

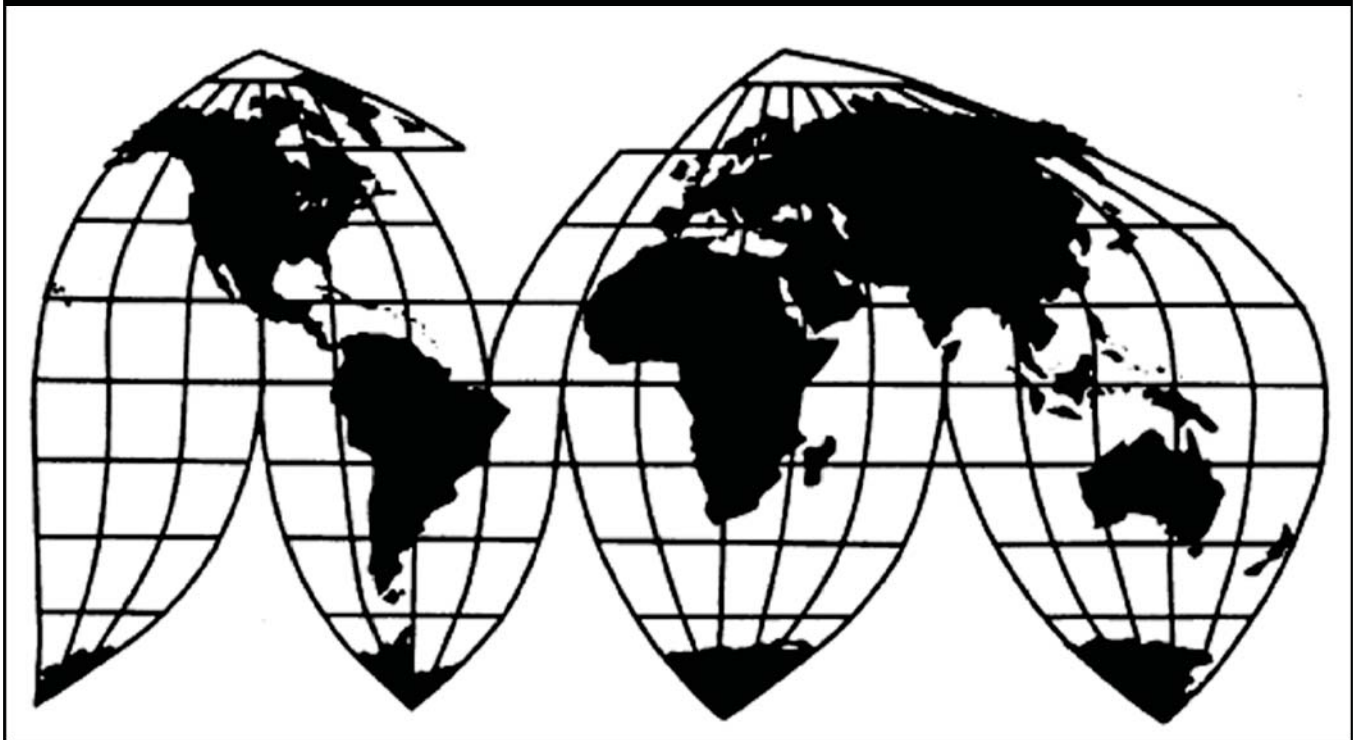
# **Carbazole Violet Pigment 23 from China and India**

Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Second Review)

**Publication 4575**

**November 2015**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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# U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Second Review)

Carbazole Violet Pigment 23 from China and India

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930, that revocation of the countervailing duty order on carbazole violet pigment 23 from India and revocation of the antidumping duty orders on carbazole violet pigment 23 from China and India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### BACKGROUND

The Commission, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), instituted these reviews on April 1, 2015 (80 F.R. 17943) and determined on July 6, 2015 that it would conduct expedited reviews (80 F.R. 43119, July 21, 2015).

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<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR § 207.2(f)).





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the countervailing duty order on carbazole violet pigment 23 (“CVP-23”) from India and revocation of the antidumping duty orders on CVP-23 from China and India would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

On November 23, 2003, Nation Ford Chemical (“NFC”) and Sun Chemical Corp. (“Sun”), domestic producers of CVP-23, jointly filed a petition alleging that imports of CVP-23 from India were being subsidized and that imports of CVP-23 from China and India were being sold at less than fair value in the United States.<sup>1</sup> In December 2004, the Commission determined that a domestic industry was materially injured by reason of cumulated subject imports of CVP-23 from China and India.<sup>2</sup> On December 29, 2004, the U.S. Department of Commerce (“Commerce”) issued a countervailing duty order on subject imports from India and antidumping duty orders on subject imports from China and India.<sup>3</sup>

On November 2, 2009, the Commission instituted the first five-year reviews of the CVP-23 orders.<sup>4</sup> In April 2010, following expedited reviews, the Commission determined that revocation of the countervailing duty order on CVP-23 from India and the antidumping duty orders on CVP-23 from China and India would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>5</sup> Commerce accordingly issued continuations of the countervailing duty order on CVP-23 from India and the antidumping duty orders on CVP-23 from China and India on May 27, 2010.<sup>6</sup>

The Commission instituted these second five-year reviews on April 1, 2015.<sup>7</sup> The Commission received one submission in response to its notice of institution, filed on behalf of NFC and Sun (collectively, “Domestic Producers”). The Commission received no respondent interested party responses to the notice of institution. On July 6, 2015, the Commission determined that the domestic interested party group response was adequate for all reviews

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<sup>1</sup>Confidential Report (“CR”) at I-10, Public Report (“PR”) at I-6.

<sup>2</sup>*Carbazole Violet Pigment 23 from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060-61 (Final), USITC Pub. 3744 (Dec. 2004) (“*Original Determinations*, USITC Pub. 3744”).

<sup>3</sup>*See, e.g.*, 69 Fed. Reg. 77987 (Dec. 29, 2004) (China antidumping duty order); 69 Fed. Reg. 77988 (Dec. 29, 2004) (India amended final antidumping duty determination and antidumping duty order); 69 Fed. Reg. 77995 (Dec. 29, 2004) (India countervailing duty order).

<sup>4</sup>74 Fed. Reg. 56663 (Nov. 2, 2009).

<sup>5</sup>*Carbazole Violet Pigment 23 from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060-61 (Final), USITC Pub. 4151 (Apr. 2010) (“*First Reviews*, USITC Pub. 4151”).

<sup>6</sup>75 Fed. Reg. 29718-19 (May 27, 2010).

<sup>7</sup>*Carbazole Violet Pigment 23 from China and India, Institution of a Five-Year Review*, 80 Fed. Reg. 17493 (Apr. 1, 2015).

and that the respondent interested party group response was inadequate for all reviews. The Commission did not find any other circumstances that would warrant conducting full reviews and determined to conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act.<sup>8</sup>

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>9</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>10</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>11</sup>

Commerce has defined the scope of the orders in these five-year reviews as follows:

CVP-23 identified as Color Index No. 51319 and Chemical Abstract No. 6358-30-1, with the chemical name of diindolo \*\*\* triphenodioxazine, 8,18-dichloro-5,15-diethy-5,15-dihydro-, and molecular formula of C<sub>34</sub>H<sub>22</sub>Cl<sub>2</sub>N<sub>4</sub>O<sub>2</sub>. The subject merchandise includes the crude pigment in any form (e.g., dry powder, paste, wet cake) and finished pigment in the form of presscake and dry color.<sup>12</sup>

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<sup>8</sup>*Carbazole Violet Pigment 23 from China and India*; Scheduling of Expedited Five-Year Reviews, 80 Fed. Reg. 43119 (July 21, 2015).

<sup>9</sup>19 U.S.C. § 1677(4)(A).

<sup>10</sup>19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>11</sup>See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

<sup>12</sup>As Commerce further stated, pigment dispersions in any form (e.g., pigments dispersed as oleoresins, flammable solvents, water) are not included within the scope of the orders. The merchandise subject to these orders is classifiable under subheading 3204.17.9040 of the Harmonized Tariff Schedule of the United States, but the written description of the merchandise under the orders is dispositive. See Commerce Department Memorandum, “Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders on Carbazole Violet  
(continued...) ”

CVP-23 is a type of synthetic organic chemical used as a colorant or pigment to color inks, textiles, plastics, coatings, and other materials.<sup>13</sup> CVP-23 is produced in crude and finished forms.<sup>14</sup> Crude CVP-23 must be further refined to be used in applications; consequently, it has no use other than to produce finished CVP-23 in the forms of presscake and dry color.<sup>15</sup> Dry color CVP-23 is pure pigment and presscake has varying amounts of pigment diluted with water.<sup>16</sup> Dry color can be sold for numerous end uses, including the coloring of plastics, printing inks, and textiles, as well as the production of dispersions.<sup>17</sup> Presscake can be processed into dry pigment powder or used to make pigment dispersions.<sup>18</sup>

In the original investigations, the Commission found a single domestic like product consisting of crude and finished CVP-23, which was coextensive with Commerce's scope definition.<sup>19</sup> Because the scope included both crude CVP-23 as well as certain finished CVP-23 products (*i.e.*, presscake and dry color), the Commission used the semi-finished like product factors in its analysis of the domestic like product.<sup>20</sup> The Commission found that there was not a sufficiently clear dividing line between crude and finished CVP-23 to warrant finding two separate like products, particularly in light of the lack of independent uses for crude CVP-23.<sup>21</sup>

In the first reviews, the Commission observed that the domestic interested parties agreed with the domestic like product definition adopted in the original determinations, and that there was no basis in the record to revisit the issue, particularly because the reviews had been expedited.<sup>22</sup> Accordingly, the Commission again found a single domestic like product consisting of crude and finished CVP-23, coextensive with Commerce's scope definition.<sup>23</sup>

In these second reviews, there is no new information on the record indicating that the characteristics of the product at issue have changed in any material regard since the prior proceedings, and the Domestic Producers state that they agree with the prior definition of the domestic like product.<sup>24</sup> Accordingly, we continue to define a single domestic like product consisting of crude and finished CVP-23 corresponding with Commerce's scope definition.

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(...continued)

Pigment 23 from India and the People's Republic of China," (July 30, 2015); 80 Fed. Reg. 47462-47463 (Aug. 7, 2015).

<sup>13</sup>CR at I-7, PR at I-4.

<sup>14</sup>CR at I-8, PR at I-4.

<sup>15</sup>CR at I-7-8, PR at I-4.

<sup>16</sup>CR at I-7, PR at I-4.

<sup>17</sup>CR at I-7, PR at I-4.

<sup>18</sup>CR at I-7, PR at I-4.

<sup>19</sup>*Original Determinations*, USITC Pub. 3744 at 5.

<sup>20</sup>*Original Determinations*, USITC Pub. 3744 at 5-8.

<sup>21</sup>*Original Determinations*, USITC Pub. 3744 at 7-8.

<sup>22</sup>*First Reviews*, USITC Pub. 4151 at 4-5.

<sup>23</sup>*First Reviews*, USITC Pub. 4151 at 5.

<sup>24</sup> Domestic Producers' Response at 17 (Apr. 29, 2015); *see generally* CR at I-8, PR at I-4.

## B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>25</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original determinations, the Commission defined the domestic industry to consist of all domestic producers of crude and finished CVP-23.<sup>26</sup> At the time, the domestic industry consisted of five domestic producers: Allegheny, Barker, Clariant, NFC, and Sun.<sup>27</sup>

In the first reviews, the Commission again defined the domestic industry to consist of all domestic producers of crude and finished CVP-23.<sup>28</sup> Specifically, it found that, during the period of review (“POR”), NFC and Sun accounted for all domestic production of crude and finished CVP-23.<sup>29</sup> Although it found that Sun was a related party because it imported subject crude CVP-23 from China and India, the Commission determined that appropriate circumstances did not exist to exclude Sun from the domestic industry.<sup>30</sup> Accordingly, the Commission defined the domestic industry to include both domestic producers of crude and finished CVP-23, namely NFC and Sun.<sup>31</sup>

The Domestic Producers again support defining one domestic industry consisting of all U.S. producers of CVP-23.<sup>32</sup> The record indicates no related party issues in these second five-year reviews.<sup>33</sup> Therefore, based on our definition of the domestic like product and consistent with the Commission’s domestic industry definition from the prior proceedings, we define the domestic industry to include all U.S. producers of the domestic like product, which are currently NFC and Sun.

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<sup>25</sup>19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>26</sup>*Original Determinations*, USITC Pub. 3744 at 8.

<sup>27</sup>*Original Determinations*, USITC Pub. 3744 at 8. In the original determinations, the Commission also found that there were no related party issues under the statute. *Id.*

<sup>28</sup>*First Reviews*, USITC Pub. 4151 at 5-7.

<sup>29</sup>*First Reviews*, USITC Pub. 4151 at 6.

<sup>30</sup>*First Reviews*, USITC Pub. 4151 at 6-7.

<sup>31</sup>*First Reviews*, USITC Pub. 4151 at 7.

<sup>32</sup>Domestic Producers’ Response at 17 (Apr. 29, 2015).

<sup>33</sup>CR at I-13 and I-15, PR at I-8; Domestic Producers’ Response at 10 (Apr. 29, 2015).

### III. Cumulation

#### A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>34</sup>

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.<sup>35</sup> The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

#### B. Cumulation in the Prior Investigations and Reviews

In the original determinations, the Commission cumulated subject imports from China and India.<sup>36</sup> With respect to fungibility, the Commission found that CVP-23 from each of the subject sources was fungible with each other and the domestic like product.<sup>37</sup> The Commission found that there was overlap between the domestic like product and subject imports from China and India with respect to shipments for ink-related applications and in the merchant

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<sup>34</sup>19 U.S.C. § 1675a(a)(7).

<sup>35</sup>19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

<sup>36</sup>*Original Determinations*, USITC Pub. 3744 at 10-13.

<sup>37</sup>*Original Determinations*, USITC Pub. 3744 at 11-13.

market for water-based applications.<sup>38</sup> It also found that there was a moderate-to-high degree of substitutability among domestically produced CVP-23 and subject imports, although subject imports from China may have had a higher degree of substitutability with domestically produced CVP-23 than subject imports from India had with domestically produced CVP-23.<sup>39</sup> Moreover, domestic producers, importers, and purchasers generally agreed that subject imports from China and India and domestically produced CVP-23 were interchangeable.<sup>40</sup>

The Commission found overlapping geographic markets for subject imports and the domestic like product because the domestic like product and imports from both subject countries were generally marketed throughout the United States.<sup>41</sup> The Commission also found an overlap of distribution channels because most of the domestic like product and most subject imports were sold to end users and/or distributors.<sup>42</sup> Finally, the Commission found that the domestic like product and imports from each subject country were present in the U.S. market throughout the period of investigation.<sup>43</sup>

In the first reviews, the Commission found that imports from both subject countries would not be likely to have no discernible adverse impact on the domestic industry in the event of revocation.<sup>44</sup> It based this conclusion on a number of factors, including the volume of subject imports from the individual countries prior to and following issuance of the orders, production capacity and excess capacity of the industry in each subject country, the export orientation of each subject industry, and the widespread underselling by subject imports from both subject countries during the original investigations.<sup>45</sup>

The Commission also found a likely reasonable overlap of competition among subject imports and the domestic like product in the event of revocation.<sup>46</sup> In doing so, the Commission reaffirmed its findings in the original investigations concerning fungibility, geographic overlap, channels of distribution, and simultaneous presence in the market, stating that they were again applicable since the limited record in the expedited reviews did not contain any information to the contrary.<sup>47</sup> Finally, it found no significant differences in likely conditions of competition between subject imports from China and India and accordingly exercised its discretion to cumulate these subject imports.<sup>48</sup>

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<sup>38</sup>*Original Determinations*, USITC Pub. 3744 at 11-13.

<sup>39</sup>*Original Determinations*, USITC Pub. 3744 at 11-12.

<sup>40</sup>*Original Determinations*, USITC Pub. 3744 at 12.

<sup>41</sup>*Original Determinations*, USITC Pub. 3744 at 13.

<sup>42</sup>*Original Determinations*, USITC Pub. 3744 at 13.

<sup>43</sup>*Original Determinations*, USITC Pub. 3744 at 13.

<sup>44</sup>*First Reviews*, USITC Pub. 4151 at 9-11.

<sup>45</sup>*First Reviews*, USITC Pub. 4151 at 9-11.

<sup>46</sup>*First Reviews*, USITC Pub. 4151 at 12-13.

<sup>47</sup>*First Reviews*, USITC Pub. 4151 at 12-13.

<sup>48</sup>*First Reviews*, USITC Pub. 4151 at 13.

## C. Analysis

In these reviews, the statutory threshold for cumulation is satisfied because all reviews were initiated on the same day, April 1, 2015.<sup>49</sup> In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports:

(1) whether imports from either of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

### 1. Likely Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>50</sup> Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>51</sup> With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders were to be revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from either of the subject countries would likely have no discernible adverse impact on the domestic industry in the event of revocation.

*China.* Subject imports from China were substantial during the original period of investigation (“POI”), increasing from \*\*\* pounds in 2001 to \*\*\* pounds in 2002 and then to \*\*\* pounds in 2003.<sup>52</sup> Despite the antidumping duty order, subject imports from China were present in the U.S. market in each year from 2004 to 2014 in amounts ranging from \*\*\* pounds to \*\*\* pounds.<sup>53</sup> Subject imports from China accounted for between \*\*\* and \*\*\* percent of apparent U.S. consumption on an annual basis from 2001 to 2003, \*\*\* percent in 2008, and \*\*\* percent in 2014.<sup>54</sup> There are reportedly seven producers of CVP-23 currently in China.<sup>55</sup>

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<sup>49</sup>See 80 Fed. Reg. 17388 (Apr. 1, 2015).

<sup>50</sup> 19 U.S.C. § 1675a(a)(7).

<sup>51</sup>SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

<sup>52</sup>First Reviews Confidential Staff Report, INV-HH-035 (Apr. 8, 2010) (“First Reviews CR”) at Table I-9 (EDIS Doc. No. 557985).

<sup>53</sup>Subject imports from China were \*\*\* pounds in 2004, \*\*\* pounds in 2005, \*\*\* pounds in 2006, \*\*\* pounds in 2007, and \*\*\* pounds in 2008. First Reviews CR at Table I-9. Subject imports from China were 128,000 pounds in 2009, 174,000 pounds in 2010, 216,000 pounds in 2011, 238,000 pounds in 2012, 249,000 pounds in 2013, and 251,000 pounds in 2014. CR/PR at Table I-3.

<sup>54</sup>CR/PR at Table I-5.

According to Global Trade Atlas (“GTA”) data, China’s global exports of synthetic organic coloring matter, a product category that includes CVP-23 but consists mainly of out-of-scope merchandise, increased from 265.4 million pounds in 2009 to 339.1 million pounds in 2014, or by 21.7 percent.<sup>56</sup> Given these considerations, we do not find that subject imports from China would likely have no discernible adverse impact on the domestic industry if the relevant order were revoked.

*India.* During the original investigations, the annual volume of subject imports from India ranged from \*\*\* pounds to \*\*\* pounds.<sup>57</sup> Despite the antidumping and countervailing duty orders, subject imports from India were present in the U.S. market in each year from 2004 to 2014, in amounts ranging from \*\*\* pounds to \*\*\* pounds.<sup>58</sup> Subject imports from India accounted for between \*\*\* and \*\*\* percent of apparent U.S. consumption on an annual basis from 2001 to 2003, \*\*\* percent in 2008, and \*\*\* percent in 2014.<sup>59</sup> There are reportedly five producers of CVP-23 currently in India.<sup>60</sup> The Indian CVP-23 industry had substantial unused capacity during the original investigations, when its capacity utilization rate for crude CVP-23 ranged from \*\*\* percent to \*\*\* percent, and its capacity utilization rate for finished CVP-23 ranged from \*\*\* percent to \*\*\* percent.<sup>61</sup> According to GTA data, India’s global exports of synthetic organic coloring matter increased from 108.6 million pounds in 2009 to 168.8 million pounds in 2014, or by 35.7 percent.<sup>62</sup> In light of this information, we do not find that subject imports from India would likely have no discernible adverse impact on the domestic industry if the relevant orders were revoked.

## 2. Likely Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.<sup>63</sup> Only a “reasonable overlap” of competition is required.<sup>64</sup> In five-year reviews, the

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(...continued)

<sup>55</sup>CR at I-23, PR at I-13.

<sup>56</sup>CR/PR at Table I-6.

<sup>57</sup>Subject imports from India were \*\*\* pounds in 2001, \*\*\* pounds in 2002, and \*\*\* pounds in 2003. First Reviews CR at Table I-9.

<sup>58</sup>Subject imports from India were \*\*\* pounds in 2004, \*\*\* pounds in 2005, \*\*\* pounds in 2006, \*\*\* pounds in 2007, and \*\*\* pounds in 2008. First Reviews CR at Table I-9. Subject imports from India were 51,000 pounds in 2009, 60,000 pounds in 2010, 115,000 pounds in 2011, 123,000 pounds in 2012, 75,000 pounds in 2013, and 106,000 pounds in 2014. CR/PR at Table I-3.

<sup>59</sup>CR/PR at Table I-5.

<sup>60</sup>CR at I-25, PR at I-15.

<sup>61</sup>First Reviews CR at Table I-16.

<sup>62</sup>CR/PR at Table I-7.

<sup>63</sup>The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions;

(continued...)



relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.<sup>65</sup>

*Fungibility.* As discussed above, the Commission found in the original determinations and first reviews that subject imports from China and India were fungible with both the domestic like product and with each other.<sup>66</sup> There is no new information in these reviews to indicate that this has changed.

*Geographic Overlap.* In the original determinations, the Commission found that the domestic like product and imports from each subject country were sold nationwide and shared common points of entry into the U.S. market.<sup>67</sup> In the first reviews, the Commission found that no new information had developed suggesting that this had changed.<sup>68</sup> The same is true in these reviews.

*Channels of Distribution.* In the original determinations, the Commission found that subject imports from China and India and the domestic like product generally were sold in the same channels of distribution (*i.e.*, to end users and/or distributors).<sup>69</sup> In the first expedited reviews, the Commission found that no new information suggested that this had changed.<sup>70</sup> The same is true in these reviews.

*Simultaneous Presence in Market.* In the original determinations, the Commission found that subject imports from China and India and domestically produced CVP-23 were all present in the U.S. market throughout the POI.<sup>71</sup> In the first reviews, the Commission found that the record contained no new information suggesting that this had changed.<sup>72</sup> As previously stated,

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(...continued)

(2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

<sup>64</sup>*See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>65</sup>*See generally, Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

<sup>66</sup>*Original Determinations*, USITC Pub. 3744 at 11-13; *First Reviews*, USITC Pub. 4151 at 12-13.

<sup>67</sup>*Original Determinations*, USITC Pub. 3744 at 13.

<sup>68</sup>*First Reviews*, USITC Pub. 4151 at 13.

<sup>69</sup>*Original Determinations*, USITC Pub. 3744 at 13.

<sup>70</sup>*First Reviews*, USITC Pub. 4151 at 13.

<sup>71</sup>*Original Determinations*, USITC Pub. 3744 at 13.

<sup>72</sup>*First Reviews*, USITC Pub. 4151 at 13.

subject imports from China and India have been present in the U.S. market each year from 2009 to 2014.<sup>73</sup>

*Analysis.* The record of these expedited reviews contains very limited information concerning the characteristics of subject imports in the U.S. market during the period of review. The record contains no information suggesting that the reasonable overlap of competition found in the original investigations would not exist upon revocation. In light of this, the Commission's findings based on a similar record in the first reviews, and the absence of any contrary arguments, we find a likely reasonable overlap of competition between subject imports from China and India and the domestic like product.

### **3. Other Likely Conditions of Competition**

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from the subject countries would compete under similar or different conditions in the U.S. market if the orders under review were revoked. The record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition among subject imports upon revocation. Accordingly, we exercise our discretion to cumulate subject imports from China and India.

## **IV. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury within a Reasonably Foreseeable Time**

### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."<sup>74</sup> The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."<sup>75</sup> Thus, the likelihood

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<sup>73</sup>CR/PR at Table I-3.

<sup>74</sup>19 U.S.C. § 1675a(a).

<sup>75</sup>SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id.* at 883.

standard is prospective in nature.<sup>76</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Tariff Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>77</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>78</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>79</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>80</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>81</sup> The statute further

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<sup>76</sup>While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>77</sup>See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>78</sup>19 U.S.C. § 1675a(a)(5).

<sup>79</sup>SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>80</sup>19 U.S.C. § 1675a(a)(1).

<sup>81</sup>19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings with respect to the orders under review. CR at I-11, PR at I-7.

provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.<sup>82</sup>

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>83</sup> In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>84</sup>

In evaluating the likely price effects of subject imports if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>85</sup>

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>86</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>87</sup>

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<sup>82</sup>19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>83</sup>19 U.S.C. § 1675a(a)(2).

<sup>84</sup>19 U.S.C. § 1675a(a)(2)(A-D).

<sup>85</sup>See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

<sup>86</sup>19 U.S.C. § 1675a(a)(4).

<sup>87</sup>The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be

*(continued...)*

As stated above, the Commission received no responses to the notice of institution from CVP-23 producers in China and India. The record, therefore, contains limited new information with respect to the industries in both subject countries. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and first reviews, data submitted in the response to the notice of institution, and other public data.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>88</sup> The following conditions of competition inform our determinations.

**Demand Conditions.** In the original determinations, the Commission found that the CVP-23 industry did not have its own business cycle; instead, demand for CVP-23 was derived from the demand for other products using CVP-23, such as printing inks, plastics, coatings, and textiles, which in turn depended on such industries as advertising, packaging, and clothing.<sup>89</sup> The Commission observed that the largest use for CVP-23 was in the production of printing inks.<sup>90</sup> U.S. demand for inks decreased over the original POI as demand for printed products contracted.<sup>91</sup> Because there were no real alternatives to CVP-23 and because CVP-23 did not account for a large share of the cost of at least some of the end products in which it was used, the Commission determined that changes in CVP-23 prices were not likely to lead to large changes in the quantity demanded.<sup>92</sup> The Commission found that, during the original POI, apparent U.S. consumption of crude CVP-23 declined, while apparent U.S. consumption of finished CVP-23 (presscake and dry color) increased irregularly.<sup>93</sup>

In the first reviews, the Commission found that the record did not contain any reliable new information on apparent U.S. consumption since the original investigations.<sup>94</sup> Because there was no contrary information, the Commission accepted the assertion of NFC and Sun that there were significant increases in imports of out-of-scope dispersions (*i.e.*, downstream products that may compete with subject CVP-23) from China and India.<sup>95</sup>

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(...continued)

contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>88</sup>19 U.S.C. § 1675a(a)(4).

<sup>89</sup>*Original Determinations*, USITC Pub. 3744 at 14.

<sup>90</sup>*Original Determinations*, USITC Pub. 3744 at 14.

<sup>91</sup>*Original Determinations*, USITC Pub. 3744 at 14.

<sup>92</sup>*Original Determinations*, USITC Pub. 3744 at 14-15.

<sup>93</sup>*Original Determinations*, USITC Pub. 3744 at 15.

<sup>94</sup>*First Reviews*, USITC Pub. 4151 at 16.

<sup>95</sup>*First Reviews*, USITC Pub. 4151 at 16-17.

In these reviews, the record indicates that factors affecting buying patterns and demand for CVP-23 in the United States have largely remained unchanged since the first reviews.<sup>96</sup> Apparent U.S. consumption of finished CVP-23 on a quantity basis was \*\*\* pounds in 2014, contrasted with \*\*\* pounds in 2008, the end of the first review period.<sup>97</sup>

**Supply Conditions.** In the original determinations, the Commission found that there was only one known producer of crude CVP-23 in the United States, NFC, and that several domestic producers (including Sun) used imported or domestically produced crude CVP-23 to produce finished CVP-23.<sup>98</sup> The Commission also found that there were nonsubject imports present in the U.S. market throughout the POI.<sup>99</sup>

In the first reviews, the Commission identified three significant changes in supply conditions since the imposition of the orders.<sup>100</sup> First, a domestic producer, Clariant Corporation, ceased production of CVP-23 in December 2008.<sup>101</sup> Second, one of Sun's sources of crude CVP-23, Japanese producer Sumitomo Chemical, informed Sun in 2006 that it was experiencing environmental problems and therefore was operating at reduced capacity.<sup>102</sup> Sumitomo announced in the first part of 2007 that it was discontinuing production entirely; Sun received its last shipment of crude CVP-23 from Sumitomo in July 2007.<sup>103</sup> Third, in the latter part of 2006, NFC, the only producer of crude CVP-23 in the United States, decided to switch to a new system for producing crude CVP-23.<sup>104</sup> During part of 2006, all of 2007, and part of 2008, NFC substantially reduced production capacity while it installed this new system.<sup>105</sup> During this time, Sun purchased most of its crude CVP-23 from producers in China and Germany.<sup>106</sup> After installation of the new system was completed in April 2008, NFC regained its capacity to supply Sun's entire crude CVP-23 requirements and did so thereafter for the remainder of the POR.<sup>107</sup>

In these reviews, NFC and Sun remain the only two domestic producers of CVP-23.<sup>108</sup> Nonsubject imports accounted for the largest share of apparent U.S. consumption in 2014, with a \*\*\* percent share, which was lower than their share in 2008, at \*\*\* percent.<sup>109</sup> The domestic industry accounted for the next largest share of apparent U.S. consumption in 2014, with a \*\*\*

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<sup>96</sup>CR/PR at Appendix D (purchaser surveys). Responding purchasers reported no change in the business cycle for CVP-23 in the U.S. market or China or India since 2010. CR at D-5, PR at D-5. They also reported no changes in the particular end uses or applications for CVP-23 in the U.S. market or China or India since 2010. CR at D-4, PR at D-4.

<sup>97</sup>CR/PR at Table I-4.

<sup>98</sup>*Original Determinations*, USITC Pub. 3744 at 15.

<sup>99</sup>*Original Determinations*, USITC Pub. 3744 at 15.

<sup>100</sup>*First Reviews*, USITC Pub. 4151 at 17.

<sup>101</sup>*First Reviews*, USITC Pub. 4151 at 17.

<sup>102</sup>*First Reviews*, USITC Pub. 4151 at 17.

<sup>103</sup>*First Reviews*, USITC Pub. 4151 at 17.

<sup>104</sup>*First Reviews*, USITC Pub. 4151 at 17.

<sup>105</sup>*First Reviews*, USITC Pub. 4151 at 17-18.

<sup>106</sup>*First Reviews*, USITC Pub. 4151 at 18.

<sup>107</sup>*First Reviews*, USITC Pub. 4151 at 18.

<sup>108</sup>CR at I-13, PR at I-8.

<sup>109</sup>CR/PR at Table I-5.

percent share, which was lower than its share in 2008, at \*\*\* percent.<sup>110</sup> Cumulated subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2014, which was substantially above their share in 2008, at \*\*\* percent.<sup>111</sup>

**Substitutability.** In the original determinations, the Commission found that there was a moderate to high level of interchangeability between the domestic like product and subject imports, and that price was an important factor in purchasing decisions.<sup>112</sup> In the first reviews, the Commission, based on a limited record, found that the subject imports and the domestic like product continued to be moderately to highly interchangeable and that price continued to be an important factor in purchasing decisions.<sup>113</sup>

The information available in these expedited reviews contains nothing to indicate that the substitutability between CVP-23, regardless of source, or the importance of price has changed since the original investigations and first reviews. Accordingly, we again find that subject imports and the domestic like product are moderately to highly interchangeable and that price is an important factor in purchasing decisions.

### C. Likely Volume of Subject Imports

**The Original Investigations.** In the original determinations, the Commission found that the volume of subject imports and the increase in that volume were significant, both in absolute terms and relative to production and consumption.<sup>114</sup> Measured in terms of the volume of imports or in terms of U.S. shipments, the absolute volume of cumulated subject imports \*\*\* over the January 2001 to June 2004 POI.<sup>115</sup> The Commission also found that the ratio of subject imports of finished CVP-23 to domestic production \*\*\* over the POI and that the ratio of subject imports of crude CVP-23 to domestic production \*\*\* between 2001 and 2002.<sup>116</sup> Finally, it found that the domestic industry's market share was relatively steady over the POI, and that the trends in market share were consistent with the Commission's findings that the domestic industry lowered its prices in response to low-priced subject imports in order to maintain (or limit losses in) its market share.<sup>117</sup>

**The First Reviews.** In the first reviews, the Commission found that subject producers had the ability and the incentive to increase their exports to the United States significantly if the orders were revoked based upon the significant and growing presence of subject imports during the original investigations, the substantial excess capacity of subject producers in China and India, the export orientation of the Chinese and Indian industries, and the continued significant presence of subject imports from China and India in the U.S. market after imposition

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<sup>110</sup>CR/PR at Table I-5.

<sup>111</sup>CR/PR at Tables I-4, I-5.

<sup>112</sup>*Original Determinations*, USITC Pub. 3744 at 12 n.59.

<sup>113</sup>*First Reviews*, USITC Pub. 4151 at 18.

<sup>114</sup>*Original Determinations*, USITC Pub. 3744 at 17.

<sup>115</sup>*Original Determinations* (Confidential Version) at 26, (EDIS Doc. No. 557987).

<sup>116</sup>*Original Determinations* (Confidential Version) at 28 (EDIS Doc. No. 557987).

<sup>117</sup>*Original Determinations* (Confidential Version) at 27-28 (EDIS Doc. No. 557987).

of the orders.<sup>118</sup> Accordingly, it found that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant within the reasonably foreseeable future if the orders were revoked.<sup>119</sup>

**The Current Reviews.** In the current reviews, the available information indicates that the absolute volume and market share of cumulated subject imports in 2014, although somewhat below their peak levels during the original POI, were substantially higher than in 2008, the final year of the first review period. The volume of cumulated subject imports was \*\*\* pounds in 2014, compared with \*\*\* pounds in 2003 and \*\*\* pounds in 2008.<sup>120</sup> Cumulated subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2014, compared with \*\*\* percent in 2008 and \*\*\* percent in 2008.<sup>121</sup>

As previously stated, no producer or exporter of subject merchandise participated in these expedited reviews. Nevertheless, available record data indicate that the industries in subject countries continue to manufacture and export substantial volumes of synthetic organic coloring matter, a product category that consists mainly of out-of-scope merchandise but also includes CVP-23.<sup>122</sup> There is no information in the current record suggesting a decline in subject producers' capacity or unused capacity since the prior reviews. Consequently, on the basis of the facts available, we find that the subject producers continue to have substantial capacity and excess capacity, and remain export oriented.

Finally, the United States remains an attractive market to the CVP-23 industries in both subject countries. As discussed above, cumulated subject import volume has increased since the first reviews and in 2014 those imports maintained a significant presence in the U.S. market despite the orders.<sup>123</sup> The record indicates that the United States continues to be a large market for CVP-23.<sup>124</sup>

Accordingly, based on the increased volume of subject imports since the first reviews, the demonstrated ability of the CVP-23 producers in the subject countries to increase shipments into the U.S. market rapidly, their substantial production capacity and unused capacity, and the attractiveness of the U.S. market, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant in the event of revocation.

#### **D. Likely Price Effects**

**The Original Investigations.** In the original determinations, the Commission found that the domestic like product and subject imports were substitutable and that price was an important factor in purchasing decisions.<sup>125</sup> Based on quarterly weighted-average price

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<sup>118</sup>First Reviews, USITC Pub. 4151 at 20-21.

<sup>119</sup>First Reviews, USITC Pub. 4151 at 21.

<sup>120</sup>CR/PR at Table I-3; First Reviews CR/PR at Table I-9.

<sup>121</sup>CR/PR at Table I-5.

<sup>122</sup>CR/PR at Tables I-6 & I-7.

<sup>123</sup>CR/PR at Tables I-3 & I-5; First Review CR/PR at Table I-9.

<sup>124</sup>Domestic Producers' Comments at 9.

<sup>125</sup>Domestic Producers' Comments at 9.



information from U.S. producers and importers from January 2001 through June 2004 for three products (crude CVP-23, presscake, and dry color), the Commission found significant underselling by cumulated subject imports.<sup>126</sup> The Commission also found significant price depression by subject imports, explaining that the prices for the domestic like product and subject imports declined throughout almost the entire POI. Furthermore, the Commission found that purchaser data corroborated the significant underselling and price depression by subject imports, citing to record evidence of confirmed lost sales and lost revenue allegations and comments by purchasers that U.S. producers had to reduce prices in order to compete with subject imports.<sup>127</sup> Accordingly, the Commission found that cumulated subject imports had significant adverse price effects.<sup>128</sup>

**The First Reviews.** In the first reviews, the Commission observed that there was no new product-specific pricing information on the record.<sup>129</sup> In its pricing analysis, the Commission emphasized that subject producers likely would increase their exports to the United States significantly in the reasonably foreseeable future if the orders were revoked, and that price remained an important consideration in purchasing decisions as it was in the original investigations.<sup>130</sup> The Commission found that subject imports would be likely to undersell the domestic like product in order to gain market share as they successfully did in the original investigations.<sup>131</sup> In light of these considerations, the Commission concluded that, if the orders were revoked, cumulated subject imports likely would increase significantly at prices that likely would undersell the domestic like product, and that those imports likely would have a depressing or suppressing effect on prices for the domestic like product.<sup>132</sup>

**The Current Reviews.** As discussed above, we continue to find that subject imports are substitutable for each other and for CVP-23 manufactured in the United States and that price is an important factor in purchasing decisions. The record does not contain current pricing comparisons due to the expedited nature of these reviews. Based on the available information, we find that, if the orders under review were revoked, significant volumes of cumulated subject imports likely would significantly undersell the domestic like product to gain market share, as they did in the original investigations. These cumulated subject imports likely would have significant depressing and/or suppressing effects on the prices of the domestic like product, given the likely significant volume of cumulated subject imports, the importance of price in purchasing decisions for CVP-23, and the interchangeability of cumulated subject imports and the domestic like product. For the foregoing reasons, we conclude that cumulated subject imports would likely have significant price effects if the orders were revoked.

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<sup>126</sup>Domestic Interested Parties' Final Comments at 9.

<sup>127</sup>*Original Determinations*, USITC Pub. 3744 at 19.

<sup>128</sup>*Original Determinations*, USITC Pub. 3744 at 20.

<sup>129</sup>*First Reviews*, USITC Pub. 4151 at 22.

<sup>130</sup>*First Reviews*, USITC Pub. 4151 at 22.

<sup>131</sup>*First Reviews*, USITC Pub. 4151 at 22.

<sup>132</sup>*First Reviews*, USITC Pub. 4151 at 22.

## E. Likely Impact<sup>133</sup>

**The Original Investigations.** In its original determinations, the Commission found that the subject imports had a significant adverse impact on the domestic industry's performance.<sup>134</sup> It also found that, although the domestic industry as a whole did not lose significant sales volume or market share over the POI, its net sales value declined due to falling prices.<sup>135</sup> Moreover, the Commission found that, due to downward price pressure from subject imports, the domestic industry suffered operating losses during the POI.<sup>136</sup> Given these considerations, the Commission concluded that, although the domestic industry's overall market share was relatively steady, its financial performance suffered due to eroding prices and, consequently, cumulated subject imports adversely affected the domestic industry during the POI.<sup>137</sup>

**The First Reviews.** In the first expedited reviews, the Commission stated that the limited information on the record did not permit it to determine whether the domestic industry was vulnerable to the continuation or recurrence of material injury if the orders were revoked, although it also observed that the limited data indicated some weakness in the domestic industry's condition.<sup>138</sup> It found that the intensified subject import competition that would likely occur after revocation of the orders would likely have a significant adverse impact on the domestic industry.<sup>139</sup> Specifically, it found that the domestic industry would likely lose market share to low-priced subject imports and would likely obtain lower prices due to competition from subject imports, which would adversely affect its production, shipments, sales, and revenue.<sup>140</sup> It found that these reductions would likely have an adverse impact on the domestic industry.<sup>141</sup>

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<sup>133</sup>Under the statute, "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv); *see also* SAA at 887.

In its expedited sunset reviews of the antidumping duty orders, Commerce found likely weighted average dumping margins of 241.32 percent on subject imports from China, and 44.80 percent on subject imports from India. *Carbazole Violet Pigment 23 From India and the People's Republic of China, Final Results of Expedited Second Sunset Reviews of Antidumping Duty Orders*, 80 Fed. Reg. 46955-56 (Aug. 6, 2015). In the final results of its expedited sunset review of the countervailing duty order on subject imports from India, Commerce found likely subsidy rates of 14.93 percent for Alpanil Industries Ltd.; 15.24 percent for Pidilite Industries Ltd.; 33.61 percent for AMI Pigments Pvt. Ltd.; and 18.66 percent for the all others rate. *Carbazole Violet Pigment 23 From India: Final Results of Expedited Second Sunset Review of the Countervailing Duty Order*, 80 Fed. Reg. 47462-63 (Aug. 6, 2015).

<sup>134</sup>*Original Determinations*, USITC Pub. 3744 at 22-25.

<sup>135</sup>*Original Determinations*, USITC Pub. 3744 at 23.

<sup>136</sup>*Original Determinations*, USITC Pub. 3744 at 24.

<sup>137</sup>*Original Determinations*, USITC Pub. 3744 at 25.

<sup>138</sup>*First Reviews*, USITC Pub. 4151 at 24.

<sup>139</sup>*First Reviews*, USITC Pub. 4151 at 25.

<sup>140</sup>*First Reviews*, USITC Pub. 4151 at 25.

<sup>141</sup>*First Reviews*, USITC Pub. 4151 at 25.

**The Current Reviews.** Because these are expedited reviews, we have only limited information with respect to the domestic industry's financial performance. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.<sup>142</sup>

The information on the record indicates that in 2014, with respect to finished CVP-23, the domestic industry's capacity was \*\*\* pounds, production was \*\*\* pounds, capacity utilization was \*\*\* percent, net sales were \$\*\*\*, operating income was \$\*\*\*, and the ratio of operating income to net sales was \*\*\* percent.<sup>143</sup> For crude CVP-23, the domestic industry's capacity was \*\*\* pounds in 2014, production was \*\*\* pounds, capacity utilization was \*\*\* percent, net sales were \$\*\*\*, operating losses were \$\*\*\*, and the ratio of operating income to net sales was \*\*\* percent.<sup>144</sup>

Based on the limited information on the record, we find that, should the orders be revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenues of the domestic industry. These declines would likely have a direct impact on the industry's profitability and employment, as well as its ability to raise capital and to make and maintain capital investments.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Although they have maintained a significant presence in the U.S. market since the original investigations, the available data indicates that nonsubject imports have declined in both relative and absolute terms since the first reviews.<sup>145</sup> Cumulated subject imports, however, have increased their market share markedly since the prior reviews, despite the orders, as the domestic industry's market share declined substantially.<sup>146</sup> Accordingly, during the current review period, cumulated subject imports have gained market share at the expense of the domestic industry, and we anticipate that upon revocation subject imports would continue to take market share from the domestic industry, as they did during the original investigations. In light of these considerations, we find that any likely effects of nonsubject imports are distinguishable from the likely adverse effects we have attributed to the cumulated subject imports.

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<sup>142</sup>Vice Chairman Pinkert finds that the evidence of record in these reviews is mixed with respect to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders under review. In 2014, although the industry had an \*\*\* percent with respect to finished Violet 23, it had a \*\*\* with respect to crude Violet 23. CR/PR at Table I-2.

<sup>143</sup>CR/PR at Table I-2.

<sup>144</sup>CR/PR at Table I-2.

<sup>145</sup>Nonsubject imports of finished CVP-23 declined from \*\*\* pounds in 2008 to \*\*\* pounds in 2014. CR/PR at Table I-4. Nonsubject imports' market share for finished CVP-23 declined from \*\*\* percent in 2008 to \*\*\* percent in 2014. CR/PR at Tables I-4 & I-5.

<sup>146</sup>For finished CVP-23, the market share of cumulated subject imports increased from \*\*\* percent in 2008 to \*\*\* percent in 2014; by contrast, the domestic industry's market share declined from \*\*\* percent in 2008 to \*\*\* percent in 2014. CR/PR at Table I-5.

Accordingly, we conclude that if the orders were revoked, cumulated subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

## **V. Conclusion**

For the above reasons, we determine that that revocation of the countervailing duty order on CVP-23 from India and revocation of the antidumping duty orders on CVP-23 from China and India would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## INFORMATION OBTAINED IN THESE REVIEWS

### BACKGROUND

On April 1, 2015, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of antidumping duty order on carbazole violet pigment 23 (“violet 23”) from China and the antidumping and countervailing duty orders on violet 23 from India would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
April 1, 2015	Notice of institution and initiation by Commerce and Commission
July 6, 2015	Scheduled date for Commission vote on adequacy
July 30, 2015	Scheduled date for Commerce results of its expedited review
August 31, 2015 or November 28, 2015 (if extended)	Commission statutory deadline to complete expedited review (unless extended)

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> *Carbazole Violet Pigment 23 from China and India; Institution of a Five-Year Review*, 80 FR 17493, April 1, 2015. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 80 FR 17388, April 1, 2015. Pertinent *Federal Register* notices are referenced in Appendix A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in Appendix B. Summary data compiled in prior proceedings is presented in Appendix C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in Appendix D are the responses received from purchaser surveys mailed to the purchasers identified in the adequacy phase of this review.

## RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

### Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the following entities: Nation Ford Chemical Co. (“NFC”) and Sun Chemical Corp. (“Sun”), domestic producers of violet 23 (collectively referred to herein as “domestic interested parties”)

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in the tabulation below.

**Table I-1: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number	Coverage
Domestic	1	100%
NFC and Sun believe that they are the only remaining U.S. manufacturers of the domestic like product. NFC and Sun understand that Clariant Corp. terminated its U.S. production of violet 23 in December 2008. NFC produces only crude violet 23 exclusively for Sun. Sun uses the crude purchased from NFC to produce violet 23 finished pigment as dry color and presscake. <i>Domestic Interested Parties Substantive Response to the Commission’s Notice of Institution</i> , April 29, 2015, p. 4.		

### Party comments on adequacy

The Commission received one submission from domestic interested parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. This submission was filed on behalf of the following entities: (1) Nation Ford Chemical Co. (“NFC”) and (2) Sun Chemical Corp. (“Sun”). As NFC and Sun are the sole U.S. producers of the subject violet 23 in the United States, they maintain that their individually adequate substantive responses mean that the domestic interested parties response as a whole also is adequate. In their comments, the domestic interested parties further maintain that the respondent interested party response is inadequate since there were no responses from violet 23 producers or exporters in China or India or from importers in the United States. They contend that the lack of responses from respondent interested parties in China and India, along with the facts provided in in domestic interested parties response to the notice of institution, warrant an expedited review.<sup>5</sup>

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<sup>5</sup> *Domestic Interested Parties Comments on Adequacy*, June 15, 2015, pp. 2-3.

## RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's first expedited five-year reviews, the following developments have occurred in the violet 23 industry.

- NFC now has the capacity to supply sun's entire crude violet 23 requirement and has been doing so since May 2009. NFC's new process is reportedly much safer, has greatly reduced environmental emissions, and results in a product of much higher purity and quality of coloring.<sup>6</sup>
- There has been a significant increase in nonsubject violet 23 dispersion imports from China and India (and through Mexico and Canada), perhaps due in part to the orders, which are gaining substantial U.S. market share. Domestic interested parties reported that these imports do not appear to be reported correctly under statistical reporting number 3204.17.9040 of the Harmonized Tariff Schedule of the United States ("HTSUS"), though some may have been.<sup>7</sup>

## THE PRODUCT

### Commerce's scope

Commerce has defined the subject merchandise as:

*The merchandise subject to these antidumping duty orders is CVP-23 identified as Color Index No. 51219 and Chemical Abstract No. 6358-30-1, with the chemical name of diindolo [3,2-b:3',2'-m]<sup>2</sup> triphenodioxazine, 8, 18-dichloro-5, 15-diethyl]-5, 15-dihydro-, and molecular formula of C<sub>34</sub>H<sub>22</sub>Cl<sub>2</sub>N<sub>4</sub>O<sub>2</sub>. The subject merchandise includes the crude pigment in any form (e.g., dry powder, paste, wet cake) and finished pigment in the form of presscake and dry color. Pigment dispersions in any form (e.g., pigment dispersed in oleoresins, flammable solvents, water) are not included within the scope of the orders. The merchandise subject to the orders is classifiable under subheading 3204.17.90.40 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheading is provided to convenience and customs purposes, the written descriptions of the scope of the orders are dispositive.<sup>8</sup>*

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<sup>6</sup> Ibid., 17.

<sup>7</sup> Ibid.

<sup>8</sup> *Carbazole Violet Pigment 23 From India and the People's Republic of China: Continuation of Antidumping Duty Orders*, 75 FR 29718, May 27, 2010; *Carbazole Violet Pigment 23 From India: Continuation of Countervailing Duty Order*, 75 FR 29719, May 27, 2010.

## Description and uses<sup>9</sup>

Violet 23 is a type of synthetic organic chemical used as a colorant or pigment to color inks, textiles, plastics, coatings, and other materials. Crude violet 23 has no use or intended purpose other than to produce finished violet 23 in the forms of presscake or dry color. Presscake is produced from crude using a particle size reduction process. Dry color violet 23 is pure pigment, and presscake has varying degrees of pigment diluted with water. Dry color may be sold for numerous end uses, including plastics, printing inks, textiles, and to produce dispersions. Presscake can be processed into dry pigment powder, or used to make pigment dispersions.

## Manufacturing process<sup>10</sup>

There are five separate chemical reactions required to synthesize crude violet 23. Carbazole is reacted with diethylsulfate and potassium hydroxide to produce ethyl carbazole (EC) (the ethylation reaction) that is reacted with nitric acid to produce nitro-ethyl-carbazole (NEC) (the nitration reaction). NEC is reduced with either sodium sulfide/sulfur or hydrogen/catalyst to form amino-ethyl-carbazole (AEC) (the reduction reaction). AEC is then reacted with chloranil to form dianil (condensation reaction) that is heat-treated with a catalyst, either p-toluene-sulfonyl-chloride or benzene-sulfonyl-chloride, to form the crude pigment (the ring closure reaction). All of these reactions are carried out in solvents, such as xylene and o-dichlorobenzene. Other solvents, such as methanol and isopropyl alcohol, are used to displace the reaction solvents in the final purification steps and to facilitate water washing of the crude pigment.

The differences between the physical form of crude violet 23 and finished violet 23 (presscake or dry color) are notable. Before crude violet 23 can be used in any application, it must be further refined, having its physical and chemical properties (but not its chemical structure) modified and improved because crude violet 23 is usually obtained in the form of masses of very large crystals characterized by very hard texture, low strength, and poor brightness, indicating the presence of coarse particles that are difficult to disperse.

As mentioned above, the reactions used to produce crude violet 23 are carried out in solvents and use several different vessels, each designed and constructed for the specific reactions and operations to be performed. In addition to the reaction chemistry, there are several other chemical unit operations required to produce the pigment, including washing, purification, filtering, solvent recovery, waste-water treatment, and drying. Support facilities include steam production, cooling water, vacuum service, waste-water treatment,

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<sup>9</sup> Unless otherwise noted this information is based on *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061*, USITC Publication 3744, December 2004, p. I-6.

<sup>10</sup> Ibid., pp. I-6 to I-7.



environmental venting, and capability for the safe handling of hazardous chemicals used to produce the pigment.

### **U.S. tariff treatment**

Violet 23 is currently imported under HTS statistical reporting number 3204.17.9040 (Pigment violet 23). Absent duties, Violet 23 imported from China and/or India enter the U.S. market at a column 1-general duty rate of 6.5 percent *ad valorem*.

### **The definition of the domestic like product**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determination and its expedited first five-year review determination, the Commission defined the domestic like product as a single domestic like product comprised of both crude and finished violet 23 that corresponds to Commerce's scope, based on an analysis of the semi-finished like product factors. The Commission found that there was not a sufficiently clear dividing line between crude and finished violet 23 to warrant finding two separate like products. Crude violet 23 has no use other than to be converted into finished violet 23. There are no independent uses or markets for the crude violet 23 other than for use in production of finished violet 23. Moreover, crude and finished violet 23 have the same chemical structure, and crude violet 23 imparts to finished violet 23 essential coloring properties, although a conversion process is necessary to make the product useable. Crude violet 23 production involves a chemical synthesis, which finished violet 23 production does not. Although the costs associated with the processes used to produce finished violet 23 are not insignificant, crude violet 23 is the most costly input used to make finished violet 23. Thus, the Commission found a single domestic like product, violet 23, whether in crude or finished form, that is coextensive with the scope.<sup>11</sup>

In its notice of institution for this review, the Commission solicited comments from interested parties regarding the appropriate domestic like product. According to their response to the notice of institution, the domestic interested parties concur with this definition.<sup>12</sup>

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<sup>11</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, USITC Publication 3744, December 2004, pp. 5, 7-8; *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Review)*, USITC Publication 4151, April 2010, pp. 4-5.

<sup>12</sup> *Domestic Interested Parties' Substantive Response to the Notice of Institution*, April 29, 2015, p. 17.

## THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEWS

### The original investigations

The original investigation resulted from a petition filed on November 23, 2003 with Commerce and the Commission by NFC, Fort Mill, South Carolina and Sun, Cincinnati, Ohio. The Commission completed its original investigations concerning violet 23 from China and India on December 22, 2004, determining that an industry in the United States was materially injured by imports of violet 23 from China and India.<sup>13</sup> Commerce issued a countervailing duty order on imports of violet 23 from India and antidumping duty orders on imports of violet 23 from China and India.<sup>14</sup> Appendix C presents data compiled during the original investigations and subsequent reviews.

### The first five-year review

On November 2, 2009, the Commission instituted the first five-year review of the subject orders. On April 29, 2010, following an expedited review, the Commission determined that revocation of the countervailing duty order on violet 23 from India and the antidumping duty orders on violet 23 from China and India would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>15</sup> Effective May 27, 2010, Commerce issued continuations of the countervailing duty order on India and the antidumping duty orders on China and India.<sup>16</sup>

### Prior related investigations

The subject product has not been the subject of any prior antidumping or countervailing duty investigations in the United States.

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<sup>13</sup> *Carbazole Violet Pigment 23 From China and India: Determination*, 69 FR 77776, December 28, 2004.

<sup>14</sup> *Notice of Countervailing Duty Order: Carbazole Violet Pigment 23 From India*, 69 FR 77995, December 29, 2004; *Antidumping Duty Order: Carbazole Violet Pigment 23 From the People's Republic of China*, 69 FR 77987, December 29, 2004; and *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbazole Violet Pigment 23 From India*, 69 FR 77988, December 29, 2004.

<sup>15</sup> *Carbazole Violet Pigment 23 From China and India: Determinations*, 75 FR 27815, May 18, 2010.

<sup>16</sup> *Carbazole Violet Pigment 23 From India: Continuation of Countervailing Duty Order*, 75 FR 29719, May 27, 2010 and *Carbazole Violet Pigment 23 From India and the People's Republic of China: Continuation of Antidumping Duty Orders*, 75 FR 29718, May 27, 2010.

## **ACTIONS AT COMMERCE**

Since the last review, there have been no scope rulings, changed circumstances reviews, or duty absorption findings by Commerce.

### **Current review results**

Commerce notified the Commission that it had not received adequate responses from respondent interested parties to its notice initiating the current five-year reviews of the countervailing duty order on violet 23 from India and the antidumping duty orders on violet 23 from China and India. Consequently, Commerce intends to conduct an expedited review of the order and to issue the final results of that expedited review no later than July 30, 2015.<sup>17</sup>

## **THE INDUSTRY IN THE UNITED STATES**

### **U.S. producers**

At the time of the original investigations, five companies produced violet 23 in the United States: Allegheny Color Corp (“Allegheny”); Barker Fine Color (“Barker”), Clariant Corp. (“Clariant”); NFC; Summit Specialty Chemicals, LLC (“Summit”); and Sun.<sup>18</sup> The sole U.S. producer of crude violet 23 was NFC. Finished violet 23 is produced by Sun which accounted for \*\*\* percent of 2003 production, and also by three smaller producers (Allegheny, Barker, and Clariant), and \*\*, Summit.<sup>19</sup> No domestic producer was related to an exporter or importer of violet 23 from China or India or imported violet 23 from China or India during the original investigations, or was otherwise a related party as defined by the statute.

In response to the Commission’s notice of institution in the first five-year reviews, domestic interested parties maintained that NFC and Sun were the only currently operating U.S. producers of violet 23. Domestic interested parties understood that Clariant terminated its U.S. production of violet 23 in December 2008.<sup>20</sup> NFC produced only crude violet 23 and exclusively produced such crude for Sun. Sun used the crude purchased from NFC to produce

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<sup>17</sup> U.S. Department of Commerce, International Trade Administration, 50-Day Letter, May 20, 2015.

<sup>18</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos.701-TA-437 and 731-TA-1060-1061 (Final)*, Memorandum INV-BB-148, November 30, 2004, pp. III-1 through III-2 (including table III-1).

<sup>19</sup> *Ibid.*

<sup>20</sup> *Domestic Interested Parties Substantive Response to the Commission’s Notice of Institution*, April 29, 2015, p. 10.

violet 23 finished pigment as dry color and presscake.<sup>21</sup> During the first five-year review period, Sun imported subject merchandise from both China and India.<sup>22</sup>

In response to the Commission's notice of institution in this current review, domestic interested parties maintain that NFC and Sun are the only currently operating U.S. producers of violet 23. Domestic interested parties understand that Clariant terminated its U.S. production of violet 23 in December 2008.<sup>23</sup> NFC produces only crude violet 23 and exclusively produces such crude for Sun. Sun uses the crude purchased from NFC to produce violet 23 finished pigment as dry color and presscake. NFC and Sun together represent 100 percent of the U.S. violet 23 industry.<sup>24</sup> NFC is not related to any other parties. Sun believes that it also is not related to any other parties.<sup>25</sup>

### **Definition of the domestic industry and related parties issues**

The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. In its original determination the Commission defined the domestic industry to include all violet 23 producers: Allegheny, Barker, Clariant, NFC, and Sun.<sup>26</sup>

In the first five-year review, the Commission considered whether Sun, a domestic producer, should be excluded from the domestic industry because it had imported subject merchandise from China and India. The imports ceased in November 2007 with respect to India and in September 2008 with respect to China, and there was no indication that Sun planned to import again from subject sources in the reasonably foreseeable future. According to Sun, there were certain changes in supply conditions that contributed to its decision to import crude violet 23 from China and India. In particular, Sun's Japanese supplier, Sumitomo Chemical ceased production of crude violet 23 in 2007, and Sun received its last shipment from that company in July 2007. Further, in the latter part of 2006 NFC decided to switch to a new production process and substantially reduced production capacity during 2006, all of 2007, and part of 2008 while the new system was being installed. During this time, Sun was forced to source its crude violet 23 from other countries, including the subject countries. In April 2008, when the installation was complete, NFC returned to supplying most of Sun's crude violet 23 and since

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<sup>21</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Review)*, USITC Publication 4151, April 2010, p. I-17.

<sup>22</sup> *Ibid.*, p. I-18. See "Recent Developments in the Industry" section of this report, pp. 1-5 through I-6.

<sup>23</sup> *Domestic Interested Parties Substantive Response to the Commission's Notice of Institution*, April 29, 2015, p. 10.

<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

<sup>26</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, USITC Publication 3744, December 2004, p. 8.

May 2009 has been supplying Sun’s entire crude violet 23 requirements. The Commission concluded that there was no evidence that Sun’s interest lay primarily in the importation of violet 23 as opposed to production and found that appropriate circumstances did not exist for the exclusion of Sun from the domestic industry. Accordingly, and consistent with its single domestic like product finding, the Commission continued to define the domestic industry as including all domestic producers of crude and finished violet 23.<sup>27</sup>

In their response to the notice of institution, domestic interested parties NFC and Sun state that they are the only currently operating U.S. producers of violet 23 and therefore represent 100 percent of the domestic like product. NFC produces only crude violet 23 exclusively for Sun. Sun uses the crude violet 23 purchased from NFC to produce finished violet 23 pigment as dry color and presscake. Neither NFC nor Sun are related to any other parties.<sup>28</sup>

### U.S. producers’ trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year review.<sup>29</sup> Table I-2 presents a compilation of the data submitted from responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations and the first five-year reviews.

**Table I-2**  
**Violet 23: Trade and financial data submitted by U.S. producers, 2001-03, 2008, and 2014**

\* \* \* \* \*

### U.S. IMPORTS AND APPARENT CONSUMPTION

#### U.S. importers

In the final phase of the original investigations, the Commission issued questionnaires to 51 firms believed to be importers of violet 23 in crude, presscake, or dry color form, as well as to 11 potential U.S. producing firms. Usable questionnaire responses were received from 38 companies, representing \*\*\* percent of the value of official violet 23 import statistics from

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<sup>27</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Review)*, USITC Publication 4151, April 2010, pp. 6-7.

<sup>28</sup> *Domestic Interested Parties Substantive Response to the Commission’s Notice of Institution*, April 29, 2015, p. 10.

<sup>29</sup> Appendix B presents company-specific trade and financial data.

China, \*\*\* percent of the value of official violet 23 import statistics from India, and \*\*\* percent of the value of official violet 23 import statistics from all other sources in 2003.<sup>30</sup> \*\*\* accounted for \*\*\* percent of reported imports of violet 23 from China in 2003, \*\*\* accounted for \*\*\* percent of imports of violet 23 from India, and Biddle Sawyer and Clariant together] accounted for \*\*\* percent of imports of violet 23 from all other sources.<sup>31</sup>

In its response to the Commission's notice of institution for the first five-year reviews, domestic interested parties listed six companies that may have imported subject violet 23 into the United States during the 2004-08 period of the first reviews.<sup>32</sup>

In their response to the Commission's notice of institution in these current second five-year reviews, domestic interested parties provided a list of five known and currently operating U.S. importers of violet 23 from China and four known and currently operating U.S. importers of violet 23 from India.<sup>33</sup>

### U.S. imports

In its original investigations, the Commission found that the volume of subject imports and the increase in that volume were significant, both in absolute terms and relative to consumption and production in the United States.<sup>34</sup> In its first five-year reviews, the Commission found, based on the evidence from the original investigations regarding volume and market share of subject imports, substantial production capacity and unused capacity in China and India, and the export orientation of the Chinese and Indian industries as well as the continued presence of imports from China and India in the U.S. market after imposition of the orders, that Chinese and India producers have the ability and the incentive to increase their exports to the United States significantly if the orders were revoked. The Commission found that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant within the reasonably foreseeable future if the order were revoked.<sup>35</sup>

Table I-3 presents the quantity, value, and unit value for imports from China, India, and all other sources of U.S. imports of violet 23 for the 2009-14, based on official statistics

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<sup>30</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Review)*, INV-BB-148, November 30, 2004, p. IV-3.

<sup>31</sup> *Ibid.*, p. IV-2 (Table IV-1).

<sup>32</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, INV-HH-035, April 8, 2010, p. I-27.

<sup>33</sup> *Domestic Interested Parties Substantive Response to the Commission's Notice of Institution*, April 29, 2015, pp. 11-12.

<sup>34</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, USITC Publication 3744, December 2004, p. 18.

<sup>35</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, USITC Publication 4151, April 2010, p. 21.

reported under HTS statistical reporting number 3204.17.9040. Both China and India retain a presence in the U.S. market, with import unit values for China below the average for both nonsubject imports and total imports in 2009 and 2010; whereas imports of violet 23 from India approximate the average unit values for both nonsubject imports and total imports in 2009, exceed the unit values of both nonsubject imports and total imports during 2010-13, and are lower than the unit values of both nonsubject imports and total imports in 2014.

**Table I-3**  
**Violet 23: U.S. imports, 2009-14**

Item	2009	2010	2011	2012	2013	2014
	<b>Quantity (1,000 pounds)</b>					
China (subject)	128	174	216	238	249	251
India (subject)	51	60	115	123	75	106
Subtotal subject	179	234	331	362	324	357
All other imports (nonsubject)	999	1,063	1,464	1,508	1,561	637
Total imports	1,178	1,296	1,795	1,870	1,885	994
	<b>Landed, duty-paid value (\$1,000)</b>					
China (subject)	872	1,392	2,921	2,386	2,154	2,206
India (subject)	567	630	2,104	1,456	885	980
Subtotal subject	1,439	2,022	5,025	3,842	3,039	3,186
All other imports (nonsubject)	11,716	9,234	17,368	16,164	15,998	12,242
Total imports	13,155	11,256	22,393	20,006	19,037	15,428
	<b>Unit value (dollars per pound)</b>					
China (subject)	\$6.82	\$7.99	\$13.52	\$10.02	\$8.65	\$8.78
India (subject)	11.12	10.58	18.35	11.79	11.81	9.26
Subtotal subject	8.05	8.65	15.20	10.63	9.38	8.92
All other imports (nonsubject)	11.73	8.69	11.86	10.72	10.25	19.21
Total imports	11.17	8.68	12.48	10.70	10.10	15.52

Note.--Because of rounding, figure may not add to total shown.

Source: Official statistics of Commerce for HTS statistical reporting number 3204.17.9040.

### **Apparent U.S. consumption and market shares**

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption for finished violet 23, while table I-5 presents data on U.S. market shares of U.S. apparent consumption for finished violet 23. Apparent consumption for crude violet 23 is not presented because crude violet 23 comprises only a minor component of official import statistics required to calculate apparent consumption for calendar years 2008 and 2014. Crude violet 23 apparent consumption and market shares for the final phase of the original investigations (2001-03) are presented in Appendix C.

Table I-4

Finished violet 23:<sup>1</sup> U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2001-03, 2008, and 2014

Item	2001	2002	2003	2008	2014
	<b>Quantity (1,000 pounds)</b>				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. shipments of imports from—					
China <sup>2</sup>	***	***	***	105	251
India <sup>2</sup>	***	***	***	20	106
Subtotal subject <sup>2</sup>	***	***	***	125	357
All other <sup>2</sup>	***	***	***	1,054	637
Total imports <sup>2</sup>	***	***	***	1,179	994
Apparent U.S. consumption	***	***	***	***	***
	<b>Value (1,000 dollars)</b>				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. shipments of imports from—					
China <sup>2</sup>	***	***	***	1,353	2,206
India <sup>2</sup>	***	***	***	276	980
Subtotal subject <sup>2</sup>	***	***	***	1,629	3,186
All other <sup>2</sup>	***	***	***	13,341	12,242
Total imports <sup>2</sup>	***	***	***	14,970	15,428
Apparent U.S. consumption	***	***	***	***	***

<sup>1</sup> \*\*\*.

<sup>2</sup> Data for the original investigation (2001-03) are U. S. shipments of imports from responses to Commission questionnaires; data for 2008 and 2014 are from official Commerce statistics under HTS statistical reporting number 3204.17.9040 and may be somewhat overstated as they may contain minor amounts of crude violet 23 and violet 23 dispersions.

*Source:* For the years 2001-03, data are compiled using data submitted in response to questionnaires for the Commission's original investigations; for 2008 (first five-year expedited reviews), U.S. producers' U.S. shipments data are compiled from the *Domestic Interested Parties Substantive Response to the Commission's Notice of Institution* and import data from official Commerce statistics under HTS statistical reporting number 3204.17.9040. For the year 2014, data are compiled from *Domestic Interested Parties Substantive Response to the Commission's Notice of Institution* and import data from official Commerce statistics under HTS statistical reporting number 3204.17.9040. See appendix C.



Table I-5

Finished violet 23:<sup>1</sup> Apparent U.S. consumption and U.S. market shares, 2001-03, 2008, and 2014

\* \* \* \* \*

## THE INDUSTRY IN CHINA

### Foreign producers

During the final phase of the original investigations, the Commission issued foreign producer/exporter questionnaires to 19 firms identified in the petition as producers or exporters of violet 23 in China, for which contact information was publicly available. Four firms provided responses to the Commission's questionnaires. The responding firms reported that they accounted for an estimated nearly \*\*\* percent of production of violet 23 in China during 2003.<sup>36</sup> The responding producers of violet 23 in China operated at capacity utilization levels in excess of \*\*\* percent in 2002 and 2003. Crude violet 23 was primarily \*\*\* during 2001-03; whereas, finished violet 23 (presscake) was \*\*\* and finished violet 23 (dry color) \*\*\*.<sup>37</sup>

The Commission did not receive any responses to the notice of institution from foreign producers or exporters during the first five-year reviews. Domestic interested parties did not provide a list of producers (and their locations) as of 2008 of violet 23 in China that could or did produce violet 23 for export to the United States or other countries since 2004.<sup>38</sup>

The Commission did not receive any responses to the notice of institution from foreign producers or exporters during the current second five-year reviews. However, the domestic interested parties provided a list of seven firms in China that they believe currently produce violet 23.<sup>39</sup>

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<sup>36</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, Memorandum INV-BB-148, November 30, 2004, p. VII-2.

<sup>37</sup> *Ibid.* pp. 46 (table VII-1) and 48 (table VII-2).

<sup>38</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Review)*, USITC Publication 4151, April 2010, p. I-29.

<sup>39</sup> *Domestic Interested Parties Response to the Commission's Cure Letter*, June 10, 2015, pp. 2-3.

Table I-6 presents China's top export destinations for "Synthetic organic coloring matter, whether or not chemically defined; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined: Pigments and preparations based thereon," which includes violet 23. According to Global Trade Atlas, the United States was China's largest export destination during 2009-14, accounting for 16.2 percent of China's exports in 2014.

**Table I-6**  
**Synthetic organic coloring matter/ Pigments and preparations based thereon: China's top export destinations, 2009-14**

Item	2009	2010	2011	2012	2013	2014
<b>Quantity (1,000 pounds)</b>						
United States	37,571	47,871	48,671	46,676	51,068	54,897
Netherlands	20,443	30,871	35,025	35,217	34,818	39,344
Germany	22,952	28,105	23,975	25,247	22,560	18,920
Japan	10,353	13,594	17,613	14,381	18,241	15,898
Indonesia	11,510	13,424	13,951	13,684	14,667	14,853
Brazil	9,991	14,599	12,562	13,428	12,026	12,434
Korea	7,178	10,505	10,276	10,408	10,811	12,434
Belgium	15,966	19,500	18,173	13,810	11,618	12,348
United Kingdom	10,062	11,521	8,499	9,405	10,800	11,094
Mexico	7,646	9,544	10,593	9,802	10,461	9,923
All other destinations	111,735	139,331	130,212	126,573	124,783	136,983
Total	265,408	338,862	329,552	318,622	321,839	339,120

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., *Global Trade Atlas*, HS subheading 3204.17, accessed June 8, 2015.

## THE INDUSTRY IN INDIA

### Foreign producers

During the final phase of the original investigations, the Commission issued foreign producer/exporter questionnaires to 14 firms identified in the petition as producers or exporters of violet 23 in India, for which contact information was publicly available. Three firms, reportedly the only known manufacturers of violet 23 in India, provided responses to the Commission's questionnaires.<sup>40</sup> None of the responding firms reported either their estimated shares of crude and/or finished violet 23 production in India nor their estimated shares of exports to the United States of violet 23 from India in 2003. In fact, the three firms accounted for approximately \*\*\* percent of the volume of U.S. imports of violet 23 in 2003 as reported in

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<sup>40</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, Memorandum INV-BB-148, November 30, 2004, p. VII-6, fn.3.

the official statistics of the Department of Commerce.<sup>41</sup> The responding producers of violet 23 in India operated at capacity utilization levels of \*\*\* percent \*\*\* during 2001-03. \*\*\* data was reported for crude violet 23 in India during 2001-03.<sup>42</sup> Finished violet 23 (presscake) had \*\*\* during 2001-03 \*\*\* percent, respectively, while export shipments to the United States of finished violet 23 (presscake) \*\*\* during 2001-03 \*\*\*.<sup>43</sup> Finished violet 23 (dry color) home market shipments \*\*\* percent in 2001, to \*\*\* percent in 2002, and \*\*\* percent in 2003, while export shipments to the United States \*\*\* percent in 2001, to \*\*\* percent in 2002, and to \*\*\* percent in 2003.<sup>44</sup>

The Commission did not receive any response to the notice of institution from foreign producers or exporters during the first five-year reviews. Domestic interested parties did not provide a list of producers (and their locations) as of 2008 of violet 23 in India that could or did produce violet 23 for export to the United States or other countries since 2004.<sup>45</sup>

The Commission did not receive any responses to the notice of institution from foreign producers or exporters during the current second five-year reviews. However, the domestic interested parties provided a list of five firms that they believe currently produce violet 23 in India.<sup>46</sup>

Table I-7 presents India's top export destinations for "Synthetic organic coloring matter, whether or not chemically defined; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined: Pigments and preparations based thereon," which includes violet 23. According to Global Trade Atlas, the United States was India's largest export destination during 2009-14, accounting for 14.4 percent of India's exports in 2014.

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<sup>41</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Final)*, Memorandum INV-BB-148, November 30, 2004, p. VII-6.

<sup>42</sup> *Ibid.*, p. VII-8 (table VII-3).

<sup>43</sup> *Ibid.*, p. VII-10 (table VII-4).

<sup>44</sup> *Ibid.*

<sup>45</sup> *Carbazole Violet Pigment 23 from China and India, Investigation Nos. 701-TA-437 and 731-TA-1060-1061 (Review)*, USITC Publication 4151, April 2010, p. I-30.

<sup>46</sup> *Domestic Interested Parties Response to the Commission's Cure Letter*, June 10, 2015, pp. 2-3.

**Table I-7**  
**Synthetic organic coloring matter/ Pigments and preparations based thereon: India's top export destinations, 2009-14**

Item	2009	2010	2011	2012	2013	2014
<b>Quantity (1,000 pounds)</b>						
United States	16,989	20,329	19,590	22,564	20,384	24,268
Netherlands	5,357	8,089	10,304	9,658	11,162	11,960
Japan	6,757	10,990	9,182	9,883	10,099	10,595
Korea South	8,636	7,974	7,584	7,608	7,661	10,057
Germany	6,969	9,841	7,158	7,820	7,136	8,448
Belgium	6,848	9,954	8,545	7,807	6,903	7,178
Brazil	4,974	5,714	7,125	7,198	6,956	7,161
United Kingdom	3,042	5,119	4,815	5,959	5,545	6,180
Spain	2,410	5,381	5,869	5,187	5,238	5,490
Indonesia	2,709	3,549	3,982	4,709	4,923	5,375
All other destinations	43,861	59,963	60,529	65,243	66,268	72,135
Total	108,551	146,904	144,683	153,636	152,274	168,846

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., *Global Trade Atlas*, HS subheading 3204.17, accessed June 8, 2015.

### **ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS**

There were no known violet 23 third-country market import relief investigations or existing antidumping duty orders on violet 23 from China or India during the period examined in the original investigations (2001-03), first five-year reviews (2004-08), or during the current second five-year reviews (2009-2014).

### **THE GLOBAL MARKET**

Global Trade Atlas statistics that include violet 23 are presented at a "basket" six-digit heading level for pigments and preparations based thereon, whereas carbazole violet pigment 23 is classified *eo nomine* in the HTSUS as ten-digit statistical reporting number 3204.17.9040. Table I-8 presents the largest global export sources of "Pigments and preparations based thereon," which includes violet 23, during 2009-14.

**Table I-8****Synthetic organic coloring matter/ Pigments and preparations based thereon: Global exports by major sources, 2009-14**

Item	2009	2010	2011	2012	2013	2014
<b>Quantity (1,000 pounds)</b>						
China	265,408	338,866	329,556	318,625	321,842	339,124
India	108,551	146,905	144,685	153,638	152,275	168,848
Germany	79,333	101,977	102,698	99,916	98,999	107,773
USA	73,361	89,062	93,694	91,018	75,574	77,431
Belgium	67,391	68,465	64,626	70,654	58,709	59,540
Korea	58,685	61,469	46,434	43,557	49,454	46,875
Netherlands	36,711	43,920	39,522	34,130	31,742	34,619
Taiwan	18,353	20,911	22,298	30,924	33,296	33,393
Denmark	68,707	77,530	65,378	38,125	34,330	28,415
Spain	23,512	23,162	20,551	22,203	21,614	22,357
United Kingdom	34,972	38,272	35,658	28,387	22,904	21,242
All other sources	205,755	240,443	227,191	216,318	224,091	191,128
Total	1,040,741	1,250,982	1,192,291	1,147,493	1,124,280	1,130,744

Note.---Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., *Global Trade Atlas*, HS subheading 3204.17, accessed June 8, 2015.

Limited information available on violet 23 indicates that global production is concentrated near the bulk of demand, in China, Europe (Germany and Switzerland), India, and the United States.<sup>47</sup> Information on exports of violet 23 from Germany follows.

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<sup>47</sup> *Domestic Interested Parties Substantive Response to the Commission's Notice of Institution*, April 29, 2015, p. 17 and \*\*\*.

## Germany

The United States was the largest export destination market (12.4 percent) for pigments and preparations based thereon from Germany in 2014. Clariant Corp. has a plant in Frankfurt am Main, Germany. Table I-9 presents Germany's reported export destination markets for pigments and preparations based thereon for 2009-14.

**Table I-9**  
**Pigments and preparations based thereon: Germany's reported exports by destination market, 2009-14**

Item	2009	2010	2011	2012	2013	2014
<b>Quantity (1,000 pounds)</b>						
United States	6,889	12,092	10,604	12,284	10,829	13,362
France	6,404	7,013	9,731	8,929	8,986	9,592
Italy	6,770	7,385	7,632	6,096	6,680	6,570
Spain	4,658	4,795	4,978	5,227	5,216	5,542
Netherlands	5,397	4,729	4,436	4,306	4,802	6,528
Turkey	2,617	3,765	4,420	4,328	4,233	3,732
United Kingdom	4,414	4,896	4,215	3,812	4,112	4,202
Belgium	4,206	5,443	4,998	4,222	3,997	4,023
Poland	2,906	4,782	4,634	4,588	3,816	3,854
Japan	2,425	3,955	4,123	3,796	3,631	4,292
All other destinations	32,646	43,120	42,926	42,329	42,697	46,077
<b>Total</b>	<b>79,333</b>	<b>101,977</b>	<b>102,698</b>	<b>99,916</b>	<b>98,998</b>	<b>107,777</b>

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., *Global Trade Atlas*, HS subheading 3204.17, accessed June 8, 2015.

**APPENDIX A**

***FEDERAL REGISTER NOTICES***





The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://www.usitc.gov). In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
80 FR 17493 April 1, 2015	<i>Carbazole Violet Pigment 23 From China and India: Institution of Five-Year Reviews</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2015-04-01/pdf/2015-06930.pdf">http://www.gpo.gov/fdsys/pkg/FR-2015-04-01/pdf/2015-06930.pdf</a>
80 FR 17388 April 1, 2015	<i>Initiation of Five-Year ("Sunset") Review</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2015-04-01/pdf/2015-07500.pdf">http://www.gpo.gov/fdsys/pkg/FR-2015-04-01/pdf/2015-07500.pdf</a>



**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



**RESPONSE CHECKLIST FOR U.S. PRODUCERS**

Item	NFC (crude)	Sun (finished)	Total
	Quantity=1,000 pounds; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per pound		
Nature of operation	✓	✓	✓
Statement of intent to participate	✓	✓	✓
Statement of likely effects of revoking the order	✓	✓	✓
U.S. producer list	✓	✓	✓
U.S. importer/foreign producer list	✓	✓	✓
List of 3-5 leading purchasers	✓	✓	✓
List of sources for national/regional prices	✓	✓	✓
<b>Production:</b>			
Quantity	***	***	Not additive: crude consumed in finished
Percent of total reported	100.0	100.0	Not additive: crude consumed in finished
Capacity	***	***	Not additive: crude consumed in finished
<b>Commercial shipments:</b>			
Quantity	***	***	Not additive: crude consumed in finished
Value	***	***	Not additive: crude consumed in finished
<b>Internal consumption:</b>			
Quantity	***	***	Not additive: crude consumed in finished
Value	***	***	Not additive: crude consumed in finished
Net sales	***	***	Not additive: crude consumed in finished
COGS	***	***	Not additive: crude consumed in finished
Gross profit or (loss)	***	***	Not additive: crude consumed in finished
SG&A expenses (loss)	***	***	Not additive: crude consumed in finished
Operating income/(loss)	***	***	Not additive: crude consumed in finished
Changes in supply/demand	✓	✓	✓
<b>Note.—The production, capacity, and shipment data presented are for calendar year 2014. The financial data are for fiscal years ending ***.</b>			
✓ = response proved; ✗ = response not provided; NA = not applicable; ? = indicated that the information was not known.			



**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**





**Table C-1**  
**Crude violet 23: Summary data concerning the U.S. market, 2001-03, January-June 2003, and January-June 2004**

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**Table C-2**  
**Finished violet 23: Summary data concerning the U.S. market, 2001-03, January-June 2003, and January-June 2004**

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**Table C-3**  
**Violet 23: Summary data concerning the U.S. market, 2001-03, January-June 2003, and January-June 2004**

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**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following five firms as the top purchasers of carbazole violet pigment 23: \*\*\*. Purchaser questionnaires were sent to these five firms and two firms (\*\*\*) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce carbazole violet pigment 23 that affected the availability of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India since 2010?

b.) Do you anticipate any changes in technology; production methods; or development efforts to produce carbazole violet pigment 23 that will affect the availability of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No.	No.

2. a.) Have any changes occurred in the ability to increase production of carbazole violet pigment 23 (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India since 2010?

b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	<i>U.S. market:</i> Intl companies invested in China production to free more Euro production for USA. <i>China:</i> Some constraints and price increases due to coal tar shortage.	No.

3. a.) Have any changes occurred in factors related to the ability to shift supply of carbazole violet pigment 23 among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India since 2010?

b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	No.
***	No.	No.

4. a.) Have there been any changes in the end uses and applications of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India since 2010?

b.) Do you anticipate any changes in the end uses and applications of carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	No.
***	<i>U.S. market: ca 2011-2012 PV 23 began to be converted into downstream forms or articles in other NAFTA countries which are then used in the USA avoiding the super duty.</i>	<i>U.S. market: PV 23 is used in certain packaging applications that may require FDA sanction in the future if their construction and use change.</i>

5. a.) Have there been any changes in the existence and availability of substitute products for carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India since 2010?

b.) Do you anticipate any changes in the existence and availability of substitute products for carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. There is no substitute.	No.

6. a.) Have there been any changes in the level of competition between carbazole violet pigment 23 produced in the United States, carbazole violet pigment 23 produced in China or India, and such merchandise from other countries in the U.S. market or in the market for carbazole violet pigment 23 in China or India since 2010?

b.) Do you anticipate any changes in the level of competition between carbazole violet pigment 23 produced in the United States, carbazole violet pigment 23 produced in China or India, and such merchandise from other countries in the U.S. market or in the market for carbazole violet pigment 23 in China or India within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	No.
***	<i>U.S. market:</i> Western suppliers seem to set pricing so that they are just under the Chinese pricing with the super duty.	No.

7. a.) Have there been any changes in the business cycle for carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India since 2010?

b.) Do you anticipate any changes in the business cycle for carbazole violet pigment 23 in the U.S. market or in the market for carbazole violet pigment 23 in China or India within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No.	No.

