

**SODIUM HYDROXIDE, IN SOLUTION
(LIQUID CAUSTIC SODA), FROM THE
FEDERAL REPUBLIC
OF GERMANY, FRANCE,
ITALY, AND THE
UNITED KINGDOM**

**Determinations of No
Reasonable Indication of
Material Injury or
Likelihood Thereof in
Investigations Nos.
731-TA-8,9,10, and 11
(Preliminary) Under the
Tariff Act of 1930,
Together With the
Information Obtained
in the Investigations**

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Data which would disclose confidential operations of individual concerns may not be published and therefore have been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436
[731-TA-8 (Preliminary), 731-TA-9 (Preliminary), 731-TA-10 (Preliminary),
and 731-TA-11 (Preliminary)]

SODIUM HYDROXIDE, IN SOLUTION (LIQUID CAUSTIC SODA), PROVIDED FOR
UNDER ITEM NO. 421.08 OF THE TARIFF SCHEDULES OF THE UNITED
STATES FROM THE FEDERAL REPUBLIC OF GERMANY, FRANCE,
ITALY, AND THE UNITED KINGDOM

Determinations of "No Reasonable Indication of Material Injury"

On the basis of the record developed during the course of investigations Nos. 731-TA-8 (Preliminary), 731-TA-9 (Preliminary), 731-TA-10 (Preliminary), and 731-TA-11 (Preliminary), undertaken by the United States International Trade Commission under section 733(a) of the Tariff Act of 1930, as added by title I of the Trade Agreements Act of 1979, the Commission has determined unanimously that there is no reasonable indication that an industry in the United States is materially injured, threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the Federal Republic of Germany, France, Italy, or the United Kingdom, of sodium hydroxide, in solution (liquid caustic soda), provided for under item No. 421.08 of the Tariff Schedules of the United States, which are allegedly sold at less than fair value.

Section 102(b)(1) of the Trade Agreements Act of 1979 requires the Commission to conduct preliminary antidumping investigations in cases where, on January 1, 1980, the Secretary of the Treasury (the Administering Authority prior to January 1, 1980), had begun an investigation, but had not yet made a preliminary determination under the Antidumping Act, 1921, as to the question of less-than-fair-value sales. On January 7, 1980, the Commission received advice from the Department of Commerce (the Administering Authority effective January 1, 1980), that such investigations had been instituted prior to

January 1, 1980, with respect to sodium hydroxide imported from the Federal Republic of Germany, France, Italy, and the United Kingdom. Accordingly, effective January 1, 1980, the Commission instituted preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930, as amended, to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise from the four countries.

Notice of the institution of the Commission's investigations and of the conference to be held in connection therewith was published in the Federal Register of January 14, 1980 (45 F.R. 2715). On January 31, 1980, a public conference was held in Washington, D.C., and all persons requesting the opportunity were permitted to appear in person or by counsel.

STATEMENT OF CHAIRMAN CATHERINE BEDELL AND COMMISSIONERS
 GEORGE M. MOORE, PAULA STERN AND MICHAEL J. CALHOUN IN SUPPORT OF THE
 DETERMINATIONS IN INVESTIGATIONS NOS. 731-TA-8 (PRELIMINARY),
 731-TA-9 (PRELIMINARY), 731-TA-10 (PRELIMINARY), AND 731-TA-11 (PRELIMINARY):
 SODIUM HYDROXIDE FROM THE FEDERAL REPUBLIC OF GERMANY, FRANCE, ITALY
 AND THE UNITED KINGDOM

On the basis of the best information available to the Commission in these investigations, nos. 731-TA-8, 9, 10, and 11 (Preliminary), we determine that there is no reasonable indication that an industry in the United States is materially injured, threatened with material injury, or the establishment of an industry in the United States is materially retarded^{*/}, by reason of imports from the Federal Republic of Germany, France, Italy, or the United Kingdom, of sodium hydroxide, in solution (liquid caustic soda), provided for under item no. 421.08 of the Tariff Schedules of the United States, which are allegedly sold at less than fair value.

The following findings and conclusions, based on the record in this investigation, support our determination.

I. No reasonable indication of material injury

A. Volume of imports

1. Levels of imports from these countries increased from 77,536 short tons in 1976 to 161,188 short tons in 1978, but levels for the interim period of January-October decreased from 132,921 short tons in 1978 to 79,587 short tons in 1979.

2. The ratio of imports from the four countries to U.S. consumption has remained at low levels, increasing from 0.85 percent in 1976 to 1.74 percent in 1978, then decreasing from 1.78 percent in January-October 1978 to 0.87 percent in January-October 1979.

* The question of the material retardation of the establishment of an industry in the United States was not raised as an issue in this investigation.

B. Effect of imports on U.S. prices

3. The alleged less than fair value (LTFV) margins indicated in Treasury's file were substantial. However, the best information available on pricing indicates that in the Northeast area of the United States, where imports are concentrated, the lowest prices for the bulk of sodium hydroxide sales made by suppliers to distributors are on those sales made by large U.S. producers that supply the area from their domestic production facilities. This situation, in which both imports and the smaller U.S. producers are substantially undersold in the Northeast area by their larger domestic competitors, indicates that any price suppression or price depression that may have occurred is not a result of alleged LTFV imports.

C. Impact on affected industry

4. Petitioner Linden Chemicals and Plastics, Inc., represents only a minimal percentage of total domestic production of merchandise that is the subject of these investigations, and was not joined in its complaint by any other U.S. producers.

5. Total U.S. production of sodium hydroxide in solution increased from 10.0 million short tons in 1976 to 10.7 million short tons in 1978. Total U.S. production increased from 8.8 million short tons in January-October 1978 to 10.2 million short tons in January-October 1979.

6. Available data show that total shipments by reporting U.S. producers increased from 3.3 million short tons in 1976 to 4.9 million short tons in 1978. Total shipments by U.S. producers increased from 4.4 million short tons in January-November 1978 to 5.1 million short tons in January-November 1979. */

*/ Commissioner Stern notes that no data were made available for 1976 or 1977 for Dow Chemical U.S.A., the largest domestic producer. She did not find the absence of complete data on Dow decisive because: (a) the data that were submitted by Dow do not indicate injury; (b) Dow neither supported the petition nor alleged injury; and (c) the data on the remainder of the industry do not support an affirmative finding. The statute states in Sec. 771(7)(e)(ii) that: "The presence or absence of any factor which the Commission is required to evaluate under paragraph (c) . . . shall not necessarily give decisive guidance with regard to the determination by the Commission of material injury."

7. Data obtained by questionnaires, although incomplete, indicate that the overall total for domestic sales of all grades of sodium hydroxide increased, in terms of quantity, from 1976 to 1978, and in the first 11 months of 1979 compared with the corresponding period in 1978.

8. From January-November 1978 to the corresponding period of 1979, the aggregate net profit of those firms providing complete financial data to the Commission increased substantially. */

9. Domestic capacity utilization decreased from 1976 to 1977 but has increased since 1977 to 81.3% in 1979, a level higher than in any of the preceding years examined.

10. Consideration of material injury as to producers in the Northeast region as a separate regional industry is inappropriate in this case. (See the definition of "regional industries" in Sec. 771(4)(C) of the Tariff Act of 1930, as amended, 19 U.S.C. 1677 (4)(C).) Demand in that market is supplied to a substantial degree by producers located elsewhere in the U.S., primarily in the Gulf Coast States. **/

11. Notwithstanding its claim of injury from alleged LTFV imports, Linden Chemicals and Plastics, during the period under investigation, purchased three new production facilities for sodium hydroxide, one of which is located in the Northeast area which Linden asserts is subject to the greatest impact from the alleged LTFV imports.

An evaluation of these relevant factors reveals no reasonable indication of material injury to the affected industry.

*/ Commissioner Stern notes that because there has been no withholding of appraisement in this case following the submission of the petition, it seems appropriate to compare the 1979 data to those of earlier periods.

**/ See additional views of Commissioner Stern on page 7.

II. No reasonable indication of threat of material injury

12. In providing guidance to the Commission with regard to the standard for finding a threat of material injury, Congress has indicated the following: An affirmative determination shall be based on evidence showing that the threat is real and imminent. Consideration should be given to such trends as the rate of increase of dumped exports to the U.S. market, capacity in the exporting country to generate exports, and the availability of other export markets.*

13. Imports from the four countries involved in this investigation decreased in 1979, both absolutely and relative to U.S. consumption. (See paragraph 1, above.)

14. Recent trends, noted in paragraphs 5 through 9 above, are generally favorable to the domestic industry.

15. No evidence has been presented to the Commission regarding capacity in the exporting countries or availability of other export markets.

An evaluation of these relevant factors reveals no "real and imminent" threat of material injury to the affected industry.

* See H.R. Rep. No. 96-317 on the Trade Agreements Act of 1979, at page 47.

See also sec. 207.26(d) of the Commission Rules, 19 C.F.R. 207.26(d).

Additional Views of Commissioner Stern
on the Question of Regional Industry

The petitioner asserted that these investigations should be decided on a regional industry basis. The Trade Agreements Act of 1979 amended the Tariff Act of 1930 to include specific conditions for the treatment of producers in a geographical area as a separate regional industry within the meaning of the law.^{*/} The domestic producers must sell all or almost all of their production in the area and the demand for the product in that area cannot be supplied to any significant degree from the United States producers not located there. Both conditions must be met.

The Northeast area, where all the petitioner's production facilities were located until recently and where all the petitioner's sales as well as the sales of the alleged LTFV imports are concentrated, does not qualify as a regional market within the meaning of the antidumping statute because it is served to a large extent by U.S. producers whose production facilities are located outside the region, primarily in the Gulf Coast States. In 1976, total reported domestic sales in the Northeast area exceeded local productive capacity by 299,000 short tons, in 1977 by 46,000 short tons, and in 1978 by 96,000 short tons. In 1979, due to rapid local expansion, capacity may for the first time exceed domestic sales in the area.

*/ Subparagraph (C) of 19 U.S.C. 1677 states:

"In appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if --

"(i) the producers within such market sell all or almost all of their production of the like product in question in that market, and

"(ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States."

Views of Vice Chairman Bill Alberger

Having considered the record in investigations Nos. 731-TA-8 (Preliminary) through 731-TA-11 (Preliminary), I determine that there is no reasonable indication that an industry in the United States is materially injured, threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the Federal Republic of Germany, France, Italy, or the United Kingdom, of sodium hydroxide in solution (liquid caustic soda), provided for under item number 421.08 of the Tariff Schedules of the United States which are allegedly sold at less than fair value.

I adopt in full findings 1 through 10 of the attached "Supporting Statement by the Director of Operations for a Negative Determination" This statement is a part of the record 1/ and accurately analyzes the factors which we are required by the statute to consider. In addition, I add the following findings which I believe are relevant to my determination:

(1) The import penetration levels for France, Italy, and the United Kingdom have each remained at less than 1 percent of U.S. consumption during the 1976-78 period. The ratio of imports from the Federal Republic of Germany increased during this same period, but in 1978 amounted to only slightly over 1 percent. 2/ When these figures are compared with the continued increase in U.S. productive capacity of sodium hydroxide since 1976, 3/ it is evident that there is no reasonable indication of injury to the domestic industry by reason of these imports.

(2) It is my practice to vote separately by country in Commission meetings since separate case numbers are assigned. It is an obligation of each Commissioner to carefully consider "material injury. . . by reason of. . ." questions for each country separately and in various combinations. It is my view after review of the entire record that these imports from these four countries are not causing the requisite degree of injury whether the countries are considered separately or in combination.

1/ The statement was submitted to the Commission as Action Jacket No. OP1-80-013.

2/ Table 26 of the Report.

3/ Table 4 of the Report.

SUPPORTING STATEMENT BY THE DIRECTOR OF OPERATIONS FOR A NEGATIVE DETERMINATION IN SODIUM HYDROXIDE, IN SOLUTION (LIQUID CAUSTIC SODA), FROM THE FEDERAL REPUBLIC OF GERMANY (NO. 731-TA-8 (PRELIMINARY)), FRANCE (NO. 731-TA-9 (PRELIMINARY)), ITALY (NO. 731-TA-10 (PRELIMINARY)), AND THE UNITED KINGDOM (NO. 731-TA-11 (PRELIMINARY)).

1. Notwithstanding the relatively high LTFV margins that were found for all four countries in Treasury's initial investigatory activities, the best information available on pricing indicates that in the Northeast area of the United States, where imports are concentrated, by far the lowest priced suppliers to distributors of 50 percent solution sodium hydroxide are large U.S. producers that supply the region from their domestic production facilities. This situation, in which both imports and the smaller U.S. producers are undersold by large amounts by their larger domestic competitors in the Northeast region indicates that any price suppression or price depression that may have occurred has not occurred as a result of alleged LTFV imports.
2. The ratio of imports from the four countries to U.S. consumption remained at low levels, increasing from 0.85 percent in 1976 to 1.74 percent in 1978. The ratio dropped from 1.78 percent in January-October 1978 to 0.87 percent in January-October 1979.
3. Available data show that total shipments by reporting U.S. producers increased from 3.3 million short tons in 1976 to 4.9 million short tons in 1978. In addition, total shipments by U.S. producers increased from 4.4 million short tons in January-November 1978 to 5.1 million short tons in January-November 1979.
4. Total U.S. production of sodium hydroxide in solution increased from 10.0 millions short tons in 1976 to 10.7 million short tons in 1978.⁶ Total U.S. production increased from 8.8 million short tons in January-October 1978 to 10.2 million short tons in January-October 1979.

5. From January–November 1978 to the corresponding period in 1979 the aggregate net profit of those firms providing complete financial data to the Commission increased substantially.
6. Available data show that the overall total for domestic sales of all grades of sodium hydroxide increased from 1976 to 1977.
7. Domestic capacity utilization decreased from 1976 to 1977 but increased since 1977 to a level in 1979 higher than that of any of the preceding years examined.
8. Although the complainant asserted that these investigations should be decided on a regional market basis, I have found that the Northeast area, where all the complainants' production facilities were, until recently, located, and where all of the complainants' sales as well as sales of alleged LTFV imports are concentrated, does not qualify for the definition of a regional market under the antidumping statutes because it is served to a large extent by U.S. producers whose production facilities are located outside the region, primarily in the Gulf Coast States.
9. The complainant, Linden Chemicals & Plastics, Inc., represents only a minimal percentage of total domestic production of merchandise that is the subject of these investigations, and was joined in its complaint by no other U.S. producers.
10. Notwithstanding its claim of injury from alleged LTFV imports, Linden Chemicals & Plastics, Inc., during the period under investigation, purchased three new production facilities for sodium hydroxide, one of which is located in the Northeast area that Linden asserts is subject to the greatest impact from the subject imports.

11. Conclusion--On the basis of the above, I recommend a negative determination as to whether there is a reasonable indication of injury with respect to sodium hydroxide in solution which is alleged to be sold at less than fair value from the countries concerned.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On January 4, 1980, the United States International Trade Commission received notice from the U.S. Department of Commerce that, in accordance with the Trade Agreements Act of 1979, with respect to sodium hydroxide from the Federal Republic of Germany (West Germany), France, Italy, and the United Kingdom, initiation of antidumping investigations by the Department of the Treasury had occurred but no preliminary or final determinations had been made (prior to January 1, 1980). ^{1/} Therefore Commerce referred the four investigations to the U.S. International Trade Commission for determinations of whether, with respect to the merchandise involved, there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise allegedly sold or likely to be sold at less than fair value (LTFV).

Accordingly, effective January 1, 1980, the Commission instituted investigations No. 731-TA-8 (Preliminary) with respect to imports from West Germany, No. 731-TA-9 (Preliminary) with respect to imports from France, No. 731-TA-10 (Preliminary) with respect to imports from Italy, and No. 731-TA-11 (Preliminary) with respect to imports from the United Kingdom under section 733(a) of the Tariff Act of 1930 as added by title I of the Trade Agreements Act of 1979 to determine, with respect to sodium hydroxide, in solution (liquid caustic soda), provided for in item 421.08 of the Tariff Schedules of the United States (TSUS), whether there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise allegedly sold or likely to be sold at less than fair value.

In connection with these investigations, a conference was held in Washington, D.C., on January 31, 1980. By statute the Commission must make its determinations within 45 days of the effective date of title VII of the Tariff Act of 1930 or, in this case, by February 14, 1980.

Notice of the institution of the Commission's investigations and of the time and place of the conference was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and the Commission's New York Office, and by publishing the original notice in the Federal Register of January 14, 1980 (45 F.R. 2715). ^{2/}

^{1/} A copy of Commerce's letter is presented in app. A.

^{2/} A copy of the Commission's notice of investigation and conference is presented in app. B.

On March 13, 1979, the Department of the Treasury determined that a petition in proper form had been received from Linden Chemicals & Plastics, Inc. (LCP), alleging that sodium hydroxide, in solution, from the Federal Republic of Germany, France, Italy, and the United Kingdom is being, or is likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Treasury's Antidumping Proceeding Notice was published in the Federal Register of April 20, 1979 (44 F.R. 23622). There has been no withholding of appraisement of the alleged LTFV imports either by the Department of the Treasury prior to January 1, 1980, or by the Department of Commerce since January 1, 1980.

On September 18, 1979, Treasury published a notice in the Federal Register (44 F.R. 54150) pursuant to section 201(b)(2) of the Antidumping Act, 1921, that the determination of sales at LTFV provided for in section 201(b)(1) could not reasonably be made within 6 months, and that the investigatory period would be extended by 3 months. However, since such extension would bring these cases under the timetable dictated by section 102(b)(1) of the Trade Agreements Act of 1979, the mandatory date for preliminary determinations on sales at LTFV is May 20, 1980.

Because the investigations by Treasury were not completed before the effective date (January 1, 1980) of the Trade Agreements Act, Treasury's investigations were terminated under the provisions of that act and self-initiated by the Department of Commerce on January 1, 1980, as new investigations. In the event that the Commission reaches negative determinations in its preliminary investigations, the investigations by Commerce will automatically terminate.

Information and Allegations Contained in the Petition

Linden Chemicals & Plastics, Inc., of Cranford, N.J., initially wrote to the Commissioner of Customs on December 22, 1978, alleging that liquid caustic soda (sodium hydroxide, in solution) is being dumped in the United States and that, as a consequence, an industry in the United States is being injured. 1/ Subsequent to the initial letter, additional information was provided to Treasury, and on March 13, 1979, Treasury considered the petition to be complete and in proper form. At the time the complaint was made, the petitioner was a 6-year old company employing about 300 persons in the production of chlorine, sodium hydroxide, hydrochloric acid, anhydrous hydrogen chloride, and polyvinyl chloride pipe and fittings. The petition stated that LCP was the smallest member of the chlor-alkali industry and that its market was limited to the Northeastern United States. (Since the filing of the petition, LCP has purchased three sodium-hydroxide- and chlorine-producing plants from Allied Chemical Corp.; the three plants are located in New York, North Carolina, and Georgia.

1/ A copy of the petitioner's letter is presented in app. C, along with a copy of Customs' questionnaire that was returned by the petitioner.

The petition claims that imports into the Northeast during 1976-78 steadily increased. It asserts that certain imports of sodium hydroxide were valued significantly below the manufacturers' costs and/or selling price in the producing country. It claims that the effect of these imports has been felt by all domestic producers, but that the brunt of the impact has been on LCP, which has lost a significantly higher proportion of its sales and profits. The petitioner further claims that imports supply about 25 percent of the demand in the Northeast.

LCP alleges that before a ship arrives there is a flurry of activity to empty storage tanks to receive the new material, and that this results in price depression. It states that the market price dropped from \$185 per short ton to \$130 per short ton during 1976-78, and that the prevailing prices for imports are now substantially below the costs of the foreign producers and are approaching LCP's own costs.

Additional Information Gained From the Treasury/Commerce File

Because Treasury did not officially complete its investigations before the effective date of the Trade Agreements Act of 1979 (January 1, 1980), there has been no formal notification to the Commission of the extent of LTFV sales. The following data relating to the nature and extent of LTFV sales were obtained from the Treasury/Commerce file on these investigations. Treasury's LTFV investigations were virtually completed prior to December 31, 1979, although no official preliminary or final determinations were made, and it is likely that any additional LTFV investigation by the Department of Commerce would have results that are essentially the same as those presently on file, with the possible exception of LTFV margins for imports from Italy. During Treasury's investigation no home-market-price data for Italy were received; if such data for Italy are received by Commerce, the level of margins calculated by Treasury/Commerce would be adjusted (quite possibly downward).

Treasury's LTFV investigations were based on an examination of sodium hydroxide from West Germany and the United Kingdom during the 6-month period November 1, 1978, through April 30, 1979; from France during the 12-month period May 1, 1978, through April 30, 1979; and from Italy during the 9-month period January 1, 1978, through September 30, 1978. In this section of the report, the most recent unofficial findings of Treasury/Commerce, as found in the Treasury/Commerce file, are referred to as LTFV findings.

Possible LTFV sales from West Germany

* * * * *

Table 1.--Sodium hydroxide: Summary of LTFV sales examined by Treasury/Commerce

Source and exporter	Basis of comparison 1/	Percent of value of exports to U.S. examined by Treasury	Percent of value of exports found to be sold at LTFV	Estimated LTFV margins				Period of investigation
				As a share of exporter's sales price or purchase price 2/	As a share of home-market price (fair-market price) 3/	Range	Weighted average	
West Germany:								
Chemische Werke								
Huels AG-----	***	***	***	***	***	***	***	Nov. 1, 1978- Apr. 30, 1979
France:								
Rhone-Poulenc								
Petrochemie-----	***	***	***	***	***	***	***	May 1, 1978- Apr. 30, 1979
Italy:								
Montedison S.P.A----	***	***	***	***	***	***	***	Jan. 1, 1978- Sept. 30, 1978
United Kingdom:								
Imperial Chemical								
Industries, Ltd.--	***	***	***	***	***	***	***	Nov. 1, 1978- Apr. 30, 1979

1/ (A) Purchase price versus home-market price; (B) Exporter's sales price versus home-market price.

2/ As calculated by Treasury/Commerce.

3/ As calculated by the U.S. International Trade Commission.

4/ ***.

5/ ***.

Source: Compiled from data in the Treasury/Commerce file.

Possible LTFV sales from France

* * * * *

Possible LTFV sales from Italy

* * * * *

Possible LTFV sales from the United Kingdom

* * * * *

The Product

Description and uses

Sodium hydroxide (also known as caustic soda) is one of the principal products of the chlor-alkali industry, 1/ and is one of the largest volume chemicals produced. It is an inorganic chemical (as opposed to a petrochemical) and in the dry anhydrous form is a white, crystalline solid. Some sodium hydroxide is marketed and used in this form, but most (i.e., more than 90 percent) is sold in water solution.

Sodium hydroxide is produced almost entirely by the electrochemical decomposition of sodium chloride (common salt) in electrolytic cells. In this process, chlorine is generated as a coproduct in the unalterable ratio of 1 ton of chlorine to 1.1 tons of sodium hydroxide. A small amount of hydrogen is also generated. There are three types of electrolytic cells used in the United States to produce sodium hydroxide: diaphragm cells, which contain a purity-maintaining diaphragm of asbestos and account for about 72 percent of production; mercury cells, which employ liquid mercury metal as one electrode and account for about 28 percent of production; and membrane cells, which account for less than 1 percent of production. 2/ Membrane cells are still largely in the developmental stage.

Diaphragm cells can use either solid salt or brine, and are often located near salt brine fields. Although they use less electricity than mercury cells, the output from diaphragm cells contains a lower concentration of sodium hydroxide in solution (about 10 to 11 percent) along with a high concentration of salt. Further processing is needed to concentrate the solution, by evaporation, to 50 percent sodium hydroxide and to reduce the salt content to about 1 percent. Evaporation uses considerable energy in the form of fuel; however, in the United States, the total energy costs for the diaphragm cell process versus the mercury cell process about balance out.

Mercury cells require solid salt as the raw material. This type of cell is the predominant type used in Europe, where salt has traditionally been shipped in the solid form and where there may be less concern about the toxic effects of mercury. The sodium hydroxide industry is highly energy intensive and capital intensive. Mercury cells use more electricity than diaphragm cells, but produce a relatively pure 50 percent sodium hydroxide solution which needs little further processing for most uses.

Sodium hydroxide is marketed in three basic grades: in 50 percent solution, which is by far the major one; in 73 percent solution; and in solid anhydrous form. Within these basic grades are a number of grades based on purity or, in the case of the solid material, physical form. Although the cost of shipping the 50 percent solution (relative to its sodium hydroxide content) is higher than that for the 73 percent solution or solid form; rather

1/ A name derived from the major products, chlorine and sodium hydroxide, a major alkali material.

2/ Chemical Purchasing, April 1978.

than being a disadvantage, this is often more than offset by the high cost of producing the more concentrated forms and the greater difficulty in handling them, which can involve special heating equipment or tanks for dissolving the solid material. Other factors to be considered in selecting the optimum concentration of sodium hydroxide are storage facilities, distance of shipments, and volume used.

Because sodium hydroxide and chlorine are produced in a fixed ratio, the demand balance is a highly important issue affecting their level of production. A substantial change in the demand for either will affect the other, sometimes causing a condition of shortage or glut. Oversupply can be particularly troublesome, since neither can be easily stored over a long period because of its extremely corrosive nature or large volume. Sodium hydroxide is used mostly in the processing of other chemicals, principally organics. Its next single largest use is in pulp and paper processing. For some uses, sodium hydroxide competes, mostly on the basis of price, with sodium carbonate (soda ash), which is principally produced from natural products rather than synthetically. This substitutability can alleviate the aforementioned conditions of shortage or glut to some degree.

Data from Chemical Purchasing (October 1979) show the approximate consumption pattern for sodium hydroxide, which has changed very little during the last several years:

End use	Percent of total
Chemical processing	40
Pulp and paper	20
Petroleum	4
Aluminum	4
Soap and detergents	4
Rayon and cellophane	3
Textiles	2
Miscellaneous	6
Exports	17
Total	100

U.S. tariff treatment

Sodium hydroxide is dutiable under the provisions of item 421.08 of the TSUS at a most-favored-nation (col. 1) rate of 0.15 cent per pound. (The ad valorem equivalent (AVE) of this rate, based on total dutiable imports of sodium hydroxide in 1978, is 3.8 percent.) This rate, which represents the first of four stages of a concession granted under the Tokyo round of the Multilateral Trade Negotiations under the General Agreement on Tariffs and Trade (GATT), has been in effect since January 1, 1980. Imports of sodium hydroxide will become free of duty under column 1 on January 1, 1986. Prior

to January 1, 1980, the column 1 rate of duty was 0.2 cent per pound (5.1 percent AVE, based on 1978 imports). Imports of sodium hydroxide from the least developed developing countries became eligible on January 1, 1980, for the full effect (duty-free) of the negotiated tariff reduction without staging. In addition, imports of sodium hydroxide from all beneficiary developing countries have been eligible for duty-free treatment under the Generalized System of Preferences since 1976. The statutory (col. 2) rate of duty, applicable to imports from certain designated Communist-dominated countries, is 0.5 cent per pound (12.7 percent AVE, based on 1978 imports).

Channels of distribution

Sodium hydroxide for the domestic market is shipped by three types of transport: rail (65 percent of the total); barges or sea-going tankers (25 percent); and tank truck (10 percent). 1/ Freight costs are an important part of the price to the purchaser, amounting to about 20 percent of the total costs. 2/ Trades or swaps are common in the sodium hydroxide industry, and serve to minimize freight costs in some cases. For example, a producer whose plant is located in one area and has a customer located far from his plant but close to a competing producer may have the buyer supplied from stocks of his competitor. In return, the roles of seller and supplier would be reversed for certain other sales.

Most of the output of sodium hydroxide is sold, but about 20 percent is consumed internally by its producers. 2/ A large market for sodium hydroxide is the Eastern United States, particularly the Northeast, which is an easily accessible area for European imports. In addition, gulf coast producers are easily able to ship sodium hydroxide to this area. Shipments from both the gulf coast and Europe ordinarily go into storage tanks in the Northeast and are sold f.o.b. these tanks. Generally, sales of the domestic product are f.o.b. plant, sometimes with freight equalized with another producing point.

In the New England area, according to the petitioner, 80 percent of sales are through distributors of sodium hydroxide; this may vary from area to area. Imports of sodium hydroxide usually go from importers to distributors.

U.S. Producers of Sodium Hydroxide

Producers

At the beginning of 1980, there were 32 U.S. producers of sodium hydroxide operating 57 plants in 23 States (table 2). In addition, several pulp and paper companies produce some sodium hydroxide for their own consumption. The bulk of production occurs in Texas and Louisiana, which together have more than 60 percent of the total production capacity. The next-largest state in terms of productive capacity (5.6 percent) is Alabama.

1/ Chemical Purchasing, April 1978.

2/ Ibid.

Table 2.--Sodium hydroxide: Number of producing plants and production capacity, by States, for 1980

State	Number of plants	Production capacity	
		Quantity : 1,000 : short tons: : per year	Share of : total : Percent
Alabama-----	4	841	5.6
California-----	1	275	1.8
Delaware-----	1	177	1.2
Georgia-----	3	274	1.8
Illinois-----	1	49	.3
Indiana-----	1	60	.4
Kansas-----	1	201	1.3
Kentucky-----	2	272	1.8
Louisiana-----	9	4,384	29.2
Maine-----	1	87	.6
Michigan-----	4	657	4.4
Nevada-----	1	141	.9
New Jersey-----	2	161	1.1
New York-----	3	510	3.4
North Carolina-----	2	98	.7
Ohio-----	1	121	.8
Oregon-----	1	207	1.4
Tennessee-----	1	275	1.8
Texas-----	9	4,837	32.2
Virginia-----	1	35	.2
Washington-----	4	554	3.7
West Virginia-----	3	742	4.9
Wisconsin-----	1	81	.5
Total-----	57	15,039	100.0

Source: Compiled from 1979 Directory of Chemical Producers, United States of America, SRI International, and from information received from U.S. producers.

Note.--In addition to data shown above, there are 2 plants each in Illinois and New York and 1 plant each in Pennsylvania, Missouri, and Texas, for which data on production capacity are not available. The output of these plants is estimated to be minor.

The Northeast (New England and the States of New Jersey, New York, Pennsylvania, Delaware, and Maryland) accounts for only 6.3 percent of total U.S. production capacity. Although the Northeast is a large market for sodium hydroxide, it is more expensive to produce there than in the Gulf Coast States because of higher electricity costs.

Domestic producers range from large integrated chemicals producers to small firms whose only output is sodium hydroxide and chlorine. There are basically three types of sodium hydroxide producers: those that upgrade coproduct chlorine to chlorinated solvents; aluminum firms that consume sodium hydroxide internally; and totally merchant firms that sell all their output of sodium hydroxide and chlorine.

In addition to an increase in overall annual capacity of 66,000 short tons per year (or 0.4 percent) from 1979 to 1980, other recent changes in the sodium hydroxide market include the ceasing of production by the Ethyl Corp., which used sodium hydroxide in producing tetraethyl lead; the planned construction of a new plant by Convent Chemical Corp., Convent, La.; the planned expansion of plants by at least two other firms; and the purchase by Linden Chemicals & Plastics, Inc. (the petitioner), of three plants from Allied Chemical Corp.

The question of the existence of a regional industry in the Northeastern States

Title VII, section 771(4) of the Tariff Act of 1930, as added by title I of the Trade Agreements Act of 1979, provides, with respect to regional industries in antidumping and countervailing duties investigations:

"(C) Regional industries.--In appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if--

"(i) the producers within such market sell all or almost all of their production of the like product in question in that market, and

"(ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States.

In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry even if the domestic industry as a whole, or those producers whose collective output of a like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of subsidized or dumped imports into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened by material injury,

or if the establishment of an industry is being materially retarded, by reason of the subsidized or dumped imports.

In its complaint, and in its testimony in the Commission's conference, 1/ LCP alleged the existence of a regional industry in the Northeastern States and that LCP was being injured by LTFV imports into the Northeast area of the United States, the only area in which it sells sodium hydroxide. Other testimony at the conference asserted that, since the Northeast market is served not only by imports and the few domestic producers there, but also by substantial quantities of shipments from other areas of the United States—particularly from the Gulf Coast—the Northeast region does not qualify as a regional market as contemplated by the antidumping statutes. 2/

In order to address the question of whether or not there is a regional industry for sodium hydroxide within the meaning of the antidumping statutes, and the impact of alleged LTFV imports therein, U.S. producers and importers were requested, by questionnaire, to supply data on their sales within the Northeast area of the United States. 3/ * * * U.S. producers—accounting for about * * * percent of total U.S. production capacity—were able to supply such data for 1976 and 1977 and * * * U.S. producers—accounting for about * * * percent of total U.S. production capacity—were able to supply such data for 1978 and January–November 1979. Importers accounting for about * * * percent of total U.S. imports in 1978 of alleged LTFV sodium hydroxide were also able to respond to this section of the Commission's questionnaire. 4/

According to responses to the Commission's questionnaires, sales of domestically produced sodium hydroxide in 50 percent solution, in the Northeast area, were reported to amount to 690,000 short tons in 1976, 576,000 short tons in 1977, 626,000 short tons in 1978, 568,000 short tons in January–November 1978, and 544,000 short tons in January–November 1979, as shown in table 3. For the * * * firms reporting sales to the Northeast area in 1976 and 1977, however, the sodium hydroxide production capacities of their plants located in the Northeastern States were 390,000 short tons per year, and of the * * * that reported their Northeast area sales for 1978 and 1979, their capacity to produce sodium hydroxide in their Northeastern area plants amounted to 530,000 short tons in 1978 and 642,000 short tons in 1979. As reported above, total sales of domestically produced sodium hydroxide in the Northeast area exceeded the reporting producers' local capacity to produce the merchandise during each period except January–November 1979.

1/ See statement of William Crate, Vice President of Marketing, Linden Chemicals & Plastics, Inc., transcript p. 6.

2/ See for example, statements of: Frederick Waite, on behalf of Chemische Werke Huels, and Ery Magasanik, Senior Vice President, Sobin Chemicals, in transcript of the conference, p. 6; and Richard Adams, President, TCI Chemicals, in transcript of the conference, p. 50.

3/ The Northeast area of the United States includes the New England States, and the States of New York, New Jersey, Pennsylvania, Delaware, and Maryland.

4/ The ratio of alleged LTFV imports to apparent consumption for the Northeast area in 1978 for reporting producers and importers was 12.1 percent.

Table 3.--Sodium hydroxide: Sales of domestically produced and imported merchandise to the Northeast area, by firms, 1976-78, January-November 1978, and January-November 1979

(In short tons)						
Item	1976	1977	1978	January-November		
				1978	1979	
Domestically produced:						
* * *						
Total ^{4/} -----	689,513	576,458	626,207	567,889	544,158	
Imported:						
* * *						
Total-----	17,639	30,131	86,423	34,937	27,305	
Grand total-----	707,152	606,589	712,630	602,826	571,463	

^{1/} Not available.

^{2/} Data include 50 percent solution only.

^{3/} ICI purchased its sodium hydroxide operations on Sept. 18, 1978.

^{4/} The sodium hydroxide capacities of the Northeast plants of the firms reporting sales of sodium hydroxide were 390,000 short tons in 1976 and 1977, 530,000 short tons in 1978, and 642,000 short tons in 1979. Total reported sales to the Northeast (by U.S. producers of their U.S. produced merchandise) exceeded the capacities of the Northeast plants in all periods but 1979. Such sales were 1.8 times as great as the capacity in 1976, 1.5 times as great in 1977, 1.2 times as great in 1978, and 1.2 times as great in January-November 1978 (based on 11 months capacity). The Northeast capacity for sodium hydroxide production for the producers reporting Northeast sales in January-November 1979 was 588,500 short tons (based on 11 months capacity) and was 7 percent greater than sales of domestic merchandise to that area.

^{5/} Data are for 6 months only.

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

The existence in the Northeast area of consumption of domestic sodium hydroxide in excess of local production indicates considerable shipments into the area of sodium hydroxide produced in other parts of the United States during 1976, 1977, and 1978. Total reported sales to the Northeast by reporting U.S. producers of their U.S. produced merchandise exceeded the capacity of those producers' plants by 80 percent in 1976, 50 percent in 1977, and 20 percent in 1978. During January-November 1979, however, local capacity was 7 percent greater than sales of domestic merchandise to the area. Since the overall ratio of U.S. production to U.S. capacity to produce sodium hydroxide in January-November 1979 was only 80.7 percent (as shown in table 8) it is likely that Northeast area sales of domestically produced merchandise still exceeded local capacity in the area by a considerable margin. ^{1/} In addition, it should be noted that some sales are made by U.S. producers from their Northeast plants to markets outside the Northeast, including sales to export markets, thereby increasing the reliance of the Northeast area on shipments of domestic merchandise produced in other areas of the United States to satisfy the Northeast area's consumption requirements.

Production capacity and capacity utilization

During 1976-80, annual U.S. production capacity for sodium hydroxide increased from 12.5 million short tons to 15.0 million short tons (table 4), or by about 20 percent. Capacity utilization during 1976-79 ranged from 75.2 percent in 1977 to 81.3 percent in 1979.

Four companies (Dow Chemical U.S.A., Diamond Shamrock Corp., PPG Industries, Inc., and Hooker Chemical Corp.) account for 60 percent of total production capacity (table 5). Dow Chemical U.S.A. alone accounts for 33 percent.

Nine selected U.S. producers, accounting for * * * percent of U.S. capacity as reported by SRI, were requested by the Commission to report their estimated practical rated capacity for production of sodium hydroxide, by process. Practical rated capacity was based on operation of 24 hours a day, 7 days a week, with allowance for anticipated maintenance and downtime. ^{2/} Such data, shown in table 6, indicate a general increase in production capacity for these companies * * *. Despite a decline in capacity from 1976 to 1977, overall capacity in 1978 * * * was about 6 percent higher than in 1976, and was slightly higher in January-November 1979 than in January-November 1978. This increase is all accounted for by diaphragm cell capacity; mercury cell capacity actually declined. Table 7 also indicates a growth in the share of the total capacity accounted for by diaphragm cells. According

^{1/} It should be noted that actual production in the Northeast area probably falls substantially short of the production capacity in the area because of considerable underutilization of capacity.

^{2/} The production capacity reported for individual producers varies somewhat between that reported in the Commission's questionnaires and that reported by SRI's Directory of Chemical Producers, United States of America. * * *. In addition, reduction in capacity occurring as a result of fires, strikes, and other unscheduled shutdowns reduce the capacity as reported to the Commission and do not affect the nameplate capacity published by SRI.

Table 4.--Sodium hydroxide: U.S. production, production capacity, and capacity utilization, 1976-79

Year	Production	Production capacity	Capacity utilization
	<u>1,000 short tons</u>	<u>1,000 short tons</u>	<u>Percent</u>
1976-----	9,986	12,473	80.1
1977-----	10,343	13,761	75.2
1978-----	10,746	13,866	77.2
1979-----	<u>1/</u> 12,184	14,973	<u>1/</u> 81.3

1/ Estimated from data for January-October 1979.

Source: Production, compiled from official statistics of the U.S. Department of Commerce; capacity, compiled from SRI International, Directory of Chemical Producers, United States of America.

Note.--The figures shown for production capacity are as of the beginning of each year. As the result of changes in 1979, production capacity for the beginning of 1980 was 15,039 thousand short tons.

Table 5.--Sodium hydroxide: Production capacity, by principal producers, 1980

Producer	Production capacity	
	Quantity	Share of total
	:1,000 short:	
	tons	Percent
Dow Chemical U.S.A.-----	4,931	32.8
Diamond Shamrock Corporation-----	1,460	9.7
PPG Industries, Inc.-----	1,385	9.2
Hooker Chemical Corporation-----	1,227	8.2
Olin Corporation-----	1,043	6.9
BASF Wyandotte Corporation-----	621	4.1
Pennwalt Corporation-----	539	3.6
Linden Chemicals & Plastics, Inc-----	449	3.0
Vulcan Materials Company-----	441	2.9
Georgia-Pacific Corporation-----	443	2.9
DuPont-----	396	2.6
Stauffer Chemical Company-----	384	2.6
FMC Corporation-----	315	2.1
Kaiser Aluminum & Chemical Corporation-----	232	1.5
ICI Americas, Inc-----	189	1.3
Aluminum Co. of America-----	187	1.2
Weyerhaeuser Company-----	153	1.0
The B. F. Goodrich Company-----	140	.9
Allied Chemical Corporation-----	106	.7
IMC Chemical Group-----	87	.6
Shell Chemical Company-----	84	.6
All other-----	237	1.6
Total-----	15,039	100.0

Source: Compiled from SRI International, Directory of Chemical Producers, United States of America, and from information received from domestic producers.

Table 6.--Sodium hydroxide: U.S. producers' estimates of practical rated production capacity, by manufacturing processes and by firms, 1976-78, January-November 1978, and January-November 1979

(In short tons)						
Manufacturing process and firm	1976	1977	1978	January-November--		
				1978	1979	

* * * * *

Total-----: 4,366,780 : 4,315,080 : 7,067,080 : 6,395,823 :6,460,432

* * * * *

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

Note.--practical rated capacity is based on operation 24 hours a day, 7 days a week.

Table 7.--Sodium hydroxide: Share of each U.S. producers' estimates of its practical rated production capacity accounted for by the diaphragm cell process, by firms, 1976-78, January-November 1978, and January-November 1979

(In percent)							
Firm	:	1976	:	1977	:	1978	January-November--
							1978
*	*	*	*	*	*	*	*
Average-----	:	65.4	:	65.3	:	75.7	75.5 : 77.1
	:		:		:		
*	*	*	*	*	*	*	*

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

to Linden Chemicals & Plastics, Inc., it manufactures sodium hydroxide only by the mercury cell process, which provides a product of higher quality, but also commands a premium price of as much as 10 percent more than that of the diaphragm cell product. ^{1/} At the Commission's conference, Linden stated that it had not yet seen fit to build diaphragm cell capacity. However, nearly all U.S. capacity built in recent years has been for diaphragm cell production according to other testimony before the Commission. This process is more energy efficient and produces less detrimental pollutants. In addition, the testimony continued, the higher quality sodium hydroxide produced by the mercury cell process is required in only a very small part of the U.S. market--the pharmaceutical industry. ^{2/}

The ratio of capacity utilization (table 8) as compiled from responses to the Commission's questionnaires declined from 78.6 percent in 1976 to 72.7 percent in 1978, and then rose to 80.7 percent in January-November 1979.

Consideration of Material Injury or the Likelihood Thereof

U.S. consumption

Apparent domestic consumption of sodium hydroxide increased from less than 9.2 million short tons in 1976 to 9.5 million short tons in 1977, but declined to slightly more than 9.2 million short tons in 1978. Apparent domestic consumption in 1978 was only 1 percent above the 1976 level (table 9). For January-October 1979, however, apparent consumption of sodium hydroxide amounted to 9.1 million short tons, or 22 percent more than the 7.5 million short tons consumed during January-October 1978.

^{1/} See statement of William Crate, Vice President of Marketing, Linden Chemicals & Plastics, Inc.; in transcript of the conference, page 10.

^{2/} See statement of Frederick Waite, on behalf of Chemische Werke Huels, and Ery Magasanik, Senior Vice President, Sobin Chemicals, in transcript of the conference, p. 59.

Table 8.--Sodium hydroxide: Ratios of production to practical rated capacity (capacity utilization), by manufacturing processes and by firms, 1976-78, January-November 1978, and January-November 1979

(In percent)						
Manufacturing process and firm	1976	1977	1978	January-November		
				1978	1979	

* * * * *

Total-----	78.6	76.3	72.7	73.6	80.7
------------	------	------	------	------	------

* * * * *

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

Table 9.--Sodium hydroxide: U.S. production, exports, imports, and apparent consumption, 1976-78, January-October 1978, and January-October 1979

Period	Production	Exports	Imports			Apparent consumption	Ratio to apparent consumption of imports--		
			From all- leged LTFV countries	From all other countries	From all countries		From all- leged LTFV countries	From all other countries	From all countries
	-----1,000 short tons-----						-----Percent-----		
1976-----	9,986	979	78	68	146	9,153	0.85	0.74	1.6
1977-----	10,343	1,125	133	115	248	9,466	1.41	1.21	2.6
1978-----	10,746	1,789	161	122	283	9,240	1.74	1.32	3.1
Jan.-Oct.---									
1978-----	8,808	1,569	133	102	235	7,474	1.78	1.36	3.1
1979-----	10,153	1,166	80	80	160	9,147	.87	.87	1.7

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

U.S. production

Production of sodium hydroxide increased regularly from just below 10.0 million short tons in 1976 to 10.7 million short tons in 1978, or by 7.6 percent (table 10). Production of sodium hydroxide amounted to 10.2 million short tons during January-October 1979, representing an increase of 15 percent over the 8.8 million short tons produced during the corresponding period of 1978.

Sodium hydroxide in 50 percent solution accounted for 92 to 95 percent of total domestic production in 1976 and 1977 (data are not available for 1978). The production of dry (anhydrous) sodium hydroxide, which is made from sodium hydroxide in solution, dropped from 608,000 short tons in 1976 (equal to about 6.1 percent of the volume of production of the solution grades) to 323,000 short tons (equal to about 3.0 percent of production of sodium hydroxide in solution) in 1978, or by 47 percent. However, production of dry sodium hydroxide during January-October 1979 (344,000 short tons) was 27 percent greater than during the corresponding period of 1978, which was equivalent to about 3.0 percent of the volume of production of the solution grades in both periods.

For domestic producers responding to the Commission's questionnaires, production of sodium hydroxide * * * in general dropped about 3 percent from 1976 to 1977, but recovered in 1978 to about 2 percent above the level of 1976 (table 11). Production during January-November 1979 was about 12 percent higher than during the corresponding period of 1978. The bulk of production was by the diaphragm cell process, as is an increasing proportion of production.

Shipments of sodium hydroxide by domestic producers are mostly commercial shipments (table 12). The data furnished by respondents to the Commission's questionnaires indicate a decline in the average ratio of intracompany shipments (captive consumption) to total shipments since 1976. Captive consumption by respondents accounted for * * * percent of total shipments in 1976 (* * *) but declined to only * * * percent during January-November 1979 (* * *). This ratio, * * *, was * * * percent in 1978 and * * * percent in January-November 1979. * * *, the ratio of captive consumption to total shipments amounted to * * * percent during January-November 1979. 1/

Domestic sales reported by respondents to the Commission's questionnaire were mostly of sodium hydroxide in 50 percent solution (table 13), which accounted for 89 percent of the total during January-November 1979.

1/ Chemical Purchasing, April 1978, reported that about 20 percent of total U.S. output of sodium hydroxide is consumed captively by its producers (see page A-9).

Table 10.--Sodium hydroxide: U.S. production, by grades, 1976-78,
January-October 1978, and January-October 1979

(In thousands of short tons)

Period	Sodium hydroxide in solution			Total	Dry (anhydrous) sodium hydroxide
	: 50 percent: : solution :	: 73 percent: : solution :	:		
1976-----	: 9,486 :	: 500 :	: 9,986 :	: 608	
1977-----	: 9,484 :	: 859 :	: 10,343 :	: 604	
1978-----	: 1/ :	: 1/ :	: 10,746 :	: 323	
January-October--	:	:	:	:	
1978-----	: 1/ :	: 1/ :	: 8,808 :	: 270	
1979-----	: 1/ :	: 1/ :	: 10,153 :	: 344	
	:	:	:	:	

1/ Not available.

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

Note.--Total figures for sodium hydroxide in solution represent total production, including quantities later evaporated to produce dry sodium hydroxide.

Table 11.--Sodium hydroxide: U.S. production, by grades and by firms, 1976-78,
January-November 1978, and January-November 1979

(In short tons)						
Grade and firm	1976	1977	1978	January-November--		
				1978	1979	
50 percent solution:						
*	*	*	*	*	*	*
Total-----	3,054,245	2,915,189	4,493,977	4,095,768	4,473,850	
*	*	*	*	*	*	*
Total:						
*	*	*	*	*	*	*
Total-----	3,434,257	3,290,603	5,134,543	4,704,978	5,211,561	
*	*	*	*	*	*	*

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

Table 12.--Sodium hydroxide: U.S. producers' intracompany shipments (captive consumption), other shipments, and total shipments, 1976-78, January-November 1978, and January-November 1979

Period	: Intracompany : : shipments :	: Other : : shipments :	: Total : : shipments :	: Ratio of intracompany : : shipments to : : total shipments :
	:-----Short tons-----:			<u>Percent</u>

* * * * * *

Table 13.--Sodium hydroxide: Domestic sales by U.S. producers, by grades, 1976-78, January-November 1978, and January-November 1979

Grade and firm	1976	1977	1978	January-November--	
				1978	1979
Quantity (short tons)					
50 percent solution:					
* * *					
Total-----	2,566,365	2,588,113	3,389,960	3,109,419	3,320,626
* * *					
Total:					
* * *					
Total-----	2,857,863	2,878,929	3,739,542	3,364,022	3,716,718

Table 13.--Sodium hydroxide: Domestic sales by U.S. producers, by grades, 1976-78, January-November 1978, and January-November 1979--Continued

Grade and firm	1976	1977	1978	January-November--	
				1978	1979
Value (1,000 dollars)					
50 percent solution:					
* * *	*	*	*	*	*
Total-----	361,846	347,744	431,802	394,822	378,711
* * *	*	*	*	*	*
Total:					
* * *	*	*	*	*	*
Total-----	407,367	393,916	494,218	435,956	442,639

Table 13.--Sodium hydroxide: Domestic sales by U.S. producers, by grades, 1976-78, January-November 1978 and January-November 1979--Continued

Grade and firm	1976	1977	1978	January-November--	
				1978	1979
Unit value (per short ton)					
50 percent solution:					
* *	*	*	*	*	*
Weighted average----	141.00	134.36	127.28	126.98	114.05
* *	*	*	*	*	*
Total:					
* *	*	*	*	*	*
Weighted average----	142.54	136.83	132.16	129.59	119.09
* *	*	*	*	*	*

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

U.S. exports

U.S. exports of sodium hydroxide increased steadily from just below 1.0 million short tons in 1976 to 1.8 million short tons in 1978, or by 94 percent (table 14). However, during January-October 1979, exports declined by 26 percent from the corresponding period of 1978 (i.e., 1.2 million short tons versus 1.6 million short tons). The principal markets in recent years have included Canada, Australia, Jamaica, and Surinam, which, in 1978, together accounted for 80 percent of total U.S. exports of sodium hydroxide. During January-October 1979, these four countries along with Mexico accounted for 73 percent of exports.

Sodium hydroxide in solution is the principal form exported, usually accounting for more than 90 percent of the total quantity exported annually. The bulk of total exports go to countries that supply a large share of U.S. imports of alumina for the aluminum industry; sodium hydroxide is used in the manufacture of alumina.

As a share of U.S. production, exports increased from 9.8 percent in 1976 to 16.6 percent in 1978, or by 69 percent. However, the share of U.S. production accounted for by exports during January-October 1979 (11.5 percent) was considerably lower than that in the corresponding period of 1978 (17.8 percent). Sodium hydroxide in dry form accounts for a much larger proportion of total exports of sodium hydroxide than it does of domestic production. Exports of solid sodium hydroxide were about 16 percent of domestic production in 1976, but increased to 35 percent of production during January-October 1979. The principal export markets for the solid material during January-October 1979 were China, Indonesia, and Colombia.

Data supplied on exports by respondents to the Commission's questionnaire were incomplete. Of the companies surveyed, * * * (table 15). Sodium hydroxide in 50 percent solution was the principal form exported by these companies, accounting for * * * percent of the total in 1978 and * * * percent of the total during January-November 1979. Exports of dry (anhydrous) sodium hydroxide, although a small portion of the total, were nearly * * * times as large (by quantity) during January-November 1979 as during the corresponding period of 1978. Respondents reported * * *. Total exports by respondents increased by *** percent (by quantity) for January-November 1979 over the corresponding period of 1978.

U.S. imports

U.S. imports of sodium hydroxide increased steadily from 146,000 short tons in 1976 to 283,000 short tons in 1978, or by 94 percent (table 16). However, in January-October 1979, imports of sodium hydroxide amounted to 160,000 short tons, or 32 percent less than the 235,000 short tons reported for the corresponding period of 1978. Although import statistics do not show imports by grades, it is understood that almost all imports are of sodium hydroxide in 50 percent solution; only a small portion are of the solid material.

Table 14.--Sodium hydroxide: U.S. exports of domestic merchandise, by grades and by principal markets, 1976-78, January-October 1978, and January-October 1979

Grade and period	Canada	Australia	Jamaica	Surinam	Mexico	Guyana	Venezuela	Columbia	All other	Total
Quantity (Short tons)										
In solution:										
1976-----	126,065	234,885	142,897	123,526	47,568	33,689	42,025	0	132,335	882,990
1977-----	203,335	315,590	217,514	131,225	31,332	39,156	24,511	2,524	121,545	1,086,782
1978-----	466,932	446,640	318,846	186,805	88,305	57,014	36,371	28,504	78,079	1,707,496
January-October--										
1978-----	429,341	396,260	271,350	163,280	73,747	49,717	36,371	20,617	59,918	1,500,601
1979-----	211,675	240,528	168,973	104,636	122,714	21,947	8,283	24,296	142,266	1,045,318
Solid:										
1976-----	2,050	1,009	1,338	14,518	2,228	0	631	0	74,577	96,351
1977-----	4,509	0	625	0	923	0	0	4,698	27,465	38,220
1978-----	4,473	272	1,239	2	6,071	62	418	4,448	64,344	81,329
January-October--										
1978-----	212	262	1,235	2	5,964	6	324	4,437	56,254	68,696
1979-----	4,777	56	70	56	1,138	1	3,456	12,643	98,673	120,870
Total:										
1976-----	128,115	235,894	144,235	138,044	49,796	33,689	42,656	0	206,912	979,341
1977-----	207,844	315,590	218,139	131,275	32,255	39,156	24,511	7,222	149,010	1,125,002
1978-----	471,405	446,912	320,085	186,807	94,376	57,076	36,789	32,952	142,423	1,788,825
January-October--										
1978-----	429,553	396,522	272,585	163,282	79,711	49,723	36,695	25,054	116,172	1,569,297
1979-----	216,452	240,584	169,043	104,692	123,852	21,948	11,739	36,939	240,939	1,166,188
Value (1,000 dollars)										
In solution:										
1976-----	12,129	27,149	13,957	10,888	4,343	3,711	2,966	-	12,511	87,654
1977-----	20,053	30,362	20,448	15,009	2,494	3,771	2,340	167	12,618	107,262
1978-----	32,965	31,474	20,638	15,589	6,989	3,531	2,060	1,523	6,893	121,662
January-October--										
1978-----	28,948	26,654	16,151	12,573	5,678	2,902	2,060	871	5,608	101,445
1979-----	21,319	19,901	14,991	12,253	9,537	2,190	521	3,075	13,500	97,287
Solid:										
1976-----	291	83	256	1,186	416	-	237	-	10,595	13,264
1977-----	703	-	112	-	142	-	-	458	4,504	5,919
1978-----	577	58	327	2	900	27	73	438	7,921	10,323
January-October--										
1978-----	515	29	326	2	885	4	63	419	6,417	8,660
1979-----	759	22	24	12	221	5	812	1,352	16,259	19,466
Total:										
1976-----	12,420	27,232	14,213	12,074	4,759	3,711	3,203	-	23,106	100,718
1977-----	20,756	30,362	20,560	15,009	2,636	3,771	2,340	625	17,122	113,181
1978-----	33,542	31,532	20,965	15,591	7,889	3,558	2,133	1,961	14,814	131,985
January-October--										
1978-----	29,463	26,683	16,477	12,575	6,563	2,906	2,123	1,290	12,025	110,105
1979-----	22,078	19,923	15,015	12,265	9,758	2,195	1,133	4,427	29,759	116,753
Unit value (per short ton) ^{1/}										
In solution:										
1976-----	\$96.21	\$115.58	\$97.67	\$81.71	\$91.29	\$110.14	\$70.57	-	\$94.55	\$99.27
1977-----	98.62	96.21	94.01	114.33	79.59	96.31	95.46	\$66.05	103.81	98.70
1978-----	70.60	70.47	64.73	83.45	79.15	61.94	56.65	53.41	88.27	71.23
January-October--										
1978-----	67.42	67.26	59.52	77.00	77.15	58.38	56.65	42.26	93.60	67.60
1979-----	100.72	82.74	88.72	117.10	77.72	99.79	62.89	126.57	92.78	93.07
Solid:										
1976-----	141.74	82.37	191.49	81.71	186.66	-	375.14	-	142.07	135.58
1977-----	155.81	-	178.90	-	153.92	-	-	97.49	163.99	154.85
1978-----	128.96	211.92	264.32	737.57	148.21	427.29	175.47	98.40	123.10	126.93
January-October--										
1978-----	131.17	111.50	264.07	737.58	148.39	660.00	195.33	94.43	138.83	126.07
1979-----	158.80	385.85	337.20	212.52	194.16	506.86	234.90	106.95	164.80	161.05
Average:										
1976-----	96.94	115.44	98.54	87.47	95.56	-	75.07	-	111.68	102.84
1977-----	99.86	-	94.25	-	81.71	-	-	83.95	114.90	100.60
1978-----	71.15	70.56	65.50	83.46	83.59	62.34	58.00	59.49	104.01	73.78
January-October--										
1978-----	68.00	67.29	60.45	77.01	82.49	58.44	57.87	51.50	106.94	70.16
1979-----	102.00	82.81	88.82	117.15	78.79	99.99	113.53	119.85	123.52	100.11

^{1/} Calculated from the unrounded figures.

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

Table 15.--Sodium hydroxide: U.S. exports of domestic merchandise, by grades and by firms, 1976-78, January-November 1978, and January-November 1979

Grade and firm	1976	1977	1978	January-November	
				1978	1979
Quantity (short tons)					
*	*	*	*	*	*
Total-----:	*** :	127,477 :	*** :	*** :	819,647
*	*	*	*	*	*

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

Table 16.--Sodium hydroxide: U.S. imports for consumption, by principal sources, 1976-78, January-October 1978, and January-October 1979

Source	1976	1977	1978	January-October--	
				1978	1979
Quantity (short tons)					
Alleged LTFV countries:					
West Germany-----	43,618	57,332	122,779	96,445	61,171
France-----	33,919	20,452	25,854	25,854	9,980
Italy-----	0	44,828	6,590	6,590	108
United Kingdom-----	1/	10,573	5,965	4,032	8,328
Total-----	77,537	133,185	161,188	132,921	79,587
Other countries:					
Canada-----	65,710	80,478	57,355	50,184	56,688
Belgium-----	1,061	12,228	30,306	26,934	16,419
Netherlands-----	0	21,085	26,350	21,111	5,298
Sweden-----	926	1,199	774	652	1,002
All other-----	1,175	637	6,843	3,429	581
Total-----	68,872	115,627	121,628	102,310	79,988
Grand total-----	146,409	248,812	282,816	235,231	159,575
Value (1,000 dollars)					
Alleged LTFV countries:					
West Germany-----	2,524	3,484	6,597	5,301	3,968
France-----	2,367	1,606	1,831	1,831	784
Italy-----	-	2,709	372	372	16
United Kingdom-----	1/	820	450	335	905
Total-----	4,891	8,619	9,250	7,839	5,673
Other countries:					
Canada-----	7,729	9,319	7,522	6,547	6,943
Belgium-----	86	689	2,244	2,007	1,375
Netherlands-----	-	1,420	2,095	1,804	341
Sweden-----	396	627	428	358	550
All other-----	108	103	519	365	73
Total-----	8,319	12,158	12,808	11,081	9,282
Grand total-----	13,210	20,777	22,058	18,920	14,955
Unit value (per short ton) 2/					
Alleged LTFV countries:					
West Germany-----	\$57.86	\$60.77	\$53.73	\$54.96	\$64.86
France-----	69.79	78.53	70.83	70.83	78.58
Italy-----	-	60.43	56.42	56.42	148.38
United Kingdom-----	1/	77.53	75.41	82.99	108.64
Average-----	63.07	64.71	57.38	58.97	71.28
Other countries:					
Canada-----	117.62	115.80	131.12	130.45	122.47
Belgium-----	81.50	56.32	74.06	74.50	83.73
Netherlands-----	-	67.35	79.51	85.46	64.44
Sweden-----	427.20	522.78	533.07	549.30	548.52
All other-----	91.60	162.79	75.78	106.75	126.96
Average-----	120.78	105.14	105.30	108.30	116.04
Average, all sources-----	90.23	83.51	77.99	80.43	93.72

1/ Imports were 32 pounds, valued at \$380, with a unit value of \$11.88.

2/ Calculated from the unrounded figures.

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

Note.--Data include imports of both sodium hydroxide in solution and (dry) anhydrous sodium hydroxide.

Canada and West Germany have been the leading sources of imports of sodium hydroxide in recent years. In terms of quantity, though not in value, West Germany was the leading source of imports in 1978, accounting for more than 43 percent of the total (table 17). Imports of sodium hydroxide from the alleged LTFV countries increased steadily from 78,000 short tons (53 percent of the total) in 1976 to 161,000 short tons (57 percent of the total) in 1978, or by 108 percent. During January-October 1979, imports of sodium hydroxide from the alleged LTFV countries amounted to 80,000 short tons (50 percent of the total) or 41 percent less than the 133,000 short tons (56 percent of the total) reported for the corresponding period of 1978. According to information contained in the Treasury/Commerce file, * * * percent of the examined imports from the alleged LTFV countries were at LTFV prices, based upon such investigation of the imports as had been completed by December 31, 1979.

Among the alleged LTFV countries, West Germany has consistently been the major supplier of imports of sodium hydroxide since 1976; imports from that source ranged from 43 percent of the total quantity imported from these sources in 1977 to 76 percent in 1978. West Germany's share of the alleged LTFV imports was 77 percent in January-October 1979.

U.S. producers' inventories

U.S. producers' inventories, as reported in the responses to the Commission's questionnaires, were * * * short tons in 1976 and increased to 262,000 short tons in 1977 (table 18). * * *. Inventories in 1978 * * *, and amounted to 545,000 short tons. A decline in inventories occurred in January-November 1979 compared with those in the corresponding period of 1978, when they dropped from 498,000 short tons to 409,000 short tons. In January-November 1979, 97 percent of inventories were of sodium hydroxide in 50 percent solution.

The ratio of inventories to domestic production (table 19) was * * * percent in 1976 (* * *) and increased to 8.0 percent in 1977. In 1978, the ratio amounted to 11.2 percent, * * *, but dropped to 8.3 percent in January-November 1979. Inventories for questionnaire respondents relative to their production and shipments were * * *.

U.S. employment

Data on employment in the chlor-alkali industry (Standard Industrial Classification Code 2812) is published, although it is not shown separately for sodium hydroxide or chlorine, which are by far the major products in this group. Total employment in the group showed a small drop from 13,300 workers in 1976 to 13,000 in 1977-79. 1/ The number of production workers remained steady at 8,800 during 1976-79. The prorated share of workers producing sodium hydroxide is estimated to be in the range of 4,000 workers, or about half the total.

1/ U.S. Industrial Outlook 1979, U.S. Department of Commerce.

Table 17.--Sodium hydroxide: Percentage distribution of the quantity of U.S. imports, by alleged LTFV countries and other principal sources, 1976-78, January-October 1978, and January-October 1979

(In percent)					
Source	1976	1977	1978	January- October--	
				1978	1979
Alleged LTFV countries:					
West Germany-----	29.8	23.0	43.4	41.0	38.3
France-----	23.2	8.2	9.2	11.0	6.3
Italy-----	-	18.0	2.3	2.8	.1
United Kingdom-----	1/	4.3	2.1	1.7	5.2
Total-----	53.0	53.5	57.0	56.5	49.9
Other countries:					
Canada-----	44.9	32.3	20.3	21.3	35.5
Belgium-----	.7	4.9	10.7	11.4	10.3
Netherlands-----	-	8.5	9.3	9.0	3.3
Sweden-----	.6	.5	.3	.3	.6
All other-----	.8	.3	2.4	1.5	.4
Total-----	47.0	46.5	43.0	43.5	50.1
Grand total-----	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

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

Table 18.--Sodium hydroxide: U.S. producers' end-of-period inventories, by grades, 1976-78, January-November 1978, and January-November 1979

(In short tons)				
Period	:50 percent	: 73 percent	:Solid grade,	:
	: solution	: solution	: anhydrous	: Total

* * * * *

Table 19.--Sodium hydroxide: U.S. production, domestic shipments, and end-of-period inventories, by firms, 1976-78, January-November 1978, and January-November 1979

Period	Production	Domestic shipments	End-of-period inventory	Ratio of inventories to--	
				Production	Domestic shipments
-----Short tons-----			-----Percent-----		
1976:					
*	*	*	*	*	*
Total---	3,434,257	2,306,091	***	***	***
1977:					
*	*	*	*	*	*
Total---	3,290,603	2,304,756	261,923	7.96	11.36
1978:					
*	*	*	*	*	*
Total---	4,862,984	4,270,317	544,507	11.20	12.75
Jan.-Nov.: 1978					
*	*	*	*	*	*
Total---	4,432,175	3,193,569	497,641	11.23	15.58
Jan.-Nov.: 1978					
*	*	*	*	*	*
Total---	4,913,131	4,238,713	409,273	8.33	9.66
*	*	*	*	*	*

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

Respondents to the Commission's questionnaires reported that employment for * * * companies in the production of sodium hydroxide increased from * * * production and related workers in 1976 to * * * workers in 1978 (table 20). The corresponding number of production and related workers producing all products in these establishments fell from * * * workers in 1976 to * * * workers in 1978.

Financial position of U.S. producers 1/

During 1976-79, about 32 domestic firms produced sodium hydroxide in the United States. Nine of these firms received questionnaires from the U.S. International Trade Commission, * * * (see table 21). * * *.

* * * * *

1/ The data reported herein are not reported in terms of constant dollars. Therefore, an overall inflation rate of 25 to 30 percent during 1976-79 should be taken into account with the data shown.

Table 20.--Average number of employees, total and production and related workers employed in U.S. establishments in which sodium hydroxide was produced, by firms, 1976-78, January-November 1978, and January-November 1979

(Number)						
Item	:	:	:	:	:	January-November
						1976
	:	:	:	:	:	:

* * * * *

Table 21.--Financial position of U.S. producers of sodium hydroxide on their sodium hydroxide operations only, 1976-78, January-November 1978, and January-November 1979.

(In thousands of dollars)						
Item	1976	1977	1978	January-November		
				1978	1979	

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Table 22 shows U.S. producers' valuation of their net assets used in the production of sodium hydroxide. * * *. Table 23 shows the ratios of net profit obtained from sodium hydroxide production and sales to net assets used in the production of such merchandise.

Table 24 indicates, * * *, U.S. producers' capital expenditures on new plant and equipment. * * *. Table 25 provides data on U.S. producers' research and development expenditures related to the production of sodium hydroxide.

Consideration of the Causal Relationship Between Alleged LTFV Imports and the Alleged Material Injury

Market penetration by imports from alleged LTFV countries

The share of U.S. consumption supplied by all imports increased from 1.6 percent in 1976 to 3.1 percent in 1978. This level dropped, however, to 1.7 percent for January-October 1979 (table 26). The share supplied by imports from alleged LTFV countries similarly increased during the period, from 0.85 percent in 1976 to 1.74 percent in 1978, or by 105 percent. The share for January-October 1979 was 0.87, which was down 51 percent from 1.78 percent for the corresponding period of 1978. *** imports examined by Treasury during its initial LTFV investigation prior to December 31, 1979, were, according to the Treasury/Commerce file, found to have been sold at LTFV prices. No official preliminary or final determinations on the nature and extent of LTFV sales for the four countries were made, however, prior to December 31, 1979.

The ratio of imports to consumption for West Germany increased from 0.48 percent in 1976 to 1.33 percent in 1978, or by 177 percent. The ratio for each of the other alleged LTFV countries declined in 1978 from earlier years. For France, the decline was from 1976; for Italy and the United Kingdom, the decline was from 1977. Except for that of the United Kingdom, the ratio of imports to consumption in January-October 1979 was smaller than in the corresponding period of 1978.

Prices

Price histories for sodium hydroxide were received from * * * domestic producers and * * * importers for the period January 1976-November 1979 in response to the Commission's questionnaires. The data shown in table 27-32 are for sodium hydroxide in 50 percent solution only, which is by far the principal grade imported.

U.S. producers' prices.—U.S. producers' prices for sodium hydroxide, as reported by respondents to the Commission's questionnaires, declined, in general, from 1976 through 1978 and early 1979, when, in general, they began to rise. However, prices in November 1979 had not returned to the level of 1976.

Domestic producers' selling prices to their principal distributors in the Northeast (table 27 and fig. 1) stopped declining in February or March 1979, and by April 1979, prices began to rise. * * *.

Table 22.--U.S. producers' valuation of net assets used in the production of sodium hydroxide, by firms, 1976-78, January-November 1978; and January-November 1979

(In thousands of dollars)

Item	1976	1977	1978	January-November--	
				1978	1979

* * * * *

Table 23.--Ratios of net profit before taxes to net assets used in the production of sodium hydroxide and to net sales, by firms, 1976-78, January-November 1978, and January-November 1979

(In percent)

Item	Ratio of net profit before taxes to--			
	Original cost	Book value	Replacement value	Net sales

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Table 24.--U.S. producers' capital expenditures for their facilities that make sodium hydroxide, by firms, 1976-78 and January-November 1979

Item	:	1976	:	1977	:	1978	:	January-November
	:		:		:		:	1979

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Table 25.--U.S. producers' research and development expenditures related to production of sodium hydroxide, by firms, 1976-78 and January-November 1979

Item	1976	1977	1978	January-November 1979
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Table 26.--Sodium hydroxide: U.S. consumption and ratios of total imports and imports from West Germany, France, Italy, and the United Kingdom to consumption, 1976-78, January-October 1978, and January-October 1979

Period	Consumption : 1,000 short : tons	Total : imports : Percent	Ratio to consumption of--					Total : Percent
			Alleged LTFV imports from--					
			West : Germany	France	Italy	United : Kingdom		
1976-----	9,153	1.6	0.48	0.37	0	1/	0.85	
1977-----	9,466	2.6	.61	.22	.47	0.11	1.41	
1978-----	9,240	3.1	1.33	.28	.07	.06	1.74	
January- October--								
1978-----	7,474	3.1	1.29	.35	.09	.05	1.78	
1979-----	9,147	1.7	.67	.11	1/	.09	.87	

1/ Less than 0.005 percent.

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

Note.--Data presented above include all imports from the specified countries, not just imports alleged to be at less than fair value.

Table 27.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal distributors in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Figure 1.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal distributors in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Domestic producers' selling prices to customers (other than distributors) in the Northeast generally followed the same pattern as those to distributors, but did not vary as greatly from seller to seller (table 28 and fig. 2). * * *

Domestic producers' selling prices to distributors outside the Northeast showed wide diversity (table 29 and fig. 3). * * *

Domestic producers' selling prices to customers (other than distributors) outside the Northeast show the narrowest range of prices (table 30 and fig. 4). * * *

Importers' Prices.--Price data for imported sodium hydroxide in 50 percent solution sold to customers in the Northeast were submitted by respondents to the Commission's questionnaire. These prices to distributors in the Northeast generally did not vary much for most importers during January 1977 to November 1979 (table 31 and fig. 5). * * *. (Table 32 and fig. 6).

* * * * *

In general, if the imported sodium hydroxide alleged to have been sold at LTFV for which the Commission has price data had been sold at the fair values indicated in the Treasury/Commerce file, in all likelihood it would have been priced higher than any of U.S.-produced merchandise. * * *

Table 28.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal customers (other than distributors) in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Figure 2.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal customers (other than distributors) in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978- November 1979

* * * * *

Table 29.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal distributors other than in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Figure 3.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal distributors other than in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Table 30.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal customers (other than distributors) other than in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Figure 4.--Sodium hydroxide in 50 percent solution: Domestic producers' selling prices to principal customers (other than distributors) other than in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Table 31.--Sodium hydroxide in 50 percent solution: Importers' selling prices to principal distributors in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Figure 5.--Sodium hydroxide in 50 percent solution: Importers' selling prices to principal distributors in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Table 32.--Sodium hydroxide in 50 percent solution: Importers' selling prices to principal customers (other than distributors) in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Figure 6.--Sodium hydroxide in 50 percent solution: Importers' selling prices to principal customers (other than distributors) in the Northeast, by quarters, 1976 and 1977, and, by months, January 1978-November 1979

* * * * *

Evidence of lost sales

Nine selected domestic producers of sodium hydroxide (including the petitioner, Linden Chemicals & Plastics, Inc. (LCP)), were requested by the Commission to supply information on alleged sales lost to imports. Of the * * * companies that reported, * * * claimed no lost sales. Lost sales claims of the * * * firms were checked by phone calls to the purchasers. The results of these contacts are as follows.

* * * * *

APPENDIX A

Commerce's Letter Referring the Investigations
to the Commission

RECEIVED

04 JAN 1980

JAN 7 1980

A-62

OFFICE OF THE SECRETARY
U.S. INTL. TRADE COMMISSION
Dear Mr. Mason:

DOCKET NUMBER
#620
Office of the Secretary Int. Trade Commission

In accordance with the requirements of the Trade Agreements Act of 1979, the following countervail and antidumping cases are being referred to the Commission for a determination of injury or reasonable indication thereof. With regard to countervail investigations, only those cases involving products from countries which signed the Code at Geneva are being referred.

I. Countervailing Duty Cases in which the collection of duties was waived pursuant to the Trade Act of 1974 (5 cases):

Product	Country
Dairy Products (other than quota cheeses)	Member states of the European Communities
Canned Hams	Member states of the European Communities
Butter Cookies	Denmark
Fish	Canada
Leather Handbags	Brazil

II. Countervailing Duty Cases in which final affirmative determinations were issued between July 26 and December 31, 1979 (2 cases):

Product	Country
Tomato Products	Member states of the European Communities
Potato Starch	Member states of the European Communities

III. Countervailing Duty final affirmative determination with regard to frozen beef from member states of the European Communities (1 case).

IV. Countervailing Duty investigations in which a preliminary affirmative determination (but no final determination) has been issued (8 cases):

Product	Country
Corn Starch	Member states of the European Communities

Valves	Italy
Rayon Staple Fiber	Austria
Valves	Japan
Scales	Japan
Malleable Pipe Fittings	Japan
Firearms	Brazil
Ferroalloys	Brazil

V. Countervailing Duty Cases which have been initiated, but for which no preliminary or final determination has been issued (4 cases):

Product	Country
Frozen Potato Products	Canada
Roses	Netherlands
Glass Lined Steel Reactor Pressure Vessels	France
Chains and Parts	Japan

VI. Antidumping Cases for which there have been preliminary affirmative determinations, but no final determinations (3 cases):

Product	Country
Portable Typewriters	Japan
Melamine	Austria
Melamine	Italy

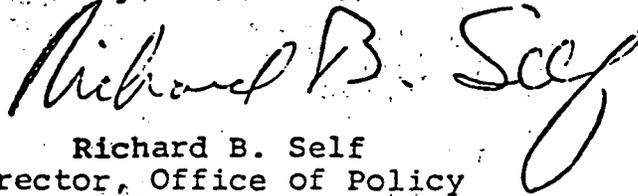
VII. Antidumping Cases which have been initiated, but for which no preliminary or final determinations have been issued (9 cases):

Product	Country
Sodium Hydroxide	United Kingdom
Sodium Hydroxide	West Germany
Sodium Hydroxide	Italy
Sodium Hydroxide	France
Rail Passenger Cars	Italy

Rail Passenger Cars	Japan
Electric Motors	Japan
Microwave Ovens	Japan
Canned Clams	Canada

If you have any questions regarding any of these cases, please feel free to contact me or members of my staff at 566-2323.

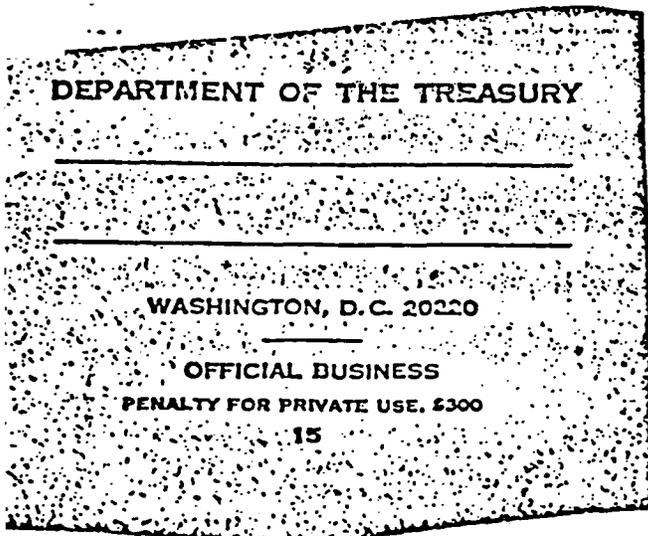
Regards,



Richard B. Self
Director, Office of Policy
Office of the Assistant Secretary
for Trade Administration

cc: Dave Binder

Mr. Kenneth R. Mason
Secretary to the Commission
U.S. International Trade Commission
Washington, D.C. 20436



APPENDIX B

Commission's Notice of Investigation and Conference

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

Notice of Institution of Preliminary Antidumping
Investigations and Scheduling of Conferences

AGENCY: United States International Trade Commission

ACTION: Institution of eight preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930 to determine whether with respect to the articles involved there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise allegedly sold or likely to be sold at less than fair value.

EFFECTIVE DATE: January 1, 1980.

FOR FURTHER INFORMATION CONTACT: The supervisory investigator assigned by the Commission to the particular investigation for which the information is sought. The assignments of supervisory investigators and their telephone numbers at the Commission are designated below.

SUPPLEMENTARY INFORMATION: The Trade Agreements Act of 1979, section 102(b)(1), requires that the Commission conduct preliminary antidumping investigations in cases where on January 1, 1980, the Secretary of the Treasury has not made a preliminary determination under the Antidumping Act, 1921, as to the question of less-than-fair-value sales. Accordingly, the Commission hereby gives notice that, effective as of January 1, 1980, it is

instituting the following investigations pursuant to section 733(a) of the Tariff Act of 1930, as added by title I of the Trade Agreements Act of 1979. These investigations will be subject to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 FR 76457) and, particularly, Subpart B thereof, effective January 1, 1980.

Written submissions. Any person may submit to the Commission on or before the date specified below for the relevant investigation a written statement of information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conferences. The Director of Operations of the Commission has scheduled a conference in each investigation on the date specified below. Parties wishing to participate in a conference should contact the appropriate supervisory investigator designated below. It is anticipated that parties in support of the petition for antidumping duties and parties opposed to such petition will each be collectively allocated one hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

PRELIMINARY ANTIDUMPING INVESTIGATIONS

Inv. No.	Product/Country	Conference Date	Conference Location	Deadline for written submissions	Contact Person
731-TA-4 (Prelim.)	Counter top microwave ovens provided for in TSUS item 684.25/Japan	Jan. 28, 1980	ITC Bldg. Wash. DC	Jan. 31, 1980	Bruce Cates 523-0368
731-TA-5 (Prelim.)	Rail passenger cars & parts thereof, however provided for in the TSUS, intended for use as original equipment in the U.S./Italy	Jan. 29, 1980	ITC Bldg. Wash. DC	Feb. 1, 1980	Daniel Leahy 523-1369
731-TA-6 (Prelim.)	Rail passenger cars & parts thereof, however provided for in the TSUS, intended for use as original equipment in the U.S./Japan	Jan. 29, 1980	ITC Bldg. Wash. DC	Feb. 1, 1980	Daniel Leahy 523-1369
731-TA-7 (Prelim.)	AC, polyphase electric motors, over 5 horsepower but not over 500 horsepower, provided for in TSUS items 682.41 through 682.50/Japan	Jan. 30, 1980	ITC Bldg. Wash. DC	Feb. 4, 1980	Bruce Cates 523-0368
731-TA-8 (Prelim.)	Sodium hydroxide, in solution (liquid caustic soda), provided for in TSUS item 421.08/Federal Republic of Germany	Jan. 31, 1980	ITC Bldg. Wash. DC	Feb. 5, 1980	John MacHatton 523-0439
731-TA-9 (Prelim.)	Sodium hydroxide, in solution (liquid caustic soda), provided for in TSUS item 421.08/France	Jan. 31, 1980	ITC Bldg. Wash. DC	Feb. 5, 1980	John MacHatton 523-0439
731-TA-10 (Prelim.)	Sodium hydroxide, in solution (liquid caustic soda), provided for in TSUS item 421.08/Italy	Jan. 31, 1980	ITC Bldg. Wash. DC	Feb. 5, 1980	John MacHatton 523-0439
731-TA-11 (Prelim.)	Sodium hydroxide, in solution (liquid caustic soda), provided for in TSUS item 421.08/United Kingdom	Jan. 31, 1980	ITC Bldg. Wash. DC	Feb. 5, 1980	John MacHatton 523-0439

By order of the Commission.



Kenneth R. Mason
Secretary

Issued: January 9, 1980

APPENDIX C

Petition From Linden Chemicals & Plastics, Inc.

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Library Cataloging Data

U.S. International Trade Commission.

Sodium hydroxide, in solution (liquid caustic soda), from the Federal Republic of Germany, France, Italy, and the United Kingdom. Determinations of no reasonable indication of material injury or likelihood thereof in investigations nos. 731-TA-8, 9, 10, and 11 (preliminary) under the Tariff act of 1930, together with the information obtained in the investigations. Washington, 1980.

11, A 72 p. illus. 28 cm. (USITC Publication 1040)

1. Caustic soda. I. Title.

UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

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