the basis of Commerce's preliminary determination, the Commission instituted a final antidumping investigation on April 6, 1984. Commerce published its affirmative final LTFV determination in the Federal Register of August 27, 1984 (49 F.R. 33916). 2/

Notice of the institution of the Commission's investigation and of a hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of May 2, 1984 (49 F.R. 18791). On May 29, 1984, Commerce published a notice in the Federal Register (49 F.R. 22365) postponing its final antidumping determination. Accordingly, the Commission published a notice in the Federal Register of June 13, 1984 (49 F.R. 24457) revising its schedule for the

^{1/} In conjunction with its antidumping petition on barium chloride from China, the petitioner filed an antidumping petition concerning barium carbonate from China. The Commission instituted and conducted a preliminary antidumping investigation on barium carbonate concurrently with its investigation on barium chloride and issued an affirmative preliminary determination on Dec. 2, 1983. Commerce determined that barium carbonate from China is not being sold, nor is it likely to be sold, in the United States at LTFV (49 F.R. 33913).

^{2/} A copy of Commerce's notice of its final determination is shown in app. A.

conduct of the investigation. 1/ The public hearing was held on August 23, 1984, 2/ and the briefing and vote was held on September 25, 1984. Under the statute the Commission must notify the Department of Commerce of its final determination with 45 days of the final LTFV determination by Commerce.

Barium chloride has not been the subject of any other investigation conducted by the Commission. No other form of import relief is currently being sought by the petitioner or any other member of the domestic industry.

Nature and Extent of Sales at LTFV

The Department of Commerce's final LTFV determination was based on an examination of barium chloride exported to the United States by the China National Chemicals Import and Export Corp. (SINOCHEM) during the period October 1, 1982—September 30, 1983. SINOCHEM accounts for all known exports of barium chloride to the United States.

For the purpose of determining whether these exports were, or were likely to be, sold at LTFV, Commerce compared the purchase price to U.S. customers with a fair market value constructed on the basis of specific components of production in China, which were valued on the basis of prices and costs for analogous products in Thailand. The purchase price was used since none of the U.S. customers are related to either the Chinese manufacturers or the exporter, and a constructed fair market value was used in lieu of a home-market price or third-country price because China's economy is state controlled. In the case of a state-controlled-economy country, a fair market value is preferably constructed on the basis of the product's sales prices in a non-state-controlled-economy country which manufactures the product and is at a similar stage of economic development. Commerce determined that India was the only country which met these criteria, but India declined to participate in the investigation. Commerce, therefore, chose to construct a fair market value on the basis of costs of production for similar products, and chose Thailand as the country at a stage of development most comparable to China for purposes of evaluation. Using the above criteria, Commerce found dumping margins which ranged from 9.9 percent to 47.2 percent on 63 percent of the sales compared. The weighted—average margin was 14.5 percent. Commerce found that "critical circumstances" do not exist with respect to imports of barium chloride from China.

 $[\]underline{1}$ / Copies of the Commission's notice of institution of final investigation and revision of schedule are shown in app. A.

^{2/} A list of witnesses appearing in support of and in opposition to the petition is shown in app. B.

The Product

Description and uses

The product which is the subject of the petitioner's complaint is barium chloride, a solid chemical compound with the formula BaCl₂ or BaCl₂-2H₂O. Two forms of the chemical are sold in the United States: a crystalline form (BaCl₂-2H₂O) and a powdered, or anhydrous, form (BaCl₂). The crystalline form is reduced to the anhydrous form by the application of intense heat, which drives off water bonded molecularly to the former. To obtain 1.00 ton of the anhydrous form requires 1.17 tons of the crystalline form. Because of the additional processing, the anhydrous form sells at a premium price. Barium chloride produced in the United States and that imported from China is not further differentiated. The differentiation into two forms is in response to user preferences, because both forms can be used in most end-use applications.

Most of the barium chloride produced worldwide is relatively free of contaminants. Most of the material manufactured in the United States and that imported from China contains less than 1 percent foreign material by weight, a level of purity that meets or exceeds all industrial and commercial standards. Small quantities of pure barium chloride are produced in the United States and abroad for laboratory use.

Crystalline barium chloride, which accounts for over 60 percent of the barium chloride produced in the United States and nearly all that imported from China, is primarily used as a cleansing agent in the removal of soluble sulfates in the production of chlorine, sodium chlorate, and other chemicals; as a cleansing ingredient in lubricating oil additives; and as a raw material in the production of certain chemicals, pigments, paper coatings, and tetraethyl lead that is used in leaded gasoline. The anhydrous form is used primarily as an ingredient in heat-treating salts and metal fluxes—molten baths into which metal parts are inserted for purposes of hardening. This form of barium chloride is preferred in any process that requires mixing barium chloride with something already heated. According to CPC's posthearing brief at page A-2, 1983 end-use sales of barium chloride were as follows: * * *. One of the principal uses of sodium metal is in the production of tetraethyl lead for use in gasoline. Whereas most crystalline barium chloride is shipped in 50-pound bags, most anhydrous barium chloride is shipped in 400- or 500-pound drums. The drums are sealed to prevent the reabsorption of moisture.

To produce barium chloride, barite ore, i.e., natural barium sulfate, is crushed, mixed with petroleum coke, and reduced at high temperatures to barium sulfide. The sulfide is then purified and dissolved in water. To form barium chloride, the sulfide solution is reacted with hydrochloric acid and byproduct hydrogen sulfide is removed as a gas. When the solution is evaporated, barium chloride crystals remain. By subjecting the crystals to high temperatures, water bonded molecularly in the crystals is released and the crystals reduce to powder, i.e., the anhydrous form of barium chloride. The hydrogen sulfide is either wasted or used as a raw material in the manufacture of other chemicals. The Chinese method of manufacturing barium chloride is unknown; however, it is believed that the manufacturing process is similar worldwide.

There are no chemicals which may be substituted for barium chloride as such. There are, however, some processes and products which may be used in place of those that utilize this chemical; for example, there are methods of hardening metal parts without the use of heat-treating salts. Although barium carbonate, like barium chloride, is used to prevent sulfate contamination, it is not used for this purpose in the same processes.

U.S. tariff treatment

Barium chloride is provided for in item 417.70 of the TSUS. The column 1 rate of duty 1/ for this item is 4.8 percent ad valorem, the least developed developing countries (LDDC) rate 2/ is 4.2 percent ad valorem, and the column 2 rate 3/ is 28.5 percent ad valorem. Pursuant to concessions granted in the Tokyo round of Multilateral Trade Negotiations (MTN), the column 1 rate of duty will be reduced to 4.6 percent ad valorem in 1985, 4.4 percent in 1986, and 4.2 percent in 1987. Imports under item 417.70 from designated beneficiary developing countries are eligible for duty—free entry under the GSP. 4/ China is not designated as a LDDC nor is China a designated GSP beneficiary country; consequently, imports from China are dutiable at the column 1 or MFN rate of duty. Of the current suppliers of barium chloride to the U.S. market, only Taiwan is eligible for duty—free treatment under the GSP. No countries designated as LDDC's are currently exporters of barium chloride to the United States.

^{1/} The rates of duty in column 1 are most-favored-nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or under the "LDDC" column.

^{2/} The rates of duty in the "LDDC" column are preferential rates (reflecting the full U.S. MTN concessions rate for a particular item without staging of duty reductions) and are applicable to products of the LDDC's designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the column 1 rate applies.

³/ The rates of duty in column 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

^{4/} The GSP, under title V of the Trade Act of 1974, provides duty—free treatment to specified eligible articles imported directly from designated beneficiary developing countries. The GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985.

U.S. Channels of Distribution

The vast bulk of barium chloride that is sold in the United States by U.S. producers is sold directly to end users. Nearly all of the barium chloride that is sold in the United States by Chinese producers (through SINOCHEM) is sold to distributors (unrelated) which in turn sell to end users. All of the major importers are distributors.

U.S. Producers

The petitioner, CPC, has been the only significant U.S. producer of barium chloride for over a decade. It currently accounts for at least *** percent of U.S. production of this chemical. 1/ In addition to producing barium chloride, CPC produces other barium compounds, sodium silicates, sodium sulfide and sulfahydrate, ammonium sulfide, and various strontium compounds. It also has its own source of barite ore, the primary raw material used in the production of barium chloride. 2/ All of CPC's manufacturing facilities are located in Cartersville, GA. In 1983, sales of barium chloride accounted for about *** percent of total sales of CPC's establishments in which this chemical is produced.

Foreign Producers

According to SINOCHEM, barium chloride is produced for export to the United States at three plants in China: the Zhang Jia Ba Chemical Plant, Sichuan, with an approximate capacity of *** pounds per year; the Tangshan Chemical Plant, Hebei, with an approximate capacity of *** pounds per year; and the Tianjin Chemical Plant (capacity unknown). Only small quantities of the anhydrous variety are produced.

^{1/} Two other U.S. firms—Barium and Chemicals, Steubenville, OH, and GTE Products Corp., Towanda, PA, collectively produce about *** pounds of barium chloride annually (less than *** percent of U.S. production in 1983), but only for internal consumption. Another U.S. firm—J.T. Baker, Phillipsburg, NJ—produces for the open market, but only intermittently and in very small quantities (about *** pounds of barium chloride annually). G.F. Smith Chemical Co., Columbus, OH, produces and markets in bottles very small quantities of ultra-pure barium chloride for laboratory use.

^{2/} The family which owns CPC's source of barite ore also holds a majority interest in CPC.

U.S. Importers

At least 13 firms, located mainly in the northeastern United States, imported barium chloride from China between January 1981 and June 1984. The largest of these and their relative shares of total imports of Chinese—made barium chloride in January 1983—June 1984 are shown below:

	Importer			Importer	Share (percent) of total U.S. imports of Chinese-made barium chloride
;	×	×	×	***************************************	
:	×	×	*	***************************************	***
	X .	×	*	***************************************	XXX
+	×	¥	×		****
				· .	

1/ * * *

All of the firms identified above are well-established independent chemical distributors and most import barium chloride from countries other than China. No value is added by importers to the imported product.

U.S. Imports

China has been by far the dominant source of imports of barium chloride in recent periods (table 1). Imports from China increased by 33.5 percent in quantity and 43.2 percent in value during 1981—83, from 4.0 million pounds, valued at \$329,000, in 1981 to 5.3 million pounds, valued at \$471,000, in 1983. The trend reversed in January—June 1984, when imports from China fell by 31.6 percent in quantity and 29.6 percent in value compared with those entered in the corresponding period of 1983. As a share of total imports, those from China increased from 55.5 percent in 1981 to 78.3 percent in 1983, but fell from 77.0 percent in January—June 1983 to 60.3 percent in January—June 1984. Imports from China by months are shown in table 2.

Table 1.—Barium chloride: U.S. imports for consumption, by principal sources, 1981-83, January-June 1983, and January-June 1984

_		:	:	January-June				
Source	1981	1981 1982 198 	1983	1983	1984			
	:	Quantity	(1,000 pc	ounds)	<u></u>			
China-	: :		:	: 270 :	1 650			
	• • •	4,319 :	5,330 :	•	1,559			
West Germany		283 :	625 :	286 :	224			
Italy		280 :	436 :	198 :	,580			
Belgium/Luxembourg-		o :	159 :	0:	C			
France-		642 :	119 :	119 :	79			
All other	-: <u>77 :</u>	335 :	135 :	75 :	143			
Total-	: <u>7,203</u> :	5,860 :	6,805 :	2,957 :	2,586			
	:	Percent of	total qua	antity <u>1</u> /				
China-			:	:				
A STATE OF THE STA		73.7 :	78.3 :	77.0 :	60.3			
West Germany		4.8 :	9.2:	9.7:				
Italy-	-: 4.4 :	4.8 :	6.4 :	6.7 :	22.4			
Belgium/Luxembourg-	-: -:	-:	2.3:	-:	****			
France		11.0 :	1.8 :	4.0 :	3.1			
All other		5.7 :	2.0:	2.5:	5.5			
Total-	-: <u>100.0</u> :	100.0 :	100.0 :	100.0 :	100.0			
, i e i .	Value (1,000 dollars)							
Obline	:			:				
China	-: 329 :	322 :	471 :	199 :	140			
West Germany-	-: 149 :	79 :	74 :	34 :	44			
Italy-		54 :	99 :	45 :	353			
Belgium/Luxembourg-		0:	19 :	0:	0			
France	-: 301 :	114 :	21 :	21 :	16			
All other	-: <u>12 :</u>	34 :	17 :	7:	27			
Total	-: 859 :	604 :	701 :	306 :	580			

^{1/} Figures may not add to 100.0 percent because of rounding.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 2. Barium chloride: U.S. imports for consumption from China, by months, January 1981—July 1984

(In thousands of pounds) 1981 1982 1984 Month 1983 805 414 : 77 : 112: February---115 : 337 : 150: 337 928 : --603 : -011 0 1187 March-238 : : : 123 .: 505 : . . 225 and a 1314 O 40 : 814 : 304 : A 1467 4 115 153 : 533 :-June-379 : - 🔻 😤 🖽 🐍 40 187...: 0: 545 : 75: 340 : 30000 1/0 August 115 : September-877 CE 300 : 340 : 1/ October 392 : November-337 : 487 : 930 : 487 : December 505 : 75 : 3,994 % 4,319 : 5,330 :

1/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.—Because of rounding, figures may not add to the totals shown.

The Question of Material Injury

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CPC's production, capacity, and capacity utilization

CPC's production of barium chloride fell by *** percent from 1981 to 1983 but increased by *** percent from January-June 1983 to January-June 1984 (table 3). CPC reported no significant losses in production due to employment-related problems, temporary equipment-related problems, sourcing problems, transition problems, or any other unusual circumstances in its barium chloride plant during this period. However, in response to a request for additional information, officials of CPC stated that * * ** II/

Capacity utilization for the production of barium chloride declined from *** percent in 1981 to *** percent in 1983, but rose from *** percent in January-June 1983 to *** percent in January-June 1984. Its decline in production from 1981 to 1983 was not a result of a reallocation of resources to any foreign subsidiaries.

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^{1/} For additional information, see memorandum to the confidential record on telephone conversations with officials of CPC, Sept. 12, 1984.

Table 3.—Barium chloride: CPC's production, practical capacity, and capacity utilization, 1981-83, January-June 1983, and January-June 1984

	1001	: 1000	: : : : : : : : : : : : : : : : : : :	January-June-		
Item	1981	; 1982		1983	1984	
Production——1,000 pounds—: Practical capacity 1/ :	X 	: ; ***	: XXX :	: : *** :	жж х	
1,000 pounds—: Ratio of production :	***	. ***	. ***	*** :	x x x	
to capacity——percent—:	***	***	***	***	×××	

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operations. In its posthearing brief, CPC stated that the *** pounds of capacity reported by the firm "represents a practical operating capacity that takes into account a two-week shutdown for maintenance. CPC has operated at this capacity in the past . . ."

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

CPC's production of crystalline and anhydrous barium chloride as a share of its total production of barium chloride is shown below (in percent):

				<u>January-June</u>		
	<u>1981</u>	1982	1983	1983	1984	
Crystalline-	×××	×××	×××	×××	×××	
Anhydrous	XXX	×××	***	×××	XXX	
Total-	100.0	100.0	100.0	100.0	100.0	

From the point at which barite ore is reduced to barium sulfide, CPC produces barium chloride separately from other chemicals. Operating its barium chloride producing facility 168 hours per week, 50 weeks per year, CPC's capacity to produce barium chloride has remained at *** pounds per year since 1981. Except for two weeks during the summer, when its plant is annually shutdown for maintenance, CPC operates continually, utilizing 4 shifts, 24 hours per day, 7 days per week.

*	*	*	*	*	*	* <u>1</u> / <u>2</u> /

^{1/} For additional information, see memorandum to the record on ex parte meeting between members of the Commission staff and representatives of SINOCHEM and Ethyl Corp., May 25, 1984.

^{2/} For additional information, see memorandum to the confidential record on telephone conversations with officials of CPC, Sept. 12, 1984.

<u>CPC's shipments</u> and exports

The trend for CPC's shipments parallels that for its production (table 4). From 1981 to 1983, CPC's domestic shipments declined by *** percent in quantity and *** percent in value. The trend reversed in January—June 1984, when its domestic shipments rose by *** percent in quantity and *** percent in value from the level reported in the corresponding period of 1983. CPC's exports, which have remained at less than *** percent of total shipments since 1981, also declined from 1981 to 1983. There were *** exports of U.S.— produced material in January—June 1984. CPC's domestic shipments of crystalline and anhydrous barium chloride as a share (in percent) of its total domestic shipments of barium chloride are shown below:

				<u> January-June-</u>		
	1981	1982	1983	1983	1984	
Crystalline-	*XX	×××	×××	**×	×××	
Anhydrous-	XXX	x-x-x	×××	x .x.x	×××	
Total-	100.0	100.0	100.0	100.0	100.0	

Table 4.—Barium chloride: CPC's domestic shipments and exports, 1981-83, January—June 1983, and January—June 1984

Item	; ; ;	1982	:	:	January-June		
	1981		1983	:	1983	1984	
*	•	Quan	itity (1,0	00 pc	ounds)		
	·	······································	,	:		······································	
Domestic shipments-	: *** :	**X	: **	:	*** :	×××	
Exports	; xxx ;	x 	; xxx	:	*** :	×××	
Total-	: xxx :	XXX	; xxx	:	*** :	X X X	
	:	Val	ue (1,000	dol	lars)		
•	·	***************************************		:	:	······································	
Domestic shipments	; *** ;	XXX	: XXX	:	** * :	×××	
Exports	: *** :	***	: **	:	*** :	**X	
Total	; *** :	XXX	: XXX	;	*** ;	XXX	

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Inventories

CPC's end-of-period inventories of barium chloride increased by *** percent from 1981 to 1982, but declined from 1982 to 1983 to a level *** percent below that of 1981 (table 5). The level of inventories at the end of June 1984 was less than *** that at the end of June 1983. As a percent of total shipments during the preceding period, inventories increased from *** percent in 1981 to *** percent in 1982 before returning to *** percent in A-10

Table 5.—Barium chloride: CPC's inventories, as of December 31, 1981-83, and June 30, 1983 and 1984

Item	Dec	cember 31-	June 30		
T rem	1981	1982	1983	1983	1984
Inventories——1,000 pounds—: Ratio of inventories to :	: *** :	: *** : :	: ; ;	: *** :	X-X-X
total shipments during : the preceding :	1 :	:	:	:	
periodpercent-:	*** : :	*** :	*** :	<u>1</u> / *** :	<u>1</u> / ***

^{1/} Annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

1983. From June 30, 1983, to June 30, 1984, inventories declined from ***
percent to *** percent of the preceding period's shipments, on an annualized basis. In CPC's posthearing brief (p. A-1), it stated that "CPC would normally like to keep * * * in inventory."

Employment

For most of the chemical industry, a decline in production of one chemical does not ordinarily result in a decline in employment, since a worker's time may be allocated among several different chemicals. Even in an instance in which the production of several chemicals at a plant declines, workers are usually retained to maintain the equipment so that it will be ready for use when production resumes. Basic changes in employment occur when new plants are opened or when old plants are closed or converted to new methods of production.

The average number of CPC's production and related workers producing barium chloride, and the hours worked by such employees, have remained relatively stable since 1981 (table 6). Because of the relatively large fluctuations in CPC's production, however, average output per hour worked declined by *** percent from 1981 to 1983 and then increased by *** percent from January—June 1984. Total compensation paid to production and related workers producing barium chloride increased by *** percent from 1981 to 1983, and by *** percent from January—June 1983 to January—June 1984. The trend for the average hourly compensation paid to these workers is similar, albeit irregular. Unit labor costs first increased and then declined. From 1981 to 1983, the average unit labor cost per 1,000 pounds of barium chloride produced increased from *** to ***, but then declined by *** percent from January—June 1983 to the corresponding period of 1984. CPC's workers are not unionized.

Table 6.—Average number of CPC's employees, total and production and related workers producing all products and those producing barium chloride; hours worked by, total compensation paid to, and average hourly compensation paid to such workers; and output per man-hour and unit labor cost in producing barium chloride, 1981-83, January-June 1983, and January-June 1984

: 	1001	:		January-June-		
Item :	1981	1982 :	1983 :	1983	1984	
Average employment: :	á .	: • * '*	: : s	: /# : :	* ;	
All persons :	×××	: ** *	: **	: **	×××	
Production and related :	•	•	:	: 1	4	
workers producing :		:	:	: :		
All products :	XXX	: ***	; **	: *** :	×××	
Barium chloride 1/:	×××	: ***	****	: ** * :	×××	
Hours worked by production :		:	:	: :		
and related workers :		:	:	: :		
producing—		:	• • • •	: 4:	: 5.	
All products-1,000 hours-:	XXX	: ****	: *** ** *	: * *** :	×××	
Barium chloride do:	***	: ***	: **	: • * *** :	×××	
Total compensation paid to :		• • • • • • • • • • • • • • • • • • • •		:		
production and related :		:	:	: :		
workers producing :		:	:	:		
All products :		:	:	: :	.1.	
1,000 dollars:	XXX	: XXX	: ** *	; xxx ;	×××	
Barium chloride do ::	* ****	: ***	: XXX	: ** :	XXX	
Average hourly compensation :	, × t€	:	•	: :	i = i	
paid to production :	•	: 5	:	: * :	2 × 2	
and related workers :: :	j - 1	• * * * * * * * * * * * * * * * * * * *	:	: :	egy f	
producing— :	r	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	•: · · · · · · · · · · · · · · · · · · ·	:		
All products:	* ** *	; *** ***	: ***	; *** ;	XXX	
Barium chloride :	***	: ***	; ****	; *** ;	XXX	
Output of barium chloride :		:	:	: :	13 * 1 *	
per man-hour-pounds-:	XXX	: **	: ***	: *** :	XXX	
Unit labor cost of pro- :	4.1	:	:	:		
ducing barium chloride :		•	<u>.</u>	:		
per 1,000 pounds:	×××	: XXX	: ***	: ** :	×××	
*	•	•	:	: :	i	

^{1/} Of the number of workers shown, 8 devote all of their time to barium chloride production. The remainder include working foremen and maintenance personnel who also devoted time to the production of other chemicals.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Financial performance of CPC

Selected financial data on CPC's barium chloride operations are shown in table 7. The partial-period data reflect operations for January-April rather than January-June, and thus cannot be directly compared with the other partial-year data presented in this report.

Table 7.—Selected financial data on CPC's barium chloride operations, 1981-83, January-April 1983, and January-April 1984

<u>.</u> . :				January-April		
Item :	1981	1982	1983	1983	1984	
Net sales1,000 dollars:	*** :	*** :	*** :	*** ;	×××	
Cost of goods sold——do——:	*** :	*** :	*** ;	*** :	XXX	
Gross profit-do-:	*** ;	××× ;	*** :	××× :	×××	
General, selling, and : administrative : expenses do : :	; ; ***	: : ***	: : ***	: : ***	×××	
Net operating profit or :						
(loss)do:	××× :	×××	*** :	××× :	×××	
Depreciation expenses—do—:	*** :	***	***	××× :	XXX	
Cash flow or (deficit) : from operations 1/do:	: ***	*** :	: ***	: ***	***	
Ratio of net operating : profit or (loss) to net : sales———————————————————————————————————	: : ***	; ; ***	: : ***	****	***	
Ratio of cost of goods sold :					.,,,,,,	
to net sales———do——:	*** :	*** :	*** :	*** :	×××	
:	:	:	:	:		

^{1/} Defined as net operating profit or (loss) plus depreciation expense.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

CPC's net sales of barium chloride fell by *** percent, from *** in 1981 to *** in 1983, but rose by *** percent in January—April 1984 compared with sales in the corresponding period of 1983. CPC's operations on barium chloride have * * *. * * *. CPC's cost of goods sold remained between *** percent and *** percent of net sales, * * *. Raw materials, direct labor, and other factory costs (including depreciation and amortization) as a share of cost of goods sold for recent periods are shown below (in percent):

				January-June		
· · · · · · · · · · · · · · · · · · ·	1981	1982	1983	1983	1984	
Raw materials	**X	×××	×××	×××	X ·X·X	
Direct labor-	XXX	×××	XXX	XXX	XXX	
Other factory						
costs-	XXX	XXX	XXX	XXX	XXX	
Total	100.0	100.0	100.0	100.0	100.0	

If CPC's noncash expenses, i.e., depreciation and amortization, are excluded from its overall expenses, its performance for the period * * *.

CPC's cash flow, defined as net operating profit plus depreciation, increased * * * from 1981 to 1982 before falling * * * in 1983. For January-April 1984, CPC reported a cash flow of ***, compared with *** in the corresponding period of the previous year.

* * * * * * * *

Since 1980, CPC's capital expenditures and research and development expenses related to barium chloride production have been * * *.

CPC's total operations for its establishment in which barium chloride is produced have generally been * * *. These data are shown in table 8.

Table 8.—Selected financial data on CPC's establishment in which barium chloride is produced, 1981-83, January-April 1983, and January-April 1984

1001	:		January-April		
1981 :	1982	1983	1983	1984	
*** :	*** :	: *** :	: *** ;	x x x	
××× :	××× :	××× :	××× ;	жж×	
*** ;	XXX ;	*** :	*** ;	XXX	
	:	:	:		
*** ;	*** ;	x x x ;	*** :	XXX	
*** ;	*** :	*** :	*** ;	XXX	
*** ;	x x x ;	x 	*** ;	x x x	
: *** :	: *** :	: ***	: *** ;	×××	
;	;	, , , , , , , , , , , , , , , , , , ,	; ;	×××	
	*** : *** : *** : *** :	***	***	1981 1982 1983 **** **** **** **** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** *** ***	

^{1/} Defined as net operating profit plus depreciation expense.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The Question of Threat of Material Injury to an Industry in the United States

In its examination of the question of threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase of LTFV imports, the capacity of producers in the exporting country to generate exports, the availability of export markets other than the United States, and other factors, such as U.S. importers' inventories. Import trends for barium chloride were addressed in an earlier section. A discussion of importers' inventories, Chinese capacity to generate exports, and the availability of export markets follow.

Inventory levels vary considerably from importer to importer. * * *, which accounted for *** percent of imports in 1983 and in January-June 1984, kept virtually no imports in inventory. On the other hand, * * *, which with * * accounted for *** percent of imports in this period, accounted for well over *** percent of importers' end-of-period inventories. (* * *) Data on * * *'s end-of-period inventories for 1981 and 1982 are not available. Without these data, aggregate inventory levels could be seriously understated. As of December 31, 1983, however, U.S. importers were holding *** pounds of barium chloride in inventory. The level dropped to *** pounds by June 30, 1984.

Data regarding Chinese capacity, production, and exports of barium chloride are shown in table 9. Operating at about *** to *** percent of capacity, China has produced *** to *** pounds of barium chloride per year in recent periods. 1/ As a share of its total production, China's exports increased from *** percent in 1981 to *** percent in 1982, but fell to *** percent in 1983. Counsel for SINOCHEM has stated that China expects to consume more of its own barium chloride as its demand for leaded gasoline increases.

The U.S. share of aggregate exports of barium chloride from China rose from *** percent in 1981 to *** percent in 1983, but then slipped to *** percent in January—June 1984. Other principal Chinese export markets are * * *. Exports to the EC, which took * * * of China's aggregate exports of barium chloride in 1982, dropped from *** pounds in that year to *** pounds in 1983. The large decline in China's exports to the EC apparently resulted from the imposition, effective in August 1983, of antidumping duties on imports of barium chloride from China. 2/

^{1/} China's reported capacity is maximum theoretical capacity—it does not allow time for periodic maintenance.

^{2/} Official Journal of the European Communities, No. L 228, vol. 26, Aug. 20, 1983, p. L 228/28. The EC Council, which also imposed antidumping duties on imports of barium chloride from the German Democratic Republic, stated that "The weighted average dumping margins . . . for the product concerned originating in the People's Republic of China . . . exceeded 75%."

Table 9.—Barium chloride: Chinese capacity, production, and exports, 1981-83 and January-June 1984

Item	1981	1982	1983	:JanJune : 1984
			s	:
Capacity 1/1,000 pounds-:	***	: XXX	XXX	: ***
Production 1/ do :	XXX	: **	***	: XXX
Capacity utilization percent :	XXX	: ** *	xxx	: ***
Exports to :	1	•	· •	:
United States-1,000 pounds-:	×××	: xxx	***	: 2/1,559
European Communities do ::	XXX	; XXX	***	: 3/
Hong Kong-do-:	***	· XXX	XXX	: 3/
Canada do :	XXX	*××	XXX	: 3/
Japan do :	***	· ***	×××	3/
All other do :	×××	. XXX	×××	×××
Total do :	XXX	: * **	XXX	: XXX
Percent of production that is exported :	жж	: xxx	***	: ****
Percent of total exports to - :	•		<u>.</u>	:
United States ::	***	XXX	XXX	; ** *
All other ::	×××	: ***	×××	: XXX
Total-	100.0	: 100.0 :	1,00.0	: 100.0

^{1/} Approximate.

Source: Compiled from data provided by the China National Chemicals Import and Export Corp. and from official statistics of the U.S. Department of Commerce.

The Question of the Causal Relationship Between LTFV Imports and the Alleged Material Injury to an Industry in the United States

U.S. consumption and import penetration

Apparent U.S. consumption of barium chloride declined by *** percent from 1981 to 1983, but increased by *** percent from January—June 1983 to January—June 1984 (table 10). The decline in 1981—83 largely reflects (1) decreased use of barium chloride for the removal of sulfate deposits from electrodes in chemical—processing brines, due to increased use of tungsten electrodes, which are more resistant to sulfate attack; (2) decreased use of barium chloride as a raw material in the production of tetraethyl lead, due to declining consumption of leaded gasoline; and (3) decreased use of barium chloride in lubricating oils and greases because of new formulations and extended intervals between automobile oil changes. New or additional uses for barium chloride are not anticipated.

^{2/} U.S. imports from China, as reported by the U.S. Department of Commerce.

^{3/} Not available; included in "all other."

Table 10.--Barium chloride: CPC's shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1981-83, January-June 1983, and January-June 1984

n	: encl	:	Import s-	-	:	onol-	:		tio of imp	
Period	CPC's shipments	From China	: From : other :countries	: : Total	:	CPC's exports	Apparent consumption	From China	: From : other :countrie	: Total
	:		-1,000 pou	nds					Percent	
	:	:	;	:	:		:	;	:	:
1981	: ***	: 3,994	: 3,209	: 7,203	:	**	. ***	***	. ***	: ###
1982	***	: 4,319			:	***	***	***	: ***	***
1983	. ***	: 5,330	: 1,475	: 6,805	:	***	. ***	**	: ###	***
January-June	:	:	:	:	:		:	:	;	:
1983	. ***	: 2,278	: 679	: 2,957	:	***	. ***	***	: ***	. ***
1984	: ***	: 1,559	: 1,027	: 2,586	:	***	: ***	***	: ***	: ***
	:	:	:	:	:	•	:	:	:	:

Source: Import data compiled from official statistics of the U.S. Department of Commerce; all other data compiled from information submitted in response to questionnaires of the U.S. International Trade Commission.

As a share of U.S. consumption, imports from all sources increased from **** percent in 1981 to *** percent in 1983, but declined from *** percent in January—June 1983 to *** percent in January—June 1984. Imports from China increased from *** percent in 1981 to *** percent in 1983, and then declined from *** percent in January—June 1983 to *** percent in January—June 1984. Correspondingly, CPC's share declined from *** percent to *** percent between 1981 and 1983, but increased from *** percent in January—June 1983 to *** percent in the corresponding period of 1984.

Prices

Many of barium chloride's traditional uses have either declined, such as its use in the production of tetraethyl lead for leaded gasoline, or obsolesced, such as its use in cleaning electrodes in chemical-processing brines. However, for remaining users there are no substitutes and therefore producers and importers are not faced with price competition from alternative chemicals

U.S. producers and importers were requested to provide net f.o.b. warehouse selling prices to their four largest customers, by quarters, for the period January 1981—June 1984. Quantity discounts are not given. CPC's and importers' weighted—average prices of barium chloride in crystalline and anhydrous forms, and margins of underselling, are summarized in table 11. The importers' prices shown are for Chinese—produced material only. At least 80 percent of the barium chloride sold in the United States is consumed east of the Mississippi River and within 600 miles of the importers' ports of entry, i.e., New York, Baltimore, and New Orleans. Transportation costs to purchasers add from 1 to 3 cents per pound to the f.o.b. warehouse prices reported by importers and CPC.

Crystalline barium chloride.—CPC's average price for crystalline barium chloride increased in 1981 and the first quarter of 1982, remained constant in the rest of 1982 and the first quarter of 1983, and declined thereafter. From *** cents per pound in the first quarter of 1981, CPC's price increased by *** percent to *** cents per pound in the first quarter of 1982, where it remained until the first quarter of 1983. From the first quarter of 1983 to the second quarter of 1984, CPC's price declined by *** percent to *** cents per pound.

Unlike CPC's prices, importers' average prices generally increased throughout the period; however, they remained below CPC's prices in every quarter. From *** cents per pound in the first quarter of 1981, importers' prices increased by *** percent to *** cents per pound in the second quarter of 1984. During the period for which data were requested, importers' prices were *** cents to *** cents per pound less than CPC's prices. The margin of underselling increased from *** percent in the first quarter of 1981 to *** percent in the first quarter of 1981, and then declined almost steadily to *** percent in the second quarter of 1984, as importers' prices continued to increase while CPC's prices declined.

Anhydrous barium chloride.—The price for anhydrous barium chloride, whether U.S.-produced or imported, is generally *** to *** cents per pound higher than that for the crystalline form. The trends in CPC's prices for $_{\rm A-18}$

Table 11.--Barium chloride: CPC's and U.S. importers' average net selling f.o.b. prices, 1/by quarters, January-March 1981 through April-June 1984

:		Crystalline		Anhydrous					
Period	CPC's average net selling price	U.S. importers' average net selling price	: Margin of : underselling :	: : CPC's average : net selling : Price :	U.S. importers average net selling price	Margin of underselling			
:	Cents p	er pound	:Percent	:Cents	per pound:	Percent			
1981:		:	:	:	: :				
January-March:	***	. ***	: ***	***	: -:				
April-June:	***	:	: -	: ***	- :				
July-September:	***	: -	: -	: ###	: - :	!			
October-December:		: ***	: ***	***	- :				
982: :		:	:	:	:				
January-March:	***	: ***	: ***	***	- i				
April-June:	***	: ***	***	***	: -:				
July-September:	***	. ***	***	***	- :				
October-December:		: ###	***	***	-				
983: :		:	:	:	:				
January-March:	***	***	. ***	. ***	- :				
April-June:		: ***	: ***	***	- :				
July-September:	***	***	: ***	***	- :				
October-December:		: ***	***	***	***	*1			
984: :		:	:	:	:				
January-March:	***	: ***	***	***	***	**			
April-June:	***	***	***	***	- :				
•		•	•		•				

1/ All import prices are for merchandise from China.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

both forms were similar. After increasing in 1981, CPC's average price for anhydrous barium chloride remained constant throughout most of 1982 and then declined thereafter, albeit irregularly. Very little anhydrous barium chloride has been imported from China. The only periods for which importers' prices are available are October-December 1983 and January-March 1984. Imports undersold the U.S.-produced product in both quarters, by *** percent and *** percent, respectively.

Lost sales

CPC was asked to furnish the Commission with customer names, quantities, and dates relating to any sales of barium chloride it lost to like products from China since January 1, 1981. CPC reported that between January 1, 1981, and May 31, 1983, it lost sales of *** pounds of barium chloride (*** percent of U.S. consumption), valued at ***. The allegations involve both forms of barium chloride. * * * consumers of barium chloride, one of which purchases the anhydrous variety, were identified. All were contacted by the Commission. (A list of U.S. purchasers to whom CPC identified as having lost sales and the amounts involved are shown in table 12). Although none of these consumers could readily specify amounts, all confirmed that in several instances they had rejected offers for barium chloride produced in the United States in favor of merchandise produced in China. Price, which all found considerably lower than that for the comparable U.S.-produced product, was the primary, if not sole, reason for their purchases. In all other aspects of buying, all but one of these consumers consider the U.S.-produced product to be no less advantageous than the Chinese-produced product. 1/ On the contrary, the purchaser of anhydrous barium chloride considers the U.S.-produced product to be superior with respect to reliability of delivery.

Table 12.—Barium chloride: Lost sales reported by CPC, by customers, January 1, 1981—May 31, 1983

Customer :					: Quant		Valu	
						pounds-:	-1,000 do	ollars-
*	*	*	*	*	: ** :	* :	*	*
					:			

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

 $[\]underline{1}$ / One consumer of barium chloride alleged that CPC is reluctant to ship in less than truckload quantities.

In view of CPC's position as virtually the sole domestic source of barium chloride, most of the * * * consumers of barium chloride expressed a definite need for a secondary source. None had completely discontinued buying from CPC on the basis of cheaper imports from China; however, one (* * *) ceased purchasing barium chloride from all sources after 1981, and another (* * *) claimed to have traditionally satisfied nearly all of its needs with imported material.

Lost revenues

CPC alleged that, in order to retain business and as a result of competition from barium chloride imported from China, it made price concessions to * * * customers that resulted in lost revenues of about *** per year on sales of *** pounds of barium chloride. Of the total quantity, *** pounds was crystalline barium chloride and the remainder was anhydrous barium chloride. All of the alleged price concessions were initially made in 1983. The names of the customers involved, CPC's "regular" and its concession prices, and the quantity and value of the alleged lost revenues resulting from the firm's price concessions are shown in table 13.

All * * * firms were contacted. * * * confirmed the price concessions and quantities alleged by CPC. * * * confirmed the price, but said the quantity involved was *** pounds rather than *** pounds and the date was * * rather than * * *. The other * * * firms neither confirmed nor denied CPC's allegations concerning price concessions.

Table 13.—Barium	chloride:	Lost revenue related to pr	rice concessions
	reported	by CPC, by customers 1/	

C	ustomer	:	Regular price		ssion ice	Date of concession	n <u>2</u> /	Quantity <u>3</u> /	: : Value <u>3</u> / :
		:	Cents	per po	<u>ound</u> — :			1,000 pounds	: <u>1,000</u> : <u>dollars</u> :
*	*	: * :	*	: :	* :	*	* :	; ★	: : * :
		:		: :	:		:		: :

^{1/} All allegations except that to * * * involved sales of crystalline grade barium chloride.

^{2/} All concessions were allegedly initially made in 1983.

^{3/} Estimated on an annual basis.

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APPENDIX A

COMMERCE'S AND COMMISSION'S FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-149 (Final)]

Barium Chloride From the People's Republic of China

AGENCY: International Trade Commission.

ACTION: Institution of final antidumping investigation and scheduling of a hearing to be held in connection with the investigation.

EFFECTIVE DATE: April 6, 1984.

SUMMARY: A a result of an affirmative preliminary determination by the U.S. Department of Commerce that there is a reasonable basis to believe or suspect that imports from the People's Republic of China (China) of barium chloride, classified under item 417.70 of the Tariff Schedules of the United States, are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673), the United States International Trade Commission hereby gives notice of the institution of Investigation No. 731-TA-149 (Final) under section 735(b) of the act (19 U.S.C. 1673d(b)) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded. by reason of imports of such merchandise. Unless the investigation is extended, the Department of Commerce will make its final dumping determination in the case on or before June 18, 1984, and the Commission will make its final injury determination on or before August 6, 1984 (19 CFR 207.25).

FOR FURTHER INFORMATION CONTACT: Larry Reavis. Office of Investigations. U.S. International Trade Commission. telephone 202–523–0296.

SUPPLEMENTARY INFORMATION:

Background

On December 9, 1983, the Commission notified the Department of Commerce

that, on the basis of the information developed during the course of its preliminary investigation, there is a reasonable indication that an industry in the United States is materially injured by reason of alleged LTFV imports of barium chloride from China. The preliminary investigation was instituted in response to a petition filed on October 25, 1983, by counsel for Chemical Products Corporation, Cartersville, GA.

Participation in the Investigation

Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.22 as amended by 47 FR 6189, Feb. 10, 1982), not later than 21 days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation. pursuant to \$ 202.11(d) of the Commission's rules (19 CFR 201.11(d), as amended by 47 FR 6189, Feb. 10, 1982). Each document filed by a party to this investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service (19 CFR 201.16(c), as amended by 47 FR 33662, Aug. 4, 1982).

Staff Report

A public version of the staff report containing preliminary findings of fact in this investigation will be placed in the public record on June 8, 1984, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a hearing in connection with this investigation beginning at 10:00 a.m., on June 26, 1984, at the U.S. International Trade Commission Building, 701 E Street NW.. Washington, D.C. 20436. Requests to appear at the hearing should be filled in writing with the Secretary to the Commission not late24han the close of business (5:15 p.m.) on June 15, 1984. All persons desiring to appear at the

hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m.. on June 20, 1984, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is June 19, 1984.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23, as amended by 47 FR 33682, Aug. 4, 1982). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevent to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22, as amended by 47 FR 33682, Aug. 4. 1982). Post hearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24, as amended by 47 FR 6191, Feb. 10, 1982) and must be submitted not later than the close of business on July 6, 1984.

Writen Submission

As mentioned, parties to this investigation may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before July 6, 1984. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with \$201.8 of the Commission's rules (19 CFR 201.8, as amended by 47 FR 6188, Feb 10, 1982, and 47 FR 13791, Apr. 1, 1982). All written submissions except for confidential business data will be evailable for public inspection during. regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must coform with the requirements of § 201.6 of the Commission's rules [19 CFR 201.6].

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and C (19 CFR Part 207, as amended by 47 FR 6190, Feb. 10, 1982,

and 47 FR 33682, Aug. 4, 1982), and Part 261, Subparts A through E (19 CFR Part 201; as amended by 47 FR 6188, Feb. 10. 1982; 47 FR 13791, Apr. 1, 1982; and 47 FR 33682, Aug 4, 1982).

This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20, as amended by 47 FR 6190. Feb. 10, 1982).

Issued: April 23, 1984... By order of the Commission.

Kenneth R. Mason,
Secretary,
[FR Doc. 64-3191] Filed 8-1-64; 345 am
SELLING CODE 7639-49-49

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-149 (Final)]

Barium Chloride From the People's Republic of China

AGENCY: United States International Trade Commission.

ACTION: In conformance with the determination of the International Trade Administration of the Department of Commerce to amend its schedule for the conduct of the referenced investigation (49 FR 22365, May 29, 1984), the Commission hereby revises its schedule as follows: The prehearing conference will be held on August 17, 1984; the hearing will be held on August 23, 1984; and the Commission's final determination shall be issued on or before October 4, 1984.

EFFECTIVE DATE: June 5, 1983.

SUPPLEMENTARY INFORMATION: The Commission instituted this final antidumping investigation effective April 6, 1984, and scheduled a hearing to be held in connections therewith for June 26, 1984 (49 FR 18791, May 2, 1984). On May 29, 1984 (49 FR 22365), the Department of Commerce extended the investigation in response to a request from the China National Import and Export Corporation, the exporter of the subject merchandise in the People's Republic of China. The effect of the extension was to change the scheduled date for Commerce to make its final determination from June 18, 1984, to August 20, 1984. Accordingly, the Commission is revising its schedule in the investigation to conform with Commerce's new schedule.

The Commission's hearing, which was to have been held on June 26, 1984, has been rescheduled to begin at 10 a.m. on August 23, 1984, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on

August 10, 1984. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10 a.m. on August 17, 1984, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is August 16, 1984. A public version of the prehearing staff report containing preliminary findings of fact in this investigation will be placed in the public record on August 6, 1984

FOR FURTHER INFORMATION CONTACT: Larry Reavis (202-523-0296), Office of Investigations, U.S. International Trade Commission, Washington, D.C. 20436.

Issued: June 7, 1984.
By order of the Commission
Renneth R. Mason.
Secretary.
[FR Doc. 84-15900 Filed 6-12-64: 845 am]
BRLING CODE 7020-02-18

International Trade Administration

[A-570-007]

Postponement of Final Antidumping Determination and Postponement of Hearing; Barium Chloride From the People's Republic of China

AGENCY: International Trade
Administration, Import Administration,
Commerce.

ACTION: Notice.

SUMMARY: This notice informs the public that the Department of Commerce has received a request from China National Chemicals Import and Export Corporation (Sinochem) that the final determination be postponed until not later than 135 days after the date of publication of the preliminary determination, as provided for in § 353.44(b) of the Department of Commerce Regulations (19 CFR 353.44(b)), and that the Department will postpone its final determination as to whether barium chloride from the People's Republic of China has been sold at less than fair value until not later than August 20, 1984.

EFFECTIVE DATE: May 29, 1984.

FOR FURTHER INFORMATION CONTACT: Michael Ready, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 377-2813-28

SUPPLEMENTARY INFORMATION: On November 18, 1983, the Department of Commerce published notice in the Federal Register (48 FR 52494) that it

was initiating under section 732(b) of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1673a(b)), an antidumping investigation to determine whether barium chloride from the People's Republic of China is being, or is likely to be, sold at less than fair value. The Department published an affirmative preliminary determination on April 6, 1984 (49 FR 13728). The notice stated that if this investigation proceeded normally we would make a final determination by June 18, 1984. Pursuant to section 735(a)(2) of the Act, Sinochem requested an extension of the final determination date. Sinochem is qualified to make such a request since it accounts for one hundred percent of the exports of the merchandise. If an exporter properly requests an extension after an affirmative preliminary determination, the Department is required, absent compelling reasons, to grant the request. The Department will issue a final determination in this case not later than August 20, 1984. The hearing originally scheduled for April 30, 1984, has been postponed.

The new hearing date is July 9, 1984, at 2:00 p.m., in Room B-841, Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230. Individuals who wish to participate in the hearing must submit a request to the Deputy Assistant Secretary for Import Administration, Room 3099B, at the above address within 10 days of this notice's publication.

Requests should contain: (1) The party's name, address, and telephone number, (2) the number of participants, (3) the reason for attending, and (4) a list of the issues to be discussed. In addition, prehearing briefs in at least 10 copies must be submitted to the Deputy Assistant Secretary by July 2, 1984. All written views should be filed in accordance with 19 CFR 353.48, at the above address and in at least 10 copies not later than the date established for the submission of post-hearing briefs which will be announced at the hearing. If no hearing is held, all written views should be submitted not later than July 23, 1984.

This notice is published pursuant to section 735(d) of the Act.

Dated: May 18, 1984. Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 84-14253 Filed 5-25-81; 8:45 am] BILLING CODE 3510-DS-M

[A-570-007]

Final Determination of Sales at Less Than Fair Value; Barium Chloride From the People's Republic of China

AGENCY: International Trade
Administration/Import Administration.
Commerce.

ACTION: Notice.

SUMMARY: We have determined that barium chloride from the People's Republic of China (PRC) is being sold in the United States at less than fair value and that "critical circumstances" do not exist with respect to imports of barium chloride from the PRC. The U.S. International Trade Commission (ITC)

will determine, within 45 days of publication of this notice, whether these imports are materially injuring or are threatening to materially injure, a United States industry.

EFFECTIVE DATE: August 27, 1984.

FOR FURTHER INFORMATION CONTACT:
Michael Ready, Office of Investigations,
Import Administration, International
Trade Administration, U.S. Department
of Commerce, 14th Street and
Constitution Avenue, N.W., Washington,
D.C. 20230, telephone: (202) 377-2613.

SUPPLEMENTARY INFORMATION:

Final Determination

We have determined that barium chloride from the PRC is being sold, or is likely to be sold, in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (19 U.S.C. 1673d) (the Act).

For barium chloride sold by China National Chemicals Import and Export Corporation (SINOCHEM), the only known exporter of the subject merchandise, we have found that the foreign market value exceeded the United States price on 63 percent of sales compared. The margin of dumping ranged from 9.9 percent to 47.2 percent. The weighted—average margin was 14.5 percent.

Case History

On October 25, 1983, we received a petition in proper form from Chemical Products Corporation of Cartersville. Georgia, on behalf of the barium chloride industry in the United States. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act (19 U.S.C. 1673), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The petitioner also alleged that critical circumstances exist with respect to imports of barium chloride from the PRC.

After reviewing the petition, we determined that it contained sufficient grounds to initiate an antidumping duty investigation on barium chloride. We notified the ITC of our action and initiated the investigation on November 18, 1983 (48 FR 52494). On December 21, 1983, the ITC found that there is a 30 reasonable indication that imports of barium chloride are materially injuring a United States industry (48 FR 56449). We published a preliminary determination

of sales at less than fair value on April 6, 1984 (49 FR 13728).

We published a Notice on Postponement of Final Antidumping Determination on May 29, 1984 (49 FR 22365). Our notice of the preliminary determination provided interested parties with an opportunity to submit views orally or in writing. On July 9, 1984, we held a public hearing.

As discussed under the "Foreign Market Value" section, we determined that the PRC is a state-controlledeconomy country for the purposes of this investigation.

Scope of Investigation

The merchandise covered by this investigation is barium chloride, a chemical compound having the formula BaC12 or BaC12-2H20. Barium chloride is currently classified under item 417.7000 of the Tariff Schedules of the United States Annotated (TSUSA).

This investigation covers the period from October 1, 1982, to September 30, 1983. SINOCHEM is the only known PRC exporter of barium chloride to the United States. We examined 100 percent of SINOCHEM's sales to the United States made during the period of investigation.

Fair Value Comparison

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value.

United States Price

As provided in section 772 of the Act, we used the purchase price, of the subject merchandise to represent the United States price, because the merchandise was sold to unrelated purchasers prior to its importation into the United States. We calculated the purchase price based on the CIF price to unrelated purchasers. We made deductions for ocean freight, marine insurance, and inland freight in the PRC. In accordance with the policy set forth in our recent final determination in the case of Carbon Steel Wire Rod from Poland (49 FR 29434, July 20, 1984), we . based deductions for inland freight on freight charges for the same distances in countries with non-state-controlledeconomies.

Foreign Market Value

The Petitioner alleged that the economy of the PRC is state-controlled to the extent that sales of the subject merchandise from that country do not permit a determination of foreign market value under 19 U.S.C. 1677b(a). After analyzing the PRC's economy, we

concluded that the PRC is a statecontrolled-economy country for purposes of this investigation. Among the factors we considered were that output quotas for purchase by the state are set and that prices are administered at least up to the quota level.

As a result, section 773(c) of the Act requires us to use prices or the constructed value of such or similar merchandise in a "non-state-controlledeconomy" country. After analysis of countries which produce barium chloride, we determined that India would be the most appropriate surrogate selection. However, the Indian government declined to participate in the investigation. When we determined that there was no other country which manufactures barium chloride and which is at a comparable economic level as the PRC's we inquired whether there is a product which is such or similar (as defined in section 771(16) of the Act) to

the PRC barium chloride.

Based on available information, we did not find any product that could be considered such of similar merchandise within the meaning of the Act. Therefore, pursuant to section 773 of the Act, and § 353.8(c) of the Commerce Regulations, we proceeded to construct a value based on specific components or factors of production in the PRC, valued on the basis of prices and costs in a nonstate-controlled-economy "reasonably comparable" in economic development to the PRC. After analyzing those nonstate-controlled-economies most similar to the PRC, we concluded that Thailand was a comparable economy for valuation of the PRC factors of production. We based valuation of the PRC raw materials, labor and energy on pricing and cost information in Thailand. We based valuation of certain costs included in factory overhead on the factory experience of a chemical company in Thailand. To these values we added an amount for general expenses and profit, as required by section 773(e)(1)(B) of the Act, and the cost of all containers and coverings and other expenses, as required by section 773(e)(1)(C) of the Act.

Negative Determination of Critical Circumstances

Counsel for petitioner alleged that imports of barium chloride from the PRC present "critical circumstances." Under section 733(e)(1) of the Act, critical circumstances exist when the Department finds that: (1)(a) There is a history of dumping in the United States or elsewhere of the merchandise under investigation, or (b) the person by whom, or for whose account, the merchandise was imported knew or

should have known that the exporter was selling the merchandise under investigation at less than its fair value: and (2) there have been massive imports of the merchandise under investigation over a relatively short period.

In determining whether there have been massive imports over a relatively short period, we considered the following factors: recent trends in import penetration levels; whether imports have surged recently; whether recent imports are significantly above the average calculated over the last several years (1981-1983); and whether the patterns of imports over the threeyear period may be explained by seasonal swings. Based upon our analysis of the information. we determined that imports of the products covered by this investigation were not massive over a relatively short period.

For the reasons described above, we determined that critical circumstances do not exist with respect to barium chloride from the PRC.

Verification

In accordance with section 776(a) of the Act, we verified data used in making this determination by using verification procedures which included on-site inspection of manufacturers' facilities and examination of company records and selected original source documentation containing relevant information.

Petitioner's Comments

Comment 1: Petitioner argues that the barite ore available in Thailand is of such inferior quality as to preclude its use in the production of barium chloride and, therefore the price of barite ore in Thailand does not constitute a proper basis for the valuation of the barite ore included in the PRC factors of production.

DOC Response: During our investigation, we obtained copies of laboratory reports with the chemical analysis of the barite used by the PRC barium chloride plants. Two barite producers in Thailand also provided copies of laboratory reports with the chemical analysis of barite available in Thailand. In analyzing this information, we have relied upon the opinion of chemical experts within the Department of Commerce. As a result of our analysis, we have concluded that certain barite available in Thailand is comparable or superior to the barite used by the PRC barium chloride plants. We therefore have valued the PRC factor of production for barite in Thailand.

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Comment 2: Petitioner argues that the coal produced in Thailand is of such inferior quality as to preclude its use as a raw material or a fuel in the production of barium chloride. Therefore the price of coal in Thailand does not constitute a proper basis for the valuation of coal included as a raw material or as a fuel in the PRC factors of production.

DOC Response: During our investigation, we obtained copies of laboratory reports with the chemical analysis of the coal used by the PRC barium chloride plants. We also obtained, both from a Thai government agency and from private companies in Thailand, information concerning the chemical analysis of coal available in Thailand. This information was analyzed by chemical experts in the Department of Commerce. As a result of our analysis, we have concluded that certain coal available in Thailand is suitable for use both as a raw material and as a fuel in the production of barium chloride. We therefore have valued the PRC factors of production for both raw material and fuel coal in Thailand.

Comment 3: Petitioner argues that we should ascertain and value in Thailand factors of production for both demineralized (soft) and process water.

DOC Response: We agree and have done so

Comment 4: Petitioner argues that we should ascertain and value in Thailand factors of production for certain chemicals used to treat wastes and for caustic soda used for pH control.

DOC Response: No factor was valued for waste treatment chemicals because the PRC plants do not use them. We did value in Thailand a factor for caustic soda.

Comment 5: Petitioner argues that since the production of barium chloride is capital intensive and the process employed is quite corrosive, the factory overhead used in determining the constructed value should be based on the experience of a similar chemical producer.

DOC Response: The Department used for the factory overhead component the experience of a chemical producer in Thailand which manufactures corrosive chemicals. Signficant elements of costs included in its total costs included depreciation and major maintenance, reflecting the nature of its operations.

Comment 6: Petitioner argues that port storage and loading costs incurred in exporting barium chloride to the United States should be deducted in the calculation of United States price.

DOC Response: The respondent avers that such charges are included in ocean freight charges (which we have deducted in calculating United States price). We have found no evidence indicating otherwise.

Comment 7: Petitioner argues that ocean freight charges deducted in calculating United States price should be based on the charges of non-state-controlled-economy carriers rather than on the charges of the Chinese state-owned steamship company.

DOC Response: The majority of the barium chloride exported to the United States from the PRC is by non-state-controlled-economy carriers. The remainer of the exports were in vessels of China's state-owned carrier, COSCO. For those shipments, it was found during the course of the verification that ocean freight charges (deductible in calculating U.S. price) were in U.S. dollars at rates equal to or greater than the rates filed by non-state-controlled economy carriers with the United States Federal Maritime Commission. We therefore deducted the actual charges of COSCO.

Comment 8: Petitioner argues that certain products which the respondents claim are co-products of barium chloride production bear no relationship to its production.

DOC Response: The Department determined from its analysis that the alleged co-products were related to the production of barium chloride at the Zhangjiaba plant and were not related at the Tianjin plant. In making this determination the Department analyzed many facts. Several of these were, (1) the ability of the plant's management to control the relative quantities of the various products resulting from a manufacturing process. (2) the relative values of these products to the plant, and (3) the use of raw materials and the manufacturing processes shared by the products. (For detailed explanation see DOC response to respondent's comment

Comment 9: The petitioner argues that the PRC factor for natural gas used by one of its barium chloride plants should be valued according to the price of natural gas in Thailand.

DOC Response: Natural gas in Thailand is in short supply and is therefore sold to only two end users by the Petroleum Authority of Thailand. As a practical matter, natural gas is not available to industrial users in Thailand. We have therefore valued the PRC factor for natural gas by valuing in Thailand an amount of coal with the same calorific value (Kilocalories) as the PRC factor for natural gas.

Respondent's Comments

Comment 1: The Respondent claims that both the Tianjin Chemical Plant and the Zhangjiaba Chemical Plant produce

"co-products" during the production of barium chloride. These "co-products" are lithium carbonate, strontium carbonate and potassium chloride for the Zhangjiaba plant, and sodium hydrosulfide for the Tianjin plant.

DOC Response: The Department agrees concerning the Zhangjiaba plant. During the manufacturing process of barium chloride in the Zhangjiaba plant, a material input and certain manufacturing processes are shared in the production of barium chloride, lithium carbonate, strontium carbonate and potassium chloride. Therefore, we allocated the factors of production pertaining to the material input and the production processes among these products in order to determine the costs. We allocated the shared factors of production based on the weighted value method because of the vast difference in value of the products.

For the Tianjin plant, the Department disagrees. The manufacturing process for sodium hydrosulfide is not an integral part of the manufacturing process of barium chloride.

However, during the manufacturing of barium chloride, hydrogen sulfide gas is produced. The factors associated with the manufacturing of barium chloride and the gas were allocated to these products based on volume of production.

Comment 2: The respondent argues that in calculating a Tahi value for PRC barite, we should deduct any freight costs included in the Tahi price.

DOC Response: For the purposes of our final determination we have used an ex-minehead price for barite in Tahiland. Therefore no deduction for freight costs is warranted.

Comment 3: The respondent argues that in valuing the PRC factors of production for coal in Thailand, we should adjust for differences in the quality of Tahi and PRC coal by applying price differentials which exist in the United States market for different quality coals.

DOC Response: As noted in our response to petitioner's comment 2 above, we have valued the PRC factors of production for coal based on the price of Thai coal suitable for use in the production of barium chloride. No price adjustment is necessary. However, we have adjusted the PRC factors of production for coal for differences between the PRC and Thai coals' fixed carbon content (in the case of raw material coal) and heating values (in the case of fuel coal).

Comment 4: The respondent argues that since the Zhangjiaba Alam's source of calcium chloride is brine which it receives free of charge, that this factor

of production should be valued at its transportation cost.

DOC Response: We agree. We have valued this factor by determining the weighted-average distance between the Zhangjiaba plant and its brine sources and then determining freight costs in Thailand for transporting brine such a distance.

Comment 5: The respondent states that the PRC plants use hydrochloric acid which is the by-product of organic chemical production while the hydrochloric acid available in Thailand is the result of the direct synthesis of hydrogen gas with chlorine gas. The respondent goes on to argue that we should adjust downward the price of the Thai "synthetic" acid according to the ratio between the prices of "by-product" and "synthetic" hydrochloric acid in India. (Information concerning the price of hydrochloric acid in India was gathered during the course of a recent antidumping investigation involving chloropicrin from the PRC).

DOC Response: "By-product" and "synthetic" hydrochloric acid are equally suitable for the production of barium chloride. We do not consider the method of manufacture of an input relevant so long as the end product is suitable for the production of barium chloride. We also find it administratively infeasible to move back and forth around the world valuing factors of production. We have determined, pursuant to section 353.8(c) of the regulations, that Thailand and the PRC are at comparable stages of economic development. We therefore have valued all of the factors of production in Thailand without reference to relative values in other countries such as India.

Continuation of Suspension of Liquidation

We are directing the United States Customs Service to continue to suspend liquidation of all entries of barium chloride from the People's Republic of China which are entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the preliminary determination in the Federal Register. The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the estimated weighted-average margin amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price. The bond or cash deposit amount established in our preliminary determination of April 6, 1984, remains in effect with respect to entries or withdrawals made prior to the date of publication of this notice in the Federal

Register. With respect to entries or withdrawals made on or after the publication of this notice, the bond or cash deposit amount required is 14.5 percent of the FOB China price.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our determination. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

The ITC will make its determination whether these imports are materially injuring, or threatening to materially injure, a U.S. industry within 45 days of the publication of this notice. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. However, if the ITC determines that such injury does exist, we will issue an antidumping duty order directing Customs Officers to assess an antidumping duty on barium chloride from the PRC entered, or withdrawn from warehouse, for consumption after the suspension of liquidation, equal to the amount by which the foreign market value exceeds the United States price.

This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)).

Dated: August 20, 1984. William T. Archey,

Acting Assistant Secretary for Trade Administration.

[FR Doc. 84-22730 Filed 8-24-84; 8:45 am] BILLING CODE 3510-DS-M

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APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S HEARING

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject

: Barium Chloride from The People's

Republic of China

Inv. No.

: 731-TA-149 (Final)

Date and time: August 23, 1984 - 10:00 a.m.

Sessions were held in the investigation in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the imposition of antidumping duties:

Gibson, Dunn & Crutcher--Counsel Washington, D.C. on behalf of

Chemical Products Corporation

J. L. Gray, President and Chief Executive Officer Charles Adams, Jr., Executive Vice-President Robert C. Barrett, Sales Manager

Joseph H. Price } -- OF COUNSEL

In opposition to the imposition of antidumping duties:

Baker & McKenzie--Counsel Washington, D.C. on behalf of

> China National Chemicals Import and Export Corporation Edward Wooh, Vice President, Cometals, Inc.

> > Bruce E. Clubb) -- OF COUNSEL Winston K. Zee)