

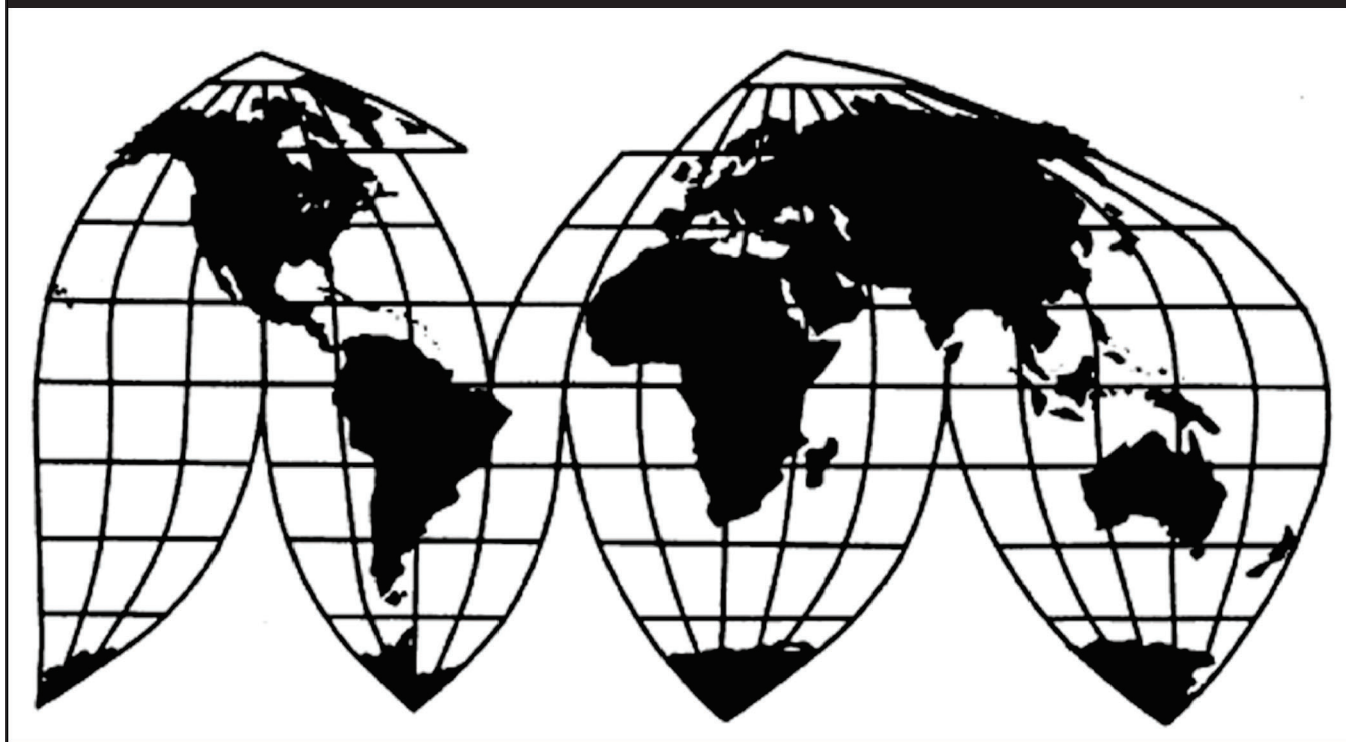
Carbazole Violet Pigment 23 from China and India

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

Publication 5201

June 2021

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note: Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by headings in confidential reports and is deleted and replaced with asterisks in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

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

Carbazole Violet Pigment 23 from China and India

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty order on carbazole violet pigment 23 from India and 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 instituted these reviews on October 1, 2020 (85 FR 61977), and determined on January 4, 2021, that it would conduct expedited reviews (86 FR 24414, May 6, 2021).

¹ The record is defined in § 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 (“violet 23”) from India and the antidumping duty orders on violet 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.

I. Background

Original Investigations. On November 21, 2003, Nation Ford Chemical (“NFC”) and Sun Chemical Corp. (“Sun”), domestic producers of crude and finished violet 23, respectively, jointly filed petitions alleging that imports of violet 23 from India were being subsidized and that imports of violet 23 from China and India were being sold at less than fair value in the United States.¹ In December 2004, the Commission determined that a domestic industry was materially injured by reason of cumulated subject imports of violet 23 from China and India.² 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.³

First Reviews. On November 2, 2009, the Commission instituted the first five-year reviews of the orders.⁴ In May 2010, following expedited reviews, 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

¹ *Carbazole Violet Pigment 23 From China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060 and 1061 (Final), USITC Pub. 3744 (Dec. 2004) (“Original Determinations”) at 3.

² Original Determinations, USITC Pub. 3744 at 3.

³ See, e.g., *Antidumping Duty Order: Carbazole Violet Pigment 23 From the People's Republic of China*, 69 Fed. Reg. 77987 (Dec. 29, 2004); *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbazole Violet Pigment 23 From India*, 69 Fed. Reg. 77988 (Dec. 29, 2004); *Notice of Countervailing Duty Order: Carbazole Violet Pigment 23 From India*, 69 Fed. Reg. 77995 (Dec. 29, 2004).

⁴ *Carbazole Violet Pigment 23 From China and India*, 74 Fed. Reg. 56663 (Nov. 2, 2009).

material injury to an industry in the United States within a reasonably foreseeable time.⁵ Commerce accordingly issued continuations of these orders on May 27, 2010.⁶

Second Reviews. On April 1, 2015, the Commission instituted the second five-year reviews of the orders.⁷ In November 2015, following expedited reviews, 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.⁸ Commerce accordingly issued continuations of these orders on November 17, 2015.⁹

Current Reviews. The Commission instituted these third five-year reviews on October 1, 2020.¹⁰ It received one submission in response to the notice of institution, filed on behalf of domestic producer Sun. The Commission received no respondent interested party responses to the notice of institution. On January 4, 2021, it determined that the domestic interested party group response was adequate for all reviews 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.¹¹ On May 7, 2021, Sun filed final comments with the Commission pursuant to 19 C.F.R. § 207.62(d).

In these reviews, U.S. industry data are based on information submitted by Sun in its response to the notice of institution, and information from the original investigations and prior

⁵ *Carbazole Violet Pigment 23 from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060 and 1061 (Review), USITC Pub. 4151 (Apr. 2010) (“First Reviews’ Determinations”) at 3 (title corrected).

⁶ *Carbazole Violet Pigment 23 From India and the People’s Republic of China: Continuation of Antidumping Duty Orders*, 75 Fed. Reg. 29718 (May 27, 2010); *Carbazole Violet Pigment 23 From India: Continuation of Countervailing Duty Order*, 75 Fed. Reg. 29719 (May 27, 2010).

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

⁸ *Carbazole Violet Pigment 23 from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060–1061 (Second Review), USITC Pub. 4575 (Nov. 2015) (“Second Reviews’ Determinations”) at 3.

⁹ *Carbazole Violet Pigment From India and the People’s Republic of China: Continuation of the Antidumping Duty Orders and Countervailing Duty Order*, 80 Fed. Reg. 71773 (Nov. 17, 2015).

¹⁰ *Carbazole Violet Pigment 23 from China and India; Institution of Five-Year Reviews*, 85 Fed. Reg. 61977 (Oct. 1, 2020).

¹¹ *Carbazole Violet Pigment 23 from China and India; Scheduling of Expedited Five-Year Reviews*, 86 Fed. Reg. 24414 (May 6, 2021). Commissioner Johanson determined to conduct full reviews of the orders.

reviews.¹² Sun accounted for all domestic production of violet 23 in 2019.¹³ U.S. import data and related information in these reviews are based on official Commerce import statistics and information from the original investigations, in which the Commission obtained data from importer questionnaire responses, and prior reviews.¹⁴ Foreign industry data and related information in these reviews are based on information from the original investigations and prior reviews, as well as available information submitted by Sun and publicly available information, such as Global Trade Atlas (“GTA”) data, gathered by Commission staff.¹⁵

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.”¹⁶ 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.”¹⁷ 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.¹⁸

¹² Confidential Report, Memorandum INV-SS-152 (Dec. 23, 2020) (“CR”) at I-7; Public Report, *Carbazole Violet Pigment 23 from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060–1061 (Third Review), USITC Pub. 5201 (June 2021) (“PR”) at I-7.

¹³ CR/PR at I-7.

¹⁴ CR/PR at I-11 to I-13.

¹⁵ CR/PR at I-16 to I-19.

¹⁶ 19 U.S.C. § 1677(4)(A).

¹⁷ 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. Dep’t 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, 96th Cong., 1st Sess. 90–91 (1979).

¹⁸ *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).

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

{Violet 23} identified as Color Index Number 51319 and Chemical Abstract Number 6358-30-1, with the chemical name of diindolo *** triphenodioxazine, 8,18-dichloro-5,15-diethy-5,15-dihydro-, and molecular formula of $C_{34}H_{22}Cl_2N_4O_2$. 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.¹⁹

Violet 23 is a type of synthetic organic chemical used as a colorant or pigment to color inks, textiles, plastics, coatings, and other materials.²⁰ It is produced in crude and finished forms.²¹ Crude violet 23 must be further refined to be used in end-use applications; consequently, it has no use other than to produce finished violet 23 in the forms of presscake and dry color.²² Dry color violet 23 is pure pigment, and presscake has varying amounts of pigment diluted with water.²³ Dry color has numerous end uses, including the coloring of plastics, printing inks, and textiles, as well as the production of dispersions.²⁴ Presscake can be processed into dry pigment powder or used to make pigment dispersions.²⁵

Prior Proceedings. In the original investigations, the Commission defined a single domestic like product consisting of crude and finished violet 23, which was coextensive with Commerce's scope definition.²⁶ Because the scope included both crude violet 23 as well as certain finished violet 23 products (i.e., presscake and dry color), the Commission used the

¹⁹ 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 *Carbazole Violet Pigment 23 From India and the People's Republic of China: Final Results of Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 86 Fed. Reg. 8340 (Feb. 5, 2021) (referencing the detailed description found in "Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbazole Violet Pigment 23 from India and the People's Republic of China," Jan. 29, 2021, at 2); *Carbazole Violet Pigment 23 From India: Final Results of the Expedited Third Five-Year Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 8764, 8765 (Feb. 9, 2021).

²⁰ CR/PR at I-6.

²¹ CR/PR at I-6.

²² CR/PR at I-6.

²³ CR/PR at I-6.

²⁴ CR/PR at I-6.

²⁵ CR/PR at I-6.

²⁶ Original Determinations, USITC Pub. 3744 at 5.

semi-finished like product factors in its analysis of the domestic like product.²⁷ 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, particularly in light of the lack of independent uses for crude violet 23.²⁸

In the first and second reviews, the Commission observed that domestic interested parties agreed with the domestic like product definition adopted in the respective prior proceedings, and that there was no basis in the record to revisit the issue.²⁹ Accordingly, the Commission defined a single domestic like product consisting of crude and finished violet 23, coextensive with Commerce's scope definition.³⁰

Current Reviews. In these third reviews, the record contains no information suggesting that the characteristics of domestically produced violet 23 have changed since the prior proceedings to warrant revisiting the definition.³¹ Sun agrees with the Commission's definition of the domestic like product in the original investigations and prior reviews.³² Consequently, we define a single domestic like product consisting of crude and finished violet 23, coextensive with Commerce's scope definition.

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."³³ 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.

²⁷ Original Determinations, USITC Pub. 3744 at 5–8.

²⁸ Original Determinations, USITC Pub. 3744 at 7–8.

²⁹ First Reviews' Determinations, USITC Pub. 4151 at 4–5; Second Reviews' Determinations, USITC Pub. 4575 at 5.

³⁰ First Reviews' Determinations, USITC Pub. 4151 at 5; Second Reviews' Determinations, USITC Pub. 4575 at 5.

³¹ CR/PR at I-5 to I-7.

³² Sun's Response to the Notice of Institution at 19.

³³ 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.

Prior Proceedings. In the original determinations, the Commission defined the domestic industry to consist of all domestic producers of crude and finished violet 23.³⁴ At the time, the domestic industry consisted of five domestic producers: Allegheny Color Corp., Barker Fine Color, Clariant Corp., NFC, and Sun.³⁵

In the first reviews, the Commission again defined the domestic industry to consist of all domestic producers of crude and finished violet 23. Specifically, it found that, during the period of review, NFC and Sun accounted for all domestic production of crude and finished violet 23.³⁶ Although it found that Sun was a related party because it imported subject crude violet 23 from China and India, the Commission found that appropriate circumstances did not exist to exclude Sun from the domestic industry.³⁷ Accordingly, the Commission defined the domestic industry to include all domestic producers of crude and finished violet 23, namely NFC and Sun.³⁸

In the second reviews, the Commission observed that the domestic producers supported the definition of a single domestic industry, and that there were no related party issues.³⁹ The Commission therefore defined a single domestic industry including all domestic producers of the domestic like product.⁴⁰

Current Reviews. Because NFC ceased production of crude violet 23 in June 2018, Sun is the sole remaining domestic producer of violet 23.⁴¹ In these reviews, Sun supports the Commission's definition of one domestic industry consisting of all domestic producers of violet 23.⁴² The record indicates there are no related party issues in these reviews.⁴³ Therefore, we define the domestic industry to include the only known producer of the domestic like product, which is Sun.

³⁴ Original Determinations, USITC Pub. 3744 at 8.

³⁵ Original Determinations, USITC Pub. 3744 at 8.

³⁶ First Reviews' Determinations, USITC Pub. 4151 at 6.

³⁷ First Reviews' Determinations, USITC Pub. 4151 at 6–7

³⁸ First Reviews' Determinations, USITC Pub. 4151 at 7.

³⁹ Second Reviews' Determinations, USITC Pub. 4575 at 6.

⁴⁰ Second Reviews' Determinations, USITC Pub. 4575 at 6.

⁴¹ CR/PR at I-8.

⁴² Sun's Response to the Notice of Institution at 19.

⁴³ CR/PR at I-2; Sun's Response to the Notice of Institution at 9. Sun stated that it imported from Canada in 2019 a "very small amount" of violet 23 produced in China. CR/PR at I-2 n.5; Sun's Response to the Notice of Institution at 9. There are no additional details on these imports in the record.

III. Cumulation

A. Legal Standard and the Prior Proceedings

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.⁴⁴

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.⁴⁵ 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 such 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. The statutory threshold for cumulation is satisfied in these reviews because all reviews were initiated on the same day: October 1, 2020.⁴⁶

⁴⁴ 19 U.S.C. § 1675a(a)(7).

⁴⁵ 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).

⁴⁶ *Initiation of Five-Year (Sunset) Reviews*, 85 Fed. Reg. 61928 (Oct. 1, 2020).

Original Investigations. In the original determinations, the Commission cumulated subject imports from China and India.⁴⁷ With respect to fungibility, the Commission found that violet 23 from each of the subject sources was fungible with each other and the domestic like product.⁴⁸ It found that there was an overlap between the domestic like product and subject imports with respect to shipments for ink-related applications and in the merchant market for water-based applications.⁴⁹ The Commission also found that there was a moderate-to-high degree of substitutability among domestically produced violet 23 and subject imports, although subject imports from China may have had a higher degree of substitutability than subject imports from India with domestically produced violet 23.⁵⁰ Moreover, domestic producers, importers, and purchasers generally agreed that subject imports and domestically produced violet 23 were interchangeable.⁵¹

The Commission found overlapping geographic markets because the domestic like product and imports from both subject countries were generally marketed throughout the United States.⁵² It 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.⁵³ 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 (“POI”).⁵⁴

Prior Reviews. In the first and second 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 of the orders.⁵⁵ 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, the production capacity and excess capacity of the

⁴⁷ Original Determinations, USITC Pub. 3744 at 10–13.

⁴⁸ Original Determinations, USITC Pub. 3744 at 11–13.

⁴⁹ Original Determinations, USITC Pub. 3744 at 11–13.

⁵⁰ Original Determinations, USITC Pub. 3744 at 11–12.

⁵¹ Original Determinations, USITC Pub. 3744 at 12.

⁵² Original Determinations, USITC Pub. 3744 at 13.

⁵³ Original Determinations, USITC Pub. 3744 at 13.

⁵⁴ Original Determinations, USITC Pub. 3744 at 13.

⁵⁵ First Reviews’ Determinations, USITC Pub. 4151 at 9–11; Second Reviews’ Determinations, USITC Pub. 4575 at 10.

industry in each subject country, and the export orientation of the industry in each subject country.⁵⁶

In those reviews, the Commission also found a likely reasonable overlap of competition among subject imports and the domestic like product in the event of revocation of the orders.⁵⁷ In doing so, it 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 because the limited record in the expedited reviews did not contain any information to the contrary.⁵⁸ Finally, the Commission 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 in the reviews.⁵⁹

B. Party Arguments

Sun argues that the Commission should cumulate subject imports from China and India in these reviews because the considerations supporting the Commission's cumulation analysis in the prior reviews have not changed.⁶⁰ It contends that subject imports from China and India would compete with each other and the domestic like product in the U.S. market if the orders were revoked, as the Commission has previously found.⁶¹

C. Likelihood of No 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.⁶² Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative

⁵⁶ First Reviews' Determinations, USITC Pub. 4151 at 9–11; Second Reviews' Determinations, USITC Pub. 4575 at 9–10. In the first reviews, the Commission also relied on the widespread underselling by subject imports from each subject country during the original investigations. First Reviews' Determinations, USITC Pub. 4151 at 10–11.

⁵⁷ First Reviews' Determinations, USITC Pub. 4151 at 12–13; Second Reviews' Determinations, USITC Pub. 4575 at 12.

⁵⁸ First Reviews' Determinations, USITC Pub. 4151 at 12–13; Second Reviews' Determinations, USITC Pub. 4575 at 11–12.

⁵⁹ First Reviews' Determinations, USITC Pub. 4151 at 13; Second Reviews' Determinations, USITC Pub. 4575 at 12.

⁶⁰ Sun's Response to the Notice of Institution at 19–20; Sun's Final Comments at 6–7.

⁶¹ Sun's Response to the Notice of Institution at 20; Sun's Final Comments at 7.

⁶² 19 U.S.C. § 1675a(a)(7).

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.⁶³ 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 are 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 subject imports from China or India, considered individually, would likely have no discernible adverse impact on the domestic industry if the respective orders on subject imports from each country were revoked.

China. Subject imports from China were substantial during the original POI, increasing from *** pounds in 2001 to *** pounds in 2002 and *** pounds in 2003.⁶⁴ 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.⁶⁵ During the current period of review, subject imports from China decreased steadily from 302,000 pounds in 2015 to 30,000 pounds in 2019.⁶⁶ Subject imports from China accounted for between *** and *** percent of apparent U.S. consumption from 2001 to 2003, *** percent in 2008, *** percent in 2014, and *** percent in 2019.⁶⁷

There are reportedly 13 producers of violet 23 currently in China.⁶⁸ According to GTA data, China was the largest global exporter of pigments and preparations, a product category

⁶³ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994); see *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan*, Inv. Nos. 731-TA-770–773 and 775 (Third Review), USITC Pub. 4623 (July 2016).

⁶⁴ Confidential First Reviews’ Determinations, EDIS Doc. 727280 (Dec. 7, 2020) (“Confidential First Reviews’ Determinations”) at 14 n.52; First Reviews’ Determinations, USITC Pub. 4151 at 10.

⁶⁵ During the first review period, subject imports from China were *** pounds in 2004, *** pounds in 2005, *** pounds in 2006, *** pounds in 2007, and *** pounds in 2008. Confidential Second Reviews’ Determinations, EDIS Doc. 727283 (Dec. 7, 2020) (“Confidential Second Reviews’ Determinations”) at 13 n.53; Second Reviews’ Determinations, USITC Pub. 4575 at 9 n.53. During the second review period, 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. Second Reviews’ Determinations, USITC Pub. 4575 at 9 n.53.

⁶⁶ CR/PR at Table I-3.

⁶⁷ CR/PR at C-7, Table I-4.

⁶⁸ CR/PR at I-16.

that includes violet 23 and out-of-scope merchandise, each year from 2015 to 2019.⁶⁹ The United States was the largest export market for pigments and preparations from China each year from 2015 to 2019.⁷⁰ In the original investigations, subject imports from China undersold the domestic like product in all 28 possible quarterly comparisons, with underselling margins ranging from 22.2 to 54.8 percent.⁷¹ Based on the foregoing, we find that subject imports from China would not likely have no discernible adverse impact on the domestic industry if the order concerning these imports were revoked.

India. During the original investigations, the annual volume of subject imports from India ranged from *** pounds to *** pounds.⁷² Despite the antidumping and countervailing duty orders, subject imports from India were present in the U.S. market each year from 2004 to 2014, in amounts ranging from *** pounds to *** pounds.⁷³ During the current period of review, subject imports from India decreased steadily from 296,000 pounds in 2015 to 43,000 pounds in 2019.⁷⁴ Subject imports from India accounted for between *** and *** percent of apparent U.S. consumption from 2001 to 2003, *** percent in 2008, *** percent in 2014, and *** percent in 2019.⁷⁵

There are reportedly seven producers of violet 23 currently in India.⁷⁶ The violet 23 industry in India had substantial unused capacity during the original investigations, when its capacity utilization rate for crude violet 23 ranged annually from *** percent to *** percent, and its capacity utilization rate for finished violet 23 ranged annually from *** percent to ***

⁶⁹ CR/PR at Table I-7. China's global exports of pigments and preparations increased from 313 million pounds in 2015 to 316 million pounds in 2017, then decreased to 277 million pounds in 2019. *Id.*

⁷⁰ CR/PR at Table I-5. The record contains no recent information regarding capacity, capacity utilization, shipments, and inventory levels for the violet 23 industry in China.

⁷¹ Original Determinations, USITC Pub. 3744 at 20 nn.118 & 119. In these expedited reviews, as in the first and second expedited reviews, no pricing data were collected.

⁷² Subject imports from India were *** pounds in 2001, *** pounds in 2002, and *** pounds in 2003. Confidential Second Reviews' Determinations at 13 n.57; Second Reviews' Determinations, USITC Pub. 4575 at 10 n.57.

⁷³ During the first review period, subject imports from India were *** pounds in 2004, *** pounds in 2005, *** pounds in 2006, *** pounds in 2007, and *** pounds in 2008. Confidential Second Reviews' Determinations at 14 n.58; Second Reviews' Determinations, USITC Pub. 4575 at 10 n.58. During the second review period, 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. Second Reviews' Determinations, USITC Pub. 4575 at 10 n.58.

⁷⁴ CR/PR at Table I-3.

⁷⁵ CR/PR at C-7, Table I-4.

⁷⁶ CR/PR at I-18.

percent.⁷⁷ According to GTA data, India was the second-largest global exporter of pigments and preparations, a product category that includes violet 23 and out-of-scope merchandise, each year from 2015 to 2019.⁷⁸ The United States was the largest export market for pigments and preparations from India each year from 2015 to 2018 and the second largest in 2019.⁷⁹ In the original investigations, subject imports from India undersold the domestic like product in all 22 possible quarterly comparisons, with underselling margins ranging from 12.1 to 54.1 percent.⁸⁰ Based on the foregoing, we find that subject imports from India would not likely have no discernible adverse impact on the domestic industry if the orders concerning these imports were revoked.

D. Likelihood of a 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.⁸¹ Only a “reasonable overlap” of competition is required.⁸² In five-year reviews, the

⁷⁷ Confidential First Reviews’ Determinations at 15; First Reviews’ Determinations, USITC Pub. 4151 at 11.

⁷⁸ CR/PR at Table I-7. India’s global exports of pigments and preparations increased steadily from 177 million pounds in 2015 to 245 million pounds in 2019. *Id.*

⁷⁹ CR/PR at Table I-6. The record contains no recent information regarding capacity, capacity utilization, shipments, and inventory levels for the violet 23 industry in India.

⁸⁰ Original Determinations, USITC Pub. 3744 at 20 nn.118 & 119. In these expedited reviews, as in the first and second expedited reviews, no pricing data were collected.

⁸¹ 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; (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).

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.⁸³

The record of these expedited reviews contains no new information suggesting that either the subject industries or the characteristics of the subject imports that have been present in the U.S. market since the period examined in the original investigations have changed in any meaningful way.

Fungibility. As discussed above, the Commission found in the original determinations and prior reviews that subject imports from China and India were fungible with both the domestic like product and with each other. 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.⁸⁴ In the prior reviews, the Commission found that no new information had developed suggesting that this had changed.⁸⁵ 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).⁸⁶ In the prior reviews, the Commission found that no new information suggested that this had changed.⁸⁷ The same is true in these reviews.

(...Continued)

⁸² 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).

⁸³ See generally *Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

⁸⁴ Original Determinations, USITC Pub. 3744 at 13.

⁸⁵ First Reviews' Determinations, USITC Pub. 4151 at 13; Second Reviews' Determinations, USITC Pub. 4575 at 11.

⁸⁶ Original Determinations, USITC Pub. 3744 at 13.

⁸⁷ First Reviews' Determinations, USITC Pub. 4151 at 13; Second Reviews' Determinations, USITC Pub. 4575 at 11.

Simultaneous Presence in Market. In the original determinations, the Commission found that subject imports from China and India and domestically produced violet 23 were all present in the U.S. market throughout the period examined.⁸⁸ In the prior reviews, the Commission found that the record contained no new information suggesting that this had changed.⁸⁹ As previously stated, subject imports from China and India have been present in the U.S. market each year from 2015 to 2019.⁹⁰

Conclusion. The record of these 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 of the orders. In light of this, we find that there would likely be a reasonable overlap in competition between subject imports from China and India and the domestic like product should the orders be revoked.

E. Likely Conditions of Competition

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

F. Conclusion

Based on the record, we find that subject imports from China and India, considered individually, would not be likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find a likely reasonable overlap of competition between and among subject imports from China and India and the domestic like product, and that imports from China and India are likely to compete in the U.S. market under similar conditions of competition, if the orders were revoked. We therefore exercise our

⁸⁸ Original Determinations, USITC Pub. 3744 at 13.

⁸⁹ First Reviews' Determinations, USITC Pub. 4151 at 13; Second Reviews' Determinations, USITC Pub. 4575 at 11–12.

⁹⁰ CR/PR at Table I-3.

discretion to cumulate subject imports from China and India for purposes of our analysis in these reviews.

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.”⁹¹ 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.”⁹² Thus, the likelihood standard is prospective in nature.⁹³ The U.S. Court of International Trade has found that

⁹¹ 19 U.S.C. § 1675a(a).

⁹² SAA at 883–84. The SAA states that “the 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.

⁹³ 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.

“likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁹⁴

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.”⁹⁵ 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.”⁹⁶

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.”⁹⁷ 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 an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁹⁸ The statute further provides

⁹⁴ 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’”).

⁹⁵ 19 U.S.C. § 1675a(a)(5).

⁹⁶ 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.*

⁹⁷ 19 U.S.C. § 1675a(a)(1).

⁹⁸ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the most recent continuation of the orders. “Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbazole Violet Pigment 23 from India and the People’s Republic of China,” EDIS Doc. 742610 (Jan. 29, 2021) at 4.

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.⁹⁹

In evaluating the likely volume of imports of subject merchandise if an order under review is 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.¹⁰⁰ 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.¹⁰¹

In evaluating the likely price effects of subject imports if an order under review is 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.¹⁰²

In evaluating the likely impact of imports of subject merchandise if an order under review is 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

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

¹⁰⁰ 19 U.S.C. § 1675a(a)(2).

¹⁰¹ 19 U.S.C. § 1675a(a)(2)(A–D).

¹⁰² 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.

more advanced version of the domestic like product.¹⁰³ 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.¹⁰⁴

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the industries producing violet 23 in China and India. There also is limited information about the market for violet 23 in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and prior reviews and the limited new information in the record in these reviews.

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.”¹⁰⁵ The following conditions of competition inform our determinations.

1. Demand Conditions

Prior Proceedings. In the original determinations, the Commission found that the violet 23 industry did not have its own business cycle and that demand for violet 23 was derived from the demand for downstream products, such as printing inks, plastics, coatings, and textiles, which in turn depended on such industries as advertising, packaging, and clothing.¹⁰⁶ The Commission observed that the largest use for violet 23 was in the production of printing inks.¹⁰⁷ U.S. demand for inks decreased over the original POI as demand for printed products

¹⁰³ 19 U.S.C. § 1675a(a)(4).

¹⁰⁴ 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 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.

¹⁰⁵ 19 U.S.C. § 1675a(a)(4).

¹⁰⁶ Original Determinations, USITC Pub. 3744 at 14.

¹⁰⁷ Original Determinations, USITC Pub. 3744 at 14.

contracted.¹⁰⁸ Because there were no true alternatives to violet 23 and because violet 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 violet 23 prices were not likely to lead to large changes in the quantity demanded.¹⁰⁹ The Commission found that, during the original POI, apparent U.S. consumption of crude violet 23 declined, while apparent U.S. consumption of finished violet 23 (presscake and dry color) increased irregularly.¹¹⁰

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.¹¹¹ Because there was no contrary information, the Commission accepted the assertion by NFC and Sun that there were significant increases in imports of out-of-scope dispersions (*i.e.*, downstream products that may compete with subject violet 23) from China and India.¹¹²

In the second reviews, the record indicated that factors affecting buying patterns and demand for violet 23 in the United States had largely remained unchanged since the first reviews.¹¹³ Apparent U.S. consumption of finished violet 23 was *** pounds in 2014, compared with *** pounds in 2008, the end of the first review period.¹¹⁴

Current Reviews. The record does not indicate any changes in the uses for violet 23.¹¹⁵ Sun contends that apparent U.S. consumption of violet 23 remains “relatively flat.”¹¹⁶ Apparent

¹⁰⁸ Original Determinations, USITC Pub. 3744 at 14. Apparent U.S. consumption of crude violet 23 declined from *** pounds in 2001 to *** pounds in 2002 and *** pounds in 2003; it increased from *** pounds in January–June (“interim”) 2003 to *** pounds in interim 2004. Confidential Original Determinations, EDIS Doc. 727276 (Dec. 7, 2020) at 21–22 (“Confidential Original Determinations”); Original Determinations, USITC Pub. 3744 at 15. Apparent U.S. consumption of finished violet 23 increased irregularly from approximately *** pounds in 2001 to *** pounds in 2002 and *** pounds in 2003; it increased from *** pounds in interim 2003 to *** pounds in interim 2004. Confidential Original Determinations at 22; Original Determinations, USITC Pub. 3744 at 15.

¹⁰⁹ Original Determinations, USITC Pub. 3744 at 14–15.

¹¹⁰ Original Determinations, USITC Pub. 3744 at 15.

¹¹¹ First Reviews’ Determinations, USITC Pub. 4151 at 16.

¹¹² First Reviews’ Determinations, USITC Pub. 4151 at 16–17.

¹¹³ Second Reviews’ Determinations, USITC Pub. 4575 at 16. Responding purchasers reported no change in the business cycle for violet 23 in the U.S. market or China or India since 2010. *Id.* at n.96. They also reported no changes in the particular end uses or applications for violet 23 in the U.S. market or China or India since 2010. *Id.*

¹¹⁴ Confidential Second Reviews’ Determinations at 22; Second Reviews’ Determinations, USITC Pub. 4575 at 16.

¹¹⁵ CR/PR at I-6.

¹¹⁶ Sun’s Response to the Notice of Institution at 7; Sun’s Final Comments at 4.

U.S. consumption totaled *** pounds in 2019.¹¹⁷

2. Supply Conditions

Prior Proceedings. In the original determinations, the Commission found that NFC was the only known producer of crude violet 23 in the United States and that several domestic producers, including Sun, used imported or domestically produced crude violet 23 in their production of finished violet 23.¹¹⁸ The Commission also found that there were nonsubject imports present in the U.S. market throughout the POI.¹¹⁹

In the first reviews, the Commission identified three significant changes in supply conditions since the imposition of the orders.¹²⁰ First, domestic producer Clariant ceased production of finished violet 23 in December 2008.¹²¹ Second, one of Sun's sources of crude violet 23, Japanese producer Sumitomo Chemical, informed Sun in 2006 that it was experiencing environmental problems and therefore was operating at reduced capacity.¹²² Sumitomo announced in the first part of 2007 that it was discontinuing production entirely; Sun received its last shipment of crude violet 23 from Sumitomo in July 2007.¹²³ Third, in the latter part of 2006, all of 2007, and part of 2008, NFC substantially reduced production capacity while it installed this new system.¹²⁵ During this time, Sun purchased most of its crude violet 23 from producers in China and Germany.¹²⁶ After installation of the new system was completed in April 2008, NFC regained its capacity to supply Sun's entire crude violet 23 requirements and did so thereafter for the remainder of that period of review.¹²⁷

In the second reviews, NFC and Sun were the only domestic producers of violet 23.¹²⁸ Nonsubject imports accounted for the largest share of apparent U.S. consumption in 2014, with

¹¹⁷ CR/PR at Table I-4.

¹¹⁸ Original Determinations, USITC Pub. 3744 at 15.

¹¹⁹ Original Determinations, USITC Pub. 3744 at 15.

¹²⁰ First Reviews' Determinations, USITC Pub. 4151 at 17.

¹²¹ First Reviews' Determinations, USITC Pub. 4151 at 17.

¹²² First Reviews' Determinations, USITC Pub. 4151 at 17.

¹²³ First Reviews' Determinations, USITC Pub. 4151 at 17.

¹²⁴ First Reviews' Determinations, USITC Pub. 4151 at 17.

¹²⁵ First Reviews' Determinations, USITC Pub. 4151 at 17–18.

¹²⁶ First Reviews' Determinations, USITC Pub. 4151 at 18.

¹²⁷ First Reviews' Determinations, USITC Pub. 4151 at 18.

¹²⁸ Second Reviews' Determinations, USITC Pub. 4575 at 16.

a *** percent share, which was lower than their share in 2008 of *** percent.¹²⁹ The domestic industry accounted for the next largest share of apparent U.S. consumption in 2014, with a *** percent share, which was lower than its share in 2008 of *** percent.¹³⁰ Cumulated subject imports accounted for *** percent of apparent U.S. consumption in 2014, which was substantially higher than their share in 2008 of *** percent.¹³¹

Current Reviews. Because NFC ceased production of crude violet 23 in June 2018, Sun is the sole remaining domestic producer of violet 23 and must import its crude violet 23 from Germany.¹³² The record indicates that nonsubject imports accounted for the largest share of the U.S. market in 2019, satisfying *** percent of apparent U.S. consumption.¹³³ Germany supplied increasing volumes of violet 23 to the U.S. market and accounted for the majority of nonsubject imports during the period of review.¹³⁴ The domestic industry's shipments accounted for *** of apparent U.S. consumption in 2019, while cumulated subject imports accounted for *** percent of apparent U.S. consumption that year.¹³⁵

3. Substitutability and Other Conditions

Prior Proceedings. 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.¹³⁶ In the first and second expedited reviews, the Commission, based on limited records, found that subject

¹²⁹ Confidential Second Reviews' Determinations at 24; Second Reviews' Determinations, USITC Pub. 4575 at 16.

¹³⁰ Confidential Second Reviews' Determinations at 24; Second Reviews' Determinations, USITC Pub. 4575 at 16–17.

¹³¹ Confidential Second Reviews' Determinations at 24; Second Reviews' Determinations, USITC Pub. 4575 at 17. In the original investigations, the Commission examined market shares for finished and crude violet 23, as well as presscake and dry color, separately. Confidential Original Determinations at 27–28; Original Determinations, USITC Pub. 3744 at 17–18. In the first reviews, the Commission observed that the record did not contain information on apparent U.S. consumption during the period of review. First Reviews' Determinations, USITC Pub. 4151 at 16.

¹³² CR/PR at I-8.

¹³³ CR/PR at Table I-4.

¹³⁴ CR/PR at Table I-3. Imports of violet 23 from Germany increased steadily from 477,000 pounds in 2015 to 1.2 million pounds in 2019. *Id.*

¹³⁵ CR/PR at Table I-4.

¹³⁶ Original Determinations, USITC Pub. 3744 at 12 n.59.

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.¹³⁷

Current Reviews. In these reviews, there is no new information in the record to suggest that the substitutability of domestic product and subject imports of violet 23, or the importance of price to purchasing decisions, has changed since the original investigations or prior reviews. Accordingly, we find a moderate to high degree of substitutability between subject imports and the domestic like product and that price is an important factor in purchasing decisions.

Subject imports from China have been subject to additional tariffs pursuant to section 301 of the Trade Act of 1974 since September 24, 2018.¹³⁸ These tariffs were initially 10 percent *ad valorem* and increased to 25 percent *ad valorem* for entries made on or after May 10, 2019.¹³⁹

C. Likely Volume of Subject Imports

1. The Original Investigations and Prior Reviews

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.¹⁴⁰ Measured in terms of the volume of imports or in terms of U.S. shipments, the absolute volume of cumulated subject imports *** over the POI.¹⁴¹ The Commission also found that the ratio of subject imports of finished violet 23 to domestic production *** over the POI and that the ratio of subject imports of crude violet 23 to domestic production *** between 2001 and 2002.¹⁴² Finally, it found that the domestic industry's market share was relatively steady 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.¹⁴³

In the first and second reviews, the Commission found that subject producers had the ability and incentive to increase their exports to the United States significantly if the orders

¹³⁷ First Reviews' Determinations, USITC Pub. 4151 at 18; Second Reviews' Determinations, USITC Pub. 4575 at 17.

¹³⁸ CR/PR at I-5. See 19 U.S.C. § 2411.

¹³⁹ CR/PR at I-5.

¹⁴⁰ Original Determinations, USITC Pub. 3744 at 17.

¹⁴¹ Confidential Original Determinations at 26; Original Determinations, USITC Pub. 3744 at 17.

¹⁴² Confidential Original Determinations at 28; Original Determinations, USITC Pub. 3744 at 18.

¹⁴³ Original Determinations, USITC Pub. 3744 at 18.

were revoked. In the first reviews, the Commission relied on the significant and growing presence of subject imports during the original investigations.¹⁴⁴ In the second reviews, the Commission relied on the substantial increase in subject import volume and market share since the first reviews.¹⁴⁵ In both reviews, the Commission relied on the substantial excess capacity of subject producers in China and India, the export orientation of the industries in China and India, and the continued significant presence of subject imports from China and India in the U.S. market after imposition of the orders.¹⁴⁶ Based on these considerations, 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 orders were revoked.¹⁴⁷

2. Current Reviews

In these reviews, the record indicates that, under the discipline of the orders, subject imports have continued to maintain a significant presence in the U.S. market, although the quantity of subject imports decreased from 598,000 pounds in 2015 to 74,000 pounds in 2019.¹⁴⁸ Cumulated subject imports accounted for *** percent of apparent U.S. consumption in 2019, compared with *** percent in 2014, *** percent in 2008, and *** percent in 2003.¹⁴⁹

As previously stated, no producer or exporter of subject merchandise participated in these expedited reviews. Available record data indicate that the industries in subject countries continue to manufacture and export substantial volumes of pigments and preparations, a product category that includes violet 23 and out-of-scope merchandise.¹⁵⁰ As discussed above, GTA data indicate that China and India were the world's largest and second-largest exporters,

¹⁴⁴ First Reviews' Determinations, USITC Pub. 4151 at 19–21.

¹⁴⁵ Second Reviews' Determinations, USITC Pub. 4575 at 18.

¹⁴⁶ First Reviews' Determinations, USITC Pub. 4151 at 20–21; Second Reviews' Determinations, USITC Pub. 4575 at 18. In the second reviews, the Commission also found that the United States remained an attractive market to the violet 23 industries in both subject countries. Second Reviews' Determinations, USITC Pub. 4575 at 18.

¹⁴⁷ First Reviews' Determinations, USITC Pub. 4151 at 21; Second Reviews' Determinations, USITC Pub. 4575 at 18.

¹⁴⁸ CR/PR at Tables I-3 and I-4. The volumes were *** pounds in 2003, 125,000 pounds in 2008, and 357,000 pounds in 2014. *Id.* at Table I-4.

¹⁴⁹ CR/PR at Table I-4.

¹⁵⁰ CR/PR at I-20, Table I-7.

respectively, of pigments and preparations each year from 2015 to 2019.¹⁵¹ There is no information on the record indicating that the subject industry in either country has reduced its capacity or unused capacity since the prior reviews, which was previously sufficient for these industries to export large volumes of violet 23 to the United States.¹⁵² Consequently, based on the record, we find that the subject producers continue to have substantial capacity and remain export oriented.

Finally, the United States remains an attractive market to the industry producing violet 23 in both subject countries. As previously stated, subject imports maintained a significant presence in the U.S. market throughout the period of review despite the orders.¹⁵³ GTA data indicate that the U.S. market was the primary destination for exports of pigments and preparations from China from 2015 to 2019 and the primary destination for such exports from India from 2015 to 2018 (and the second-largest destination in 2019).¹⁵⁴ The record indicates that the United States continues to be a large market for violet 23.¹⁵⁵

On a cumulated basis, subject producers have the means to export subject merchandise to the U.S. market in significant volumes within a reasonably foreseeable time if the orders were revoked, and the record reflects that the United States remains an attractive export market for cumulated subject imports. Given this, and the ability as demonstrated in the original investigations to rapidly increase imports absent the discipline of the orders, we find

¹⁵¹ CR/PR at Table I-7.

¹⁵² See CR/PR at I-16 (13 possible producers in China during these current reviews as compared with nine questionnaire respondents in the original investigations), I-17 to I-18 (seven possible producers in India during these current reviews as compared with three questionnaire respondents in the original investigations).

¹⁵³ CR/PR at Table I-3.

¹⁵⁴ Total exports from China to the United States from 2015 to 2019 were 218 million pounds, compared with 128 million pounds exported to the Netherlands, the second-largest destination for exports from China over that period. Derived from CR/PR at Table I-5. Total exports from India to the United States from 2015 to 2019 were 163 million pounds, compared with 73 million pounds exported to the Netherlands, the second-largest destination for exports from India over that period. Derived from CR/PR at Table I-6.

¹⁵⁵ The Commission found that the U.S. market for violet 23 was large in the second reviews and that apparent U.S. consumption was *** percent larger in 2019 than in 2014, which was the last year of the period examined in the second reviews. CR/PR at Table I-4; Second Reviews' Determinations, USITC Pub. 4575 at 18. We recognize that apparent U.S. consumption in 2019 may be overstated due to ***.

CR/PR at I-8, Table I-4 note.

that the cumulated volume of subject imports, both in absolute terms and relative to U.S. consumption, would likely be significant if the orders were revoked.¹⁵⁶

D. Likely Price Effects

1. The Original Investigations and Prior Reviews

In the original determinations, the Commission found that there was a moderate to high level of substitutability between the domestic like product and subject imports, and that price was an important factor in purchasing decisions.¹⁵⁷ Based on pricing data for three products (crude violet 23, presscake, and dry color), the Commission found significant underselling by cumulated subject imports.¹⁵⁸ 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.¹⁵⁹ 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.¹⁶⁰ Accordingly, the Commission found that cumulated subject imports had significant adverse price effects.¹⁶¹

In the first and second expedited reviews, the Commission observed that there was no new product-specific pricing information in the record.¹⁶² In its pricing analyses, the Commission emphasized that subject producers likely would increase their exports to the

¹⁵⁶ We observe that the record in these expedited reviews contains no information concerning inventories of the subject merchandise or the potential for product shifting. The record indicates that the subject merchandise is not subject to antidumping or countervailing duty orders or investigations in markets other than the United States. CR/PR at I-19.

While Section 301 tariffs currently impose a 25 percent *ad valorem* duty on subject imports from China, no responding domestic producer, importer, or purchaser reported that these tariffs have had an effect on either the supply of or demand for subject imports or that they anticipated such effects in the reasonably foreseeable future. *See id.* at D-3. We note that imports of violet 23 from China were subject to antidumping duties of up to 217.94 percent during the period of review. *Id.* at I-3.

¹⁵⁷ Original Determinations, USITC Pub. 3744 at 19.

¹⁵⁸ Original Determinations, USITC Pub. 3744 at 20–21.

¹⁵⁹ Original Determinations, USITC Pub. 3744 at 21.

¹⁶⁰ Original Determinations, USITC Pub. 3744 at 22.

¹⁶¹ Original Determinations, USITC Pub. 3744 at 22.

¹⁶² First Reviews' Determinations, USITC Pub. 4151 at 22; Second Reviews' Determinations, USITC Pub. 4575 at 19.

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.¹⁶³ The Commission found that subject imports would be likely to undersell the domestic like product in order to gain market share.¹⁶⁴ In light of these considerations, the Commission concluded in those reviews 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 significant depressing or suppressing effect on prices for the domestic like product.¹⁶⁵

2. Current Reviews

As discussed above, we continue to find a moderate to high degree of substitutability between subject imports and the domestic like product and that price is an important factor in purchasing decisions. The record does not contain recent product-specific pricing information due to the expedited nature of these reviews. Based on the available information, and in light of the importance of price in purchasing decisions for violet 23 and the interchangeability of cumulated subject imports and the domestic like product, we find that, if the orders under review were revoked, significant volumes of cumulated subject imports likely would engage in significant underselling as they did in the original investigations, likely gaining market share at the expense of the domestic industry and/or having significant depressing and/or suppressing effects on the prices of the domestic like product. Consequently, we conclude that cumulated subject imports would likely have significant price effects if the orders were revoked.

E. Likely Impact

1. The Original Investigations and Prior Reviews

In its original determinations, the Commission found that subject imports had a significant adverse impact on the domestic industry's performance.¹⁶⁶ It also found that,

¹⁶³ First Reviews' Determinations, USITC Pub. 4151 at 22; Second Reviews' Determinations, USITC Pub. 4575 at 19.

¹⁶⁴ First Reviews' Determinations, USITC Pub. 4151 at 22; Second Reviews' Determinations, USITC Pub. 4575 at 19.

¹⁶⁵ First Reviews' Determinations, USITC Pub. 4151 at 22; Second Reviews' Determinations, USITC Pub. 4575 at 19.

¹⁶⁶ Original Determinations, USITC Pub. 3744 at 22–25.

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.¹⁶⁷ Moreover, the Commission found that, due to downward price pressure from subject imports, the domestic industry suffered operating losses during the POI.¹⁶⁸ 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.¹⁶⁹

In the first expedited reviews, the Commission stated that the limited information in 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.¹⁷⁰ 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.¹⁷¹ 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.¹⁷² It found that these reductions would likely have an adverse impact on the domestic industry.¹⁷³

In the second expedited reviews, the Commission stated that it had only limited information with respect to the domestic industry's financial performance, which was insufficient for making a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. The Commission found 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.¹⁷⁴ It also found that 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.¹⁷⁵

¹⁶⁷ Original Determinations, USITC Pub. 3744 at 23.

¹⁶⁸ Original Determinations, USITC Pub. 3744 at 24.

¹⁶⁹ Original Determinations, USITC Pub. 3744 at 25.

¹⁷⁰ First Reviews' Determinations, USITC Pub. 4151 at 24.

¹⁷¹ First Reviews' Determinations, USITC Pub. 4151 at 25.

¹⁷² First Reviews' Determinations, USITC Pub. 4151 at 25.

¹⁷³ First Reviews' Determinations, USITC Pub. 4151 at 25.

¹⁷⁴ Second Reviews' Determinations, USITC Pub. 4575 at 21.

¹⁷⁵ Second Reviews' Determinations, USITC Pub. 4575 at 21.

The Commission further found that although nonsubject imports had maintained a significant presence in the U.S. market since the original investigations, the data indicated that their presence in the U.S. market had declined in relative and absolute terms since the first reviews while subject imports gained market share at the expense of the domestic industry.¹⁷⁶ Accordingly, it found that any likely effects of nonsubject imports were distinguishable from the likely adverse effects attributed to subject imports.¹⁷⁷ The Commission therefore concluded that if the orders were revoked, cumulated subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹⁷⁸

2. 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.

The information in the record indicates that in 2019, with respect to finished violet 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.¹⁷⁹ Although the domestic industry's capacity, production, and shipments were lower in 2019 than in 2014, at least partly as a result of NFC ceasing production of crude violet 23 in June 2018, the domestic industry reported higher capacity utilization in 2019 than in 2014.¹⁸⁰ The industry's operating income was *** lower in 2019 than in 2014, both in absolute terms and as a ratio to net sales.¹⁸¹

Based on the limited information in 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

¹⁷⁶ Second Reviews' Determinations, USITC Pub. 4575 at 21.

¹⁷⁷ Second Reviews' Determinations, USITC Pub. 4575 at 21.

¹⁷⁸ Second Reviews' Determinations, USITC Pub. 4575 at 22.

¹⁷⁹ CR/PR at Table I-2. All figures represent production of finished violet 23, as the lone domestic producer of crude violet 23 ceased production in June 2018. *Id.* at I-8.

¹⁸⁰ Capacity utilization in 2014 was *** percent for domestic producers of crude and finished violet 23 in the aggregate. Derived from CR/PR at Table I-2.

¹⁸¹ CR/PR at Table I-2.

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, so as not to attribute injury from other factors to the subject imports. As previously stated, nonsubject imports were the largest source of supply to the U.S. market in 2019, and nonsubject import volume and market share were significantly higher in 2019 than in 2014.¹⁸² The increase in nonsubject import volume toward the end of the period of review does not reflect intensified competition from nonsubject imports, however, but rather largely Sun's need to import crude violet 23 from Germany after its domestic supplier of crude violet 23 ceased production in June 2018.¹⁸³ Given this, as well as the moderate to high degree of substitutability between subject imports and the domestic like product and the importance of price to purchasers, the significant presence of nonsubject imports in the U.S. market would not preclude the significant volume of low-priced subject imports that is likely after revocation from taking market share from the domestic industry or forcing the domestic industry to lower prices in order to retain market share, as during the original investigations.¹⁸⁴ Consequently, we find that the likely effects attributable to the subject imports are distinguishable from any effects likely from nonsubject imports in the event of revocation of the orders.

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 revocation of the countervailing duty order on violet 23 from India and revocation of the antidumping duty orders on violet 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.

¹⁸² Nonsubject imports' share of the U.S. market was *** percent in 2019, compared to *** percent in 2014, *** percent in 2008, and *** percent in 2003. CR/PR at Table I-4. Nonsubject import volume was *** pounds in 2019, compared to *** pounds in 2014, *** pounds in 2008, and *** pounds in 2003. *Id.*

¹⁸³ CR/PR at I-8, Table I-3.

¹⁸⁴ See Original Determinations, USITC Pub. 3744 at 22–25.

Information obtained in these reviews

Background

On October 1, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the countervailing duty order on carbazole violet pigment 23 (“violet 23”) from India and the antidumping duty orders on violet 23 from China and India would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
October 1, 2020	Notice of initiation by Commerce (85 FR 61928, October 1, 2020)
October 1, 2020	Notice of institution by Commission (85 FR 61977, October 1, 2020)
January 4, 2021	Commission’s vote on adequacy
February 5, 2021	Commerce’s results of its expedited reviews of the antidumping duty orders (China and India)
February 9, 2021	Commerce’s results of its expedited review of the countervailing duty order (India)
June 1, 2021	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 85 FR 61977, October 1, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 85 FR 61928, October 1, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations are presented in app. C.

⁴ 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 app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

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. The submission was filed on behalf of Sun Chemical Corporation (“Sun”), a domestic producer of violet 23 (referred to herein as “domestic interested party”).⁵

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 table I-1.

Table I-1

Violet 23: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	1	100%

Note: The U.S. producer coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of violet 23 during 2019. Domestic interested party’s response to the notice of institution, November 2, 2020, pp. 3 and 17.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from Sun. Sun requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on violet 23.⁶

⁵ Sun noted that it last imported violet 23 from China in September 2008, and it last imported violet 23 from India in November 2007. In 2019, Sun imported from Canada, a nonsubject country, “a very small amount” of violet 23 produced in China. Domestic interested party’s response to the notice of institution, November 2, 2020, p. 9.

⁶ Domestic interested party’s comments on adequacy, December 14, 2020, p. 3.

The original investigations and subsequent reviews

The original investigations

The original investigations resulted from petitions filed on November 21, 2003 with Commerce and the Commission by NFC, Fort Mill, South Carolina, and Sun, Cincinnati, Ohio.⁷ On November 17, 2004, Commerce determined that imports of violet 23 from China and India were being sold at less than fair value (“LTFV”) and subsidized by the Government of India.⁸ The Commission determined on December 22, 2004, that the domestic industry was materially injured by reason of LTFV and subsidized imports of violet 23 from China and India.⁹ On December 29, 2004, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 5.51 to 217.94 percent for China and 27.23 to 66.59 percent for India, and final net subsidy rates ranging from 17.33 to 33.61 percent for India.¹⁰

The first five-year reviews

On February 5, 2010, the Commission determined that it would conduct expedited reviews of the countervailing and antidumping duty orders on violet 23 from China and India.¹¹ On March 16, 2010, Commerce determined that revocation of the antidumping duty orders on violet 23 from China and India would be likely to lead to continuation or recurrence of dumping, and on March 19, 2010, Commerce determined that revocation of the countervailing duty order on violet 23 from India would be likely to lead to continuation or recurrence of subsidization.¹² On May 10, 2010, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹³ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective May 27, 2010, Commerce issued

⁷ Carbazole Violet Pigment 23 from China and India, Inv. Nos. 701-TA-437 and 731-TA-1060 and 1061 (Final), USITC Publication 3744, December 2004 (“Original publication”), p. 1.

⁸ 69 FR 67304, 69 FR 67306, and 69 FR 67321, November 17, 2004. Commerce determined that critical circumstances existed with respect to Nantong Haidi Chemical Co., Ltd. and Tianjin Hanchem International Trading Co., Ltd. 69 FR 67304, November 17, 2004.

⁹ 69 FR 77776, December 28, 2004. The Commission further determined that critical circumstances did not exist with respect to those imports of the subject merchandise from China that were subject to the affirmative critical circumstances determination by Commerce. *Ibid.*

¹⁰ 69 FR 77987, 69 FR 77988, and 69 FR 77995, December 29, 2004.

¹¹ 75 FR 14468, March 25, 2010.

¹² 75 FR 12497, March 16, 2010; and 75 FR 13257, March 19, 2010.

¹³ 75 FR 27815, May 18, 2010.

a continuation of the countervailing duty and antidumping duty orders on imports of violet 23 from China and India.¹⁴

The second five-year reviews

On July 6, 2015, the Commission determined that it would conduct expedited reviews of the countervailing and antidumping duty orders on violet 23 from China and India.¹⁵ On August 6, 2015, Commerce determined that revocation of the antidumping duty orders on violet 23 from China and India would be likely to lead to continuation or recurrence of dumping, and on August 7, 2015, Commerce determined that revocation of the countervailing duty order on violet 23 from India would be likely to lead to continuation or recurrence of subsidization.¹⁶ On November 2, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁷ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective November 17, 2015, Commerce issued a continuation of the countervailing and antidumping duty orders on imports of violet 23 from China and India.¹⁸

Previous and related investigations

Violet 23 has not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

Commerce's five-year reviews

Commerce is conducting expedited reviews with respect to the orders on imports of violet 23 from China and India and intends to issue the final results of these reviews based on the facts available not later than January 29, 2021.¹⁹ Commerce's Issues and Decision Memoranda, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memoranda can be accessed at

¹⁴ 75 FR 29719 and 75 FR 29718, May 27, 2010.

¹⁵ 80 FR 43119, July 21, 2015.

¹⁶ 80 FR 46955, August 6, 2015; and 80 FR 47462, August 7, 2015.

¹⁷ 80 FR 68878, November 6, 2015.

¹⁸ 80 FR 71773, November 17, 2015.

¹⁹ Letter from Melissa Skinner, Senior Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, to Nannette Christ, Director of Investigations, November 20, 2020.

<http://enforcement.trade.gov/frn/>. The Issues and Decision Memoranda will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping or countervailing duty orders on imports of violet 23 from China and India are noted in the sections titled “The original investigations” and “U.S. imports,” if applicable.

The product

Commerce’s scope

Commerce has defined the scope as follows:

The scope of these investigations cover CVP-23 identified as Color Index No. 51319 and Chemical Abstract No. 6358-30-1, with the chemical name of diindolo [3,2-b:3',2'-m] triphenodioxazine, 8,18-dichloro-5, 15-diethy-5, 15-dihydro-, and molecular formula of C34 H22 Cl2 N4 O2. 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., pigments dispersed in oleoresins, flammable solvents, water) are not included within the scope of the investigation.²⁰

U.S. tariff treatment

Violet 23 is currently imported under HTS statistical reporting number 3204.17.9040 (pigment violet 23).²¹ Violet 23 produced in China and India enters the U.S. market at a column 1-general duty rate of 6.5 percent ad valorem. Effective September 24, 2018, violet 23 that is the product of China was subject to an additional 10 percent ad valorem duty under Section 301 of the Trade Act of 1974.²² As of May 10, 2019, the additional Section 301 duty applicable to violet 23 produced in China increased to 25 percent ad valorem.²³ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

²⁰ 80 FR 71773, November 17, 2015.

²¹ HTS 3204.17.9040 is an eo nomine statistical reporting number, containing data only for the subject product.

²² 83 FR 47974, September 21, 2018.

²³ 84 FR 20459, May 9, 2019.

Description and uses²⁴

Violet 23 is a 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 violet 23 using a particle size reduction process. Dry color violet 23 is pure pigment, while presscake has varying degrees of pigment diluted with water. Dry color may be sold for numerous end uses, including plastics, printing inks, and textiles or to produce dispersions. Presscake can be processed into dry pigment powder or used to make pigment dispersions.

Manufacturing process²⁵

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.

²⁴ 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 (Second Review)*, USITC Publication 4575, November 2015 (“Second review publication”), p. I-4.

²⁵ Unless otherwise noted, this information is based on the second review publication, pp. I-4-5.

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

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from five firms, which accounted for all known U.S. production of violet 23 in the United States during 2003.²⁶ During the first five year reviews, domestic interested parties provided a list of two known and currently operating U.S. producers of violet 23, which accounted for 100 percent of production of crude violet 23 in the United States during 2008.²⁷ During the second five year reviews, domestic interested parties provided a list of two known and currently operating U.S. producers of violet 23, which accounted for 100 percent of production of violet 23 in the United States during 2014.²⁸

In response to the Commission's notice of institution in these current reviews, the domestic interested party provided one known and currently operating U.S. producer of violet 23. One firm provided U.S. industry data in response to the Commission's notice of institution and accounted for approximately 100 percent of production of violet 23 in the United States during 2019.²⁹

²⁶ Original publication, p. I-2.

²⁷ Domestic interested parties' response to the notice of institution, December 2, 2009, p. 10, p. 13 and p. 15.

²⁸ Second review publication, p. I-8.

²⁹ Domestic interested party's response to the notice of institution, November 2, 2020, p. 17.

Recent developments

Since the Commission's last five-year reviews, only one significant development has been identified in the violet 23 industry: NFC stopped producing violet 23 in June 2018.³⁰ During the second reviews, Sun reported that NFC produced only crude violet 23 and exclusively produced such crude for Sun.³¹ Sun currently sources crude violet 23 from Clariant, which produces the material in Germany, to produce dry color and presscake in the United States.³² The domestic interested party stated that the main applications of the product remain the same and that demand continues to be concentrated in the United States, Europe, China, and India.³³

³⁰ Domestic interested party's response to the notice of institution, November 2, 2020, p. 18.

³¹ Second review publication, pp. I-7-I-8.

³² Domestic interested party's response to the notice of institution, November 2, 2020, pp. 3, 9, and 18.

³³ Domestic interested party's response to the notice of institution, November 2, 2020, p. 19.

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 in the current five-year reviews.³⁴ Table I-2 presents a compilation of the trade and financial data submitted from responding U.S. producers in the original investigations and subsequent five-year reviews.

Table I-2

Violet 23: Trade and financial data submitted by U.S. producers, 2003, 2008, 2014, and 2019

Item	2003	2008	2014	2019
Capacity (1,000 pounds)				
Crude	***	***	***	0
Finished	***	***	***	***
Production (1,000 pounds)				
Crude	***	***	***	0
Finished	***	***	***	***
Capacity utilization (percent)				
Crude	***	***	***	0
Finished	***	***	***	***
U.S. shipments:				
Quantity (1,000 pounds)				
Crude	***	***	***	0
Finished	***	***	***	***
Value (\$1,000)				
Crude	***	***	***	0
Finished	***	***	***	***
Unit value (per pounds)				
Crude	***	***	***	0
Finished	***	***	***	***

Table continued on next page.

³⁴ Individual company trade and financial data are presented in app. B.

Table I-2 – Continued.

Violet 23: Trade and financial data submitted by U.S. producers, 2003, 2008, 2014, and 2019

Item	2003	2008	2014	2019
Net sales (\$1,000)				
Crude	***	***	***	0
Finished	***	***	***	***
COGS (\$1,000)				
Crude	***	NA	***	0
Finished	***	NA	***	***
COGS/net sales (percent)				
Crude	***	NA	***	0
Finished	***	NA	***	***
Gross profit (loss) (\$1,000)				
Crude	***	NA	***	0
Finished	***	NA	***	***
SG&A expenses (\$1,000)				
Crude	***	NA	***	0
Finished	***	NA	***	***
Operating income (loss) (\$1,000)				
Crude	***	***	***	0
Finished	***	***	***	***
Operating income (loss)/net sales (percent)				
Crude	***	***	***	0
Finished	***	***	***	***

Note: For a discussion of data coverage, please see “U.S. producers” section.

Note: The domestic interested party reported that it purchases crude violet 23 that is produced in Germany to produce finished violet 23. Thus, all of the domestic interested party’s data is classified as “finished” in table I-2. Domestic interested party’s response to the notice of institution, November 2, 2020, pp. 3 and 18.

Note: The domestic interested party reported COGS, and separately, a cost of sales adjustment. Staff adjusted the COGS reported in table I-2 by subtracting the cost of sales adjustment from the COGS reported by the domestic interested party. ***. In addition, the domestic interested party reported ***. Domestic interested party’s response to the notice of institution, November 2, 2020, p. 18.

Source: For the years 2003, 2008, and 2014, data are compiled using data submitted in the Commission’s original investigations and prior five-year reviews. For the year 2019, data are compiled using data submitted by the domestic interested party. Domestic interested party’s response to the notice of institution, November 2, 2020, pp. 17-18.

Definitions of the domestic like product and domestic industry

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. 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. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.³⁵

In its original determinations and its expedited first and second five-year review determinations, the Commission defined a single domestic like product comprised of both crude and finished violet 23 that corresponds to Commerce’s scope. In its original determinations and its expedited first and second five-year review determinations, the Commission defined the domestic industry to include all producers of crude and finished violet 23.³⁶

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 28 firms, which accounted for approximately *** percent of the value of total U.S. imports of violet 23 from China and *** percent of the total value of U.S. imports of violet 23 from India during 2003 (based on official Commerce statistics).³⁷ Import data presented in the original investigations are based on questionnaire responses.

³⁵ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁶ 85 FR 61977, October 1, 2020.

³⁷ Investigation Nos. 701-TA-437 and 731-TA-1060 and 1061 (Final): Carbazole Violet Pigment 23 from China and India, Confidential Report, INV-BB-148, November 30, 2004, as revised in INV-BB-154, December 9, 2004 (“Original confidential report”), pp. I-3 and IV-3.

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of six firms that may currently import violet 23 from subject countries, five of which may import from China and three of which may import from India.³⁸ Import data presented in the first reviews are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in its second five-year reviews, the domestic interested parties provided a list of five firms that may currently import violet 23 from China and four firms that may currently import violet 23 from India.³⁹ Import data presented in the second reviews are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested party provided a list of seven potential U.S. importers of violet 23 from China and India.⁴⁰

U.S. imports

Table I-3 presents the quantity, value, and unit value of U.S. imports from China and India as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity).

³⁸ First review publication, p. I-19.

³⁹ Second review publication, p. I-10.

⁴⁰ Domestic interested party's response to the notice of institution, November 2, 2020, pp. 10 and 13.

Table I-3
Violet 23: U.S. imports, 2015-19

Item	2015	2016	2017	2018	2019
Quantity (1,000 pounds)					
China	302	213	213	96	30
India	296	61	59	45	43
Subtotal, subject	598	275	272	141	74
Germany	477	522	622	686	1,221
Canada	52	57	48	234	384
United Kingdom	34	32	32	28	57
All other sources	107	52	28	70	54
Subtotal, nonsubject	669	663	730	1,018	1,716
Total imports	1,267	938	1,002	1,159	1,790
Landed, duty-paid value (\$1,000)					
China	2,311	1,590	1,397	423	278
India	1,595	1,089	1,127	886	919
Subtotal, subject	3,906	2,679	2,525	1,309	1,197
Germany	10,717	11,141	12,734	13,041	20,806
Canada	251	344	358	1,633	2,405
United Kingdom	306	333	380	472	492
All other sources	988	891	495	507	596
Subtotal, nonsubject	12,262	12,709	13,967	15,653	24,299
Total imports	16,168	15,388	16,492	16,962	25,496
Unit value (dollars per pound)					
China	7.66	7.45	6.56	4.41	9.20
India	5.39	17.73	19.07	19.84	21.16
Subtotal, subject	6.53	9.75	9.28	9.32	16.26
Germany	22.48	21.35	20.48	19.00	17.04
Canada	4.87	6.07	7.43	6.97	6.26
United Kingdom	9.07	10.28	11.95	16.87	8.66
All other sources	9.22	17.14	17.37	7.27	10.98
Subtotal, nonsubject	18.32	19.17	19.13	15.37	14.16
Total imports	12.76	16.41	16.45	14.64	14.25

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

Source: Compiled from official Commerce statistics for HTS statistical reporting number 3204.17.9040, accessed December 1, 2020.

Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-4

Violet 23: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 2003, 2008, 2014, and 2019

Item	2003	2008	2014	2019
	Quantity (1,000 pounds)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China	***	105	251	30
India	***	20	106	43
Subtotal, subject	***	125	357	74
All other sources	***	1,054	637	1,716
Total imports	***	1,179	994	1,790
Apparent U.S. consumption	***	***	***	***
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China	***	1,353	2,206	278
India	***	276	980	919
Subtotal, subject	***	1,629	3,186	1,197
All other sources	***	13,341	12,242	24,299
Total imports	***	14,970	15,428	25,496
Apparent U.S. consumption	***	***	***	***
	Share of consumption based on quantity (percent)			
U.S. producer's share	***	***	***	***
U.S. imports from.--				
China	***	***	***	***
India	***	***	***	***
Subtotal, subject	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***
	Share of consumption based on value (percent)			
U.S. producer's share	***	***	***	***
U.S. imports from.--				
China	***	***	***	***
India	***	***	***	***
Subtotal, subject	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***

Notes continued on next page.

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

Note: For the year 2003, apparent U.S. consumption is derived from U.S. shipments of imports, rather than U.S. imports, and comprises domestic producers' and U.S. importers' U.S. shipments of **finished** violet 23 (i.e., presscake and dry color), as reported in questionnaire responses. For the subsequent five-year reviews, apparent U.S. consumption is derived from domestic producers' U.S. shipments of **finished** violet 23 and U.S. imports as reported under HTS statistical reporting number 3204.17.9040, which comprises **crude** and **finished** violet 23. Thus, apparent U.S. consumption for the subsequent five-year reviews is somewhat overstated due to instances where a U.S. producer imported crude violet 23 for the production and sale of finished violet 23. In these current five-year reviews, the sole U.S. producer in 2019 ***.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

Source: For the years 2003, 2008, and 2014, data are compiled using data submitted in the Commission's original investigations and prior five-year reviews. For the year 2019, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 3204.17.9040, accessed December 1, 2020.

Cumulation considerations⁴¹

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.⁴²

Imports from China were reported in 49 of the 60 months between 2015 and 2019. No imports from China were reported in four months of 2019. Imports from India were reported in 58 of the 60 months between 2015 and 2019. No imports from India were reported in one month of 2019.

Imports of violet 23 from China entered through all borders of entry in 2016; the eastern, northern, and southern borders of entry in 2015 and 2017; and through the eastern and northern borders of entry in 2018 and 2019. Imports of violet 23 from China in 2019 were entered primarily through Chicago, Illinois.

⁴¹ Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting number 3204.17.9040.

⁴² In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

Imports from India entered through the eastern, northern, and southern borders of entry in each year from 2015 to 2018, and through the eastern and northern borders in 2019. Imports of violet 23 from India in 2019 entered primarily through Cleveland, Ohio.

The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from four producing and five non-producing exporting firms, which accounted for approximately *** percent of production of violet 23 in China during 2003.⁴³

The Commission did not receive responses from any respondent interested parties in its first five-year reviews and domestic interested parties did not provide a list of possible producers of violet 23 in China in their original response to the notice of institution.⁴⁴

Although the Commission did not receive responses from any respondent interested parties in its second five-year reviews, the domestic interested parties provided a list of seven possible producers of violet 23 in China in that proceeding.⁴⁵

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of 13 possible producers of violet 23 in China.⁴⁶

Table I-5 presents export data for pigments and preparations based thereon, a category that includes violet 23 and out-of-scope products, from China (by export destination in descending order of quantity for 2019).

⁴³ Original confidential report, pp. VII-1 to VII-2.

⁴⁴ First review publication, p. I-29.

⁴⁵ Second review publication, p. I-13.

⁴⁶ Domestic interested party's response to the notice of institution, November 2, 2020, pp. 10-13.

Table I-5**Pigments and preparations based thereon: Exports from China, by destination, 2015-19**

Item	Calendar year				
	2015	2016	2017	2018	2019
Quantity (1,000 pounds)					
United States	48,168	47,777	47,825	45,546	28,609
Netherlands	27,824	25,420	25,733	23,565	25,017
Vietnam	10,399	10,190	12,531	12,008	17,047
Belgium	12,578	14,528	16,693	15,251	16,426
Indonesia	13,229	13,041	14,456	12,855	11,310
Brazil	9,807	11,088	11,522	9,450	10,053
Germany	25,546	24,554	17,608	12,909	10,034
Pakistan	6,341	6,209	6,373	6,737	9,022
India	9,867	11,211	11,598	10,545	8,992
United Kingdom	8,573	9,268	9,829	6,991	8,844
All other	140,490	141,369	142,065	132,948	131,861
Total	312,822	314,653	316,234	288,803	277,216

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 3204.17, accessed December 18, 2020. These data may be overstated as HTS subheading 3204.17 may contain products outside the scope of these reviews.

The industry in India

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from three firms.⁴⁷ The three Indian respondents accounted for approximately *** percent of the volume of U.S. imports of violet 23 in 2003, as reported by official Commerce statistics.⁴⁸

⁴⁷ Original publication, p. VII-2.

⁴⁸ Original confidential report, p. VII-6.

The Commission did not receive responses from any respondent interested parties in its first five-year reviews and domestic interested parties did not provide a list of possible producers of violet 23 in India in their original response to the notice of institution.⁴⁹

Although the Commission did not receive responses from any respondent interested parties in its second five-year reviews, the domestic interested parties provided a list of five possible producers of violet 23 in India in that proceeding.⁵⁰

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of seven possible producers of violet 23 in India.⁵¹

Table I-6 presents export data for pigments and preparations based thereon, a category that includes violet 23 and out-of-scope products, from India (by export destination in descending order of quantity for 2019).

⁴⁹ First review publication, p. I-30.

⁵⁰ Second review publication, p. I-15.

⁵¹ Domestic interested party's response to the notice of institution, November 2, 2020, pp. 14-15.

**Table I-6
Pigments and preparations based thereon: Exports from India, by destination, 2015-19**

Item	Calendar year				
	2015	2016	2017	2018	2019
Quantity (1,000 pounds)					
China	4,860	5,635	7,700	13,813	33,649
United States	31,272	33,533	33,234	35,245	29,302
Netherlands	10,152	10,029	17,996	18,496	16,176
Japan	10,528	10,112	9,937	11,378	11,236
Belgium	8,896	10,662	10,474	11,254	10,761
Korea, South	9,017	10,029	10,998	10,774	10,042
Brazil	6,498	8,248	8,520	9,192	8,834
Germany	8,899	9,586	9,698	7,878	8,547
Turkey	5,310	5,880	6,177	5,791	7,384
United Kingdom	5,534	6,171	7,681	7,885	7,281
All other	75,591	80,886	93,515	112,008	101,645
Total	176,559	190,772	215,930	243,713	244,859

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 3204.17, accessed December 18, 2020. These data may be overstated as HTS subheading 3204.17 may contain products outside the scope of these reviews.

Antidumping or countervailing duty orders in third-country markets

Based on available information, violet 23 from China and India has not been subject to other antidumping or countervailing duty investigations outside the United States.⁵²

⁵² Sun is not aware of any antidumping or countervailing duty orders on violet 23 in any other country. Domestic interested party's response to the notice of institution, November 2, 2020, p. 7.

The global market

Table I-7 presents global export data for pigments and preparations based thereon, a category that includes violet 23 and out-of-scope products, (by source in descending order of quantity for 2019). China and India are the two dominant global exporters of the products in this category.

Table I-7
Pigments and preparations based thereon: Global exports by major sources, 2015-19

Item	2015	2016	2017	2018	2019
Quantity (1,000 pounds)					
China	312,822	314,653	316,234	288,803	277,216
India	176,559	190,772	215,930	243,713	244,859
Germany	104,797	107,073	108,745	104,088	103,704
Belgium	59,375	62,033	75,278	76,176	74,466
Spain	23,226	33,800	46,320	45,936	53,252
United States	68,039	58,144	58,717	49,213	48,657
Netherlands	32,489	33,994	37,804	55,046	47,810
South Korea	43,802	45,125	46,320	45,662	42,516
United Kingdom	19,751	19,701	23,765	26,144	26,412
Taiwan	31,134	32,033	31,566	29,894	26,369

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 3204.17, accessed December 18, 2020. These data may be overstated as HTS subheading 3204.17 may contain products outside the scope of these reviews.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, 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
85 FR 61977, October 1, 2020	<i>Carbazole Violet Pigment 23 From China and India; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-10-01/pdf/2020-21669.pdf
85 FR 61928, October 1, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-10-01/pdf/2020-21729.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

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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: ***.¹ Purchaser questionnaires were sent to these five firms and one firm (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for carbazole violet pigment 23 that have occurred in the United States or in the market for carbazole violet pigment 23 in China and/or India since January 1, 2015?

Purchaser	Yes / No	Changes that have occurred
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for carbazole violet pigment 23 in the United States or in the market for carbazole violet pigment 23 in China and/or India within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***

¹ Sun Chemical Corporation believed it had submitted its purchasers' questionnaire, but did not successfully submit one via email or Dropbox.

