

EXECUTIVE SUMMARY

Anti-dumping measures on imports of sulphanilic acid from the People's Republic of China

Request for an expiry review

Executive summary of the request for an expiry review of the anti-dumping measures applicable to imports of sulphanilic acid origination in the People's Republic of China

1. The product concerned

The expiry review application concerns the product “sulphanilic acid” originating in the People's Republic of China (the “**PRC**”), usually imported under CN code ex 2921 42 00 (TARIC code 2921 42 00 60). There are two grades of sulphanilic acid, which are determined according to their purity: a technical grade and a purified grade. In addition, the purified grade is sometimes commercialised in the form of a salt of sulphanilic acid.

The chemical and physical characteristics of all grades (technical and purified) and types (salts) of sulphanilic acid have remained unchanged. Different materials may be used to convert sulphanilic acid solution into another form, i.e. salt, but that does not alter or add any property to the sulphanilic acid.

The two grades, pure and technical (including salts), are highly interchangeable. Whereas some sectors of users will prefer pure grade, most often they may also use technical grade depending on the level of purity.

Sulphanilic acid is used mainly as a raw material in the production of optical brighteners, concrete additives, food colorants and speciality dyes. There is also a limited use by the pharmaceutical industry.

2. Case summary

2.1 Standing

The expiry review request is submitted by Bondalti Chemicals S.A. (the “**Applicant**”), representing 100 % of the Union industry.

2.2 Distortions

Significant distortions exist in the Chinese chemical industry, which has effects on current and future export volume to the EU. This has and will affect the Applicant's ability to compete on the Union market.

2.3 The recurrence of dumping

The Applicant's request demonstrates that should anti-dumping measures be terminated, low-priced imports will increase in large quantities on the Union market, which would result in the recurrence and continuation of dumping.

In particular, the application shows the following.

- Exports of sulphanilic acid have increased in volume over the entire period, and decreased in price in the most recent period. This coincides with a deterioration for the Applicant's sulphanilic acid operations.
- There is a significant distortion in the chemicals sector in the PRC and the Chinese production capacity has increased substantially since the previous review.

2.4 Undercutting and underselling

The request shows that prices from Chinese exports entail undercutting and underselling of the Union industry's prices.

2.5 The recurrence of injury

The Applicant expects that there is a very significant overcapacity on the Chinese market. In view of the rapid and very large increase in production capacity in the PRC, combined with the PRC's expressed ambition of penetrating export markets through the Belt and Road, there is a clear and imminent threat that Chinese sulphanilic acid will be imported in large quantities. The Union market would experience large volume of imports from the PRC, and the Applicant, which is vulnerable to injury, would experience severe injury.

2.6 Causation

The Applicant has demonstrated that if measures are terminated, injury will recur. Such injury will not be attributable to any factor other than the volume and the low price level of the dumped imports.

2.7 Union interest

The Union industry comprises of one company. The Union producer is able to sustain long-term viable and competitive sulphanilic acid operations under fair trading conditions. However, should measures be allowed to lapse, the Union producers operations would be in a vulnerable position. Continuation of the measures is in the Union interest as it also will contribute to keeping production and employment in the EU. Continuation of the measures would not lead to supply shortage as the measures do not close the market for other exporters.

3. Interested parties

3.1 The Applicant

Bondalti Chemicals S.A., representing 100 % of the Union industry.

3.2 The exporting producers

The list of exporters is presumed, since no exporting producers have previously cooperated.

3 W Industry Co., Inc, Baoding Dongfa Group, Baoding Hongtai Chemical Industries Co., Ltd., Baoding Mancheng Rongtai, Baoding Mancheng Xinyu Chemical Factory, China National Chemical Construction Corp., Guangzhou Chemical Reagent Factory, Hebei Baoding Hengrun Chemical Co., Ltd., Hebei Baoding Mancheg Xinyu Chemical Co., Ltd., Hebei Changjia Chemical Factory, Hebei Fulong Import & Export Co., Ltd., Hebei Jianxin Chemical Co., Ltd., Hebei Jinzhou Sky Universe Sceince & Technology Co., Ltd., Hebei Jinzhou Tianghill Biotechnology Co., Ltd., Hebei Shijiazhuang Linxin Chemical Co., Ltd., Hebei Shijiazhuang Zhenxing Chemical Facotry, Hebei Wuji Hongsheng Chemical Co., Ltd., Hebei Wuji Qunhoa Fine Chemical Co., Ltd. , Hebei Yontal Create Chemicals Co., Ltd., Hebie Honggang Chemical Co., Ltd., Henan Luoyang Institute of Science & Technology Luodong Chemical Plant, Mancheng Gold Star Chemical Industry Co., Ltd., Qingdoa Tianshi, Quzhou Chemsyn Pharm Co., Ltd., Shandong Qingdao Tianshi Chemical Co., Ltd., Shanghai Hoahua Chemical Co., Ltd., Shanghai Jixiang Chemical Reagent Co., Ltd., Shanghai SSS Reagent Co., Ltd., Shanhai Yancui Import & Export Corp., Shanxi Qingshan Chemical Industry Co., Ltd., Shijiazhuang Linxin Chemical Industrial Stock Co., Ltd., Shijiazhuang Winning Chemical Co., Ltd., Shijiazhuang Zhenxing Chemical Factory, Sinochem Hebei Import & Export Corp., Tianjin Chemical Reagent Co., Inc., Tianjin Modern Chemical Co., Ltd., Tianjin Shi Yueguo Chemical Co., Ltd., Tianjin Yungsheng Chemical Reagent Science & Technology Co., Ltd., Wuji Sitong Chemical Co., Ltd., Xi'an Poly Science Co., Ltd., Yude Chemical Industry Co., Zhejiang Quzhou Chemsyn Pharm. Co., Ltd., Zhejiang Wulong Chemical industrial Stock Co., Ltd. and Zhenxing Chemical Industry Co.

3.3 Known Union users

Blankophor GmbH, Leverkusen, Germany, Hovione Farmaciencia SA, Loures, Portugal and IGCAR Chemicals, S.L., Rubi, Spain.
