

# **POTASSIUM PERMANGANATE FROM THE PEOPLE'S REPUBLIC OF CHINA AND SPAIN**

**Determinations of the Commission  
in Investigations Nos. 731-TA-125  
and 126 (Preliminary) Under  
the Tariff Act of 1930, Together  
With the Information Obtained  
in the Investigations**

**USITC PUBLICATION 1369**

**APRIL 1983**

**United States International Trade Commission / Washington, D.C. 20436**



# **UNITED STATES INTERNATIONAL TRADE COMMISSION**

## **COMMISSIONERS**

**Alfred E. Eckes, Chairman**

**Paula Stern**

**Veronica A. Haggart**

---

**Kenneth R. Mason, Secretary to the Commission**

---

**Robert Carpenter, Investigator**  
**Clark Workman, Economist**  
**Carol McCue Verratti, Attorney**  
**Marvin Claywell, Accountant**  
**Larry Johnson, Commodity-Industry Analyst**

---

**Vera A. Libeau, Supervisory Investigator**

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

# C O N T E N T S

	<u>Page</u>
Determination-----	1
Views of the Commission-----	3
Information obtained in the investigations:	
Introduction-----	A- 1
Previous Commission investigation concerning potassium permanganate---	A- 1
The product:	
Description and uses-----	A- 1
Manufacturing process-----	A- 4
U.S. tariff treatment-----	A- 4
Nature and extent of alleged sales at LTFV-----	A- 5
The domestic market:	
U.S. consumption-----	A- 5
Channels of distribution-----	A- 7
U.S. producer-----	A- 7
U.S. importers-----	A- 7
Foreign producers-----	A- 7
The question of material injury-----	A- 8
U.S. production, capacity, and capacity utilization-----	A- 9
U.S. producer's shipments, inventories, and imports-----	A-10
U.S. employment-----	A-12
Financial experience of the U.S. producer:	
Overall company operations, including subsidiaries-----	A-13
Potassium permanganate operations-----	A-14
Investment in productive facilities-----	A-15
Capital expenditures-----	A-16
Research and development expenditures-----	A-16
The question of the threat of material injury-----	A-17
Consideration of the causal relationship between alleged LTFV imports and the alleged injury:	
U.S. imports-----	A-18
Market penetration of imports-----	A-19
Prices-----	A-21
Lost sales-----	A-23
Allegations concerning imports from China-----	A-24
Allegations concerning imports from Spain-----	A-25
Appendix A. Notice of the Commission's institution of preliminary antidumping investigations-----	A-27
Appendix B. Notices of the Department of Commerce's institution of preliminary antidumping investigations-----	A-29
Appendix C. The Commission's calendar of the public conference-----	A-32
Appendix D. Income-and-loss experience of Carus Corp. on its potassium permanganate operations, excluding Chemagro, 1980-82-----	A-35

## Tables

1. Potassium permanganate: U.S. consumption, by grades, 1980-82-----	A- 6
2. Potassium permanganate: U.S. production, capacity, and capacity utilization, by grades, 1980-82-----	A- 9

## CONTENTS

## Tables

	<u>Page</u>
3. Potassium permanganate: U.S. producer's shipments and inventories, by grades, 1979-82-----	A-11
4. Average number of production and related workers engaged in the manufacture of potassium permanganate, hours worked by such workers, wages paid, and total compensation, 1980-82-----	A-13
5. Income-and-loss experience of Carus Corp. on its overall company operations, including subsidiaries, 1980-82-----	A-14
6. Income-and-loss experience of Carus Corp. on its potassium permanganate operations, 1980-82-----	A-15
7. Carus Corp.'s investment in facilities used in the production of potassium permanganate, as of December 31, 1980-82-----	A-16
8. Carus Corp.'s capital expenditures for land, buildings, and machinery and equipment used in the production of potassium permanganate, 1980-82-----	A-16
9. Potassium permanganate: U.S. imports for consumption, by country, 1980-82-----	A-18
10. Potassium permanganate: U.S. producer's domestic shipments, exports, domestic shipments of imports, and consumption, 1980-82-----	A-19
11. Potassium permanganate: Ratios of domestic shipments of the U.S. producer and of imports (by country of origin) to U.S. consumption, by grades, including and excluding shipments to Chemagro, 1980-82---	A-20
12. Potassium permanganate: Weighted average prices of technical grade product produced domestically and imported from China on an f.o.b. point of shipment basis, by quarters, January 1981-December 1982---	A-22
13. Potassium permanganate: Weighted average prices of technical grade product produced domestically and imported from Spain on an f.o.b. point of shipment basis, by quarters, January 1981-December 1982---	A-22
14. Potassium permanganate: Weighted average prices of free flowing product produced domestically and imported from Spain on an f.o.b. point of shipment basis, by quarters, January 1981-December 1982-----	A-23

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

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

Investigations Nos. 731-TA-125 and 126 (Preliminary)

POTASSIUM PERMANGANATE FROM THE PEOPLE'S REPUBLIC  
OF CHINA AND SPAIN

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured, 2/ by reason of imports from the People's Republic of China (China) and Spain of potassium permanganate, provided for in item 420.28 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value (LTFV).

Background

On February 22, 1983, counsel for Carus Chemical Co. filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from China and Spain of potassium permanganate which are allegedly being sold at LTFV. Accordingly, effective February 22, 1983, the Commission instituted preliminary antidumping investigations under section 733(a) of the Act (19 U.S.C. § 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise.

---

1/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

2/ Commissioner Stern determines that there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reason of the subject imports.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on March 3, 1983 (48 F.R. 9091). The conference was held in Washington, D.C. on March 21, 1983, and all persons who requested the opportunity were permitted to appear in person or by counsel.

## VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States is materially injured 1/ by reason of imports of potassium permanganate from the People's Republic of China (China) and Spain, which are allegedly being sold at less than fair value (LTFV). 2/

The Domestic Industry

In a preliminary antidumping investigation, a "reasonable indication" of injury is determined by assessing the impact of the alleged less-than-fair value imports on the appropriate domestic industry. The term "industry" is defined in section 771(4)(A) of the Tariff Act of 1930 as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 3/ "Like product", in turn, is defined in section 771(10) as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." 4/

The imported article that is the subject of these investigations is potassium permanganate. Potassium permanganate is a chemical compound of

---

1/ Commissioner Stern determines that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports.

2/ These determinations were made on a case-by-case basis.

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10).

manganese, potassium, and oxygen. 5/ It is used principally as an oxidizing agent in various water treatment and manufacturing applications. Other applications include chemical manufacture and processing, aquaculture, metal processing, and air and gas purification. 6/

Potassium permanganate is manufactured and sold in three grades: technical, free flowing, and pharmaceutical. All three grades of potassium permanganate were imported from Spain. 7/ It appears that imports from China were primarily technical grade. 8/ The only domestic producer, Carus Chemical Co. (Carus), produces all three grades of potassium permanganate which correspond to the respective grades being imported. 9/

A question has been raised as to whether the like product, and therefore the domestic industry, should be defined either with regard to 'separate grades or as one like product, all potassium permanganate. All three grades of potassium permanganate have the same chemical formula. Technical grade usually contains at least 98 percent potassium permanganate by weight; 10/ pharmaceutical grade must contain at least 99 percent potassium permanganate

---

5/ Report at A-1.

6/ Id. at A-2-3.

7/ Report at A-19. There were no imports of potassium permanganate from Spain in 1980.

8/ Report at A-20, Table 11. But see Statement of Zhang Furong, Brief of the China National Chemicals Import and Export Corp. at 2, which indicates that some pharmaceutical grade was exported to the United States. At this time, it is unclear whether there have been any imports from China of the pharmaceutical grade. It is also unclear whether China has the capability of producing the free flowing grade. These issues were not resolved during this preliminary investigation, but they will be explored further in any final investigation.

9/ Report at A-20.

10/ Report at A-2.



by weight; 11/ and free-flowing grade contains approximately 97-98 percent potassium permanganate by weight. The free-flowing grade is slightly less pure than the technical and pharmaceutical grades because it is produced by adding an anti-caking agent to the technical grade. Technical and free-flowing grades account for essentially all of the domestic consumption of potassium permanganate. 12/

The technical and free-flowing grades are similar in characteristics, and the free-flowing grade is substitutable for the technical grade. It is less clear whether, and to what extent, the technical grade is substitutable for the free-flowing grade. 13/ Nevertheless, there is some overlap in uses between these grades. 14/

The pharmaceutical grade is used in applications involving contact with food and for pharmaceutical use. 15/ The free-flowing grade is not substitutable for the pharmaceutical grade. However, most of the technical

---

11/ Report at A-2.

12/ Report at A-6.

13/ For one major end use, water and waste water treatment, typically free-flowing grade is used. This end use accounts for 61 percent of the consumption of all potassium permanganate by end use in 1982. Report at A-3. However, petitioner alleges that the technical grade may be used in water and wastewater treatments if a particular solution or "batch" feeder system is used, and that substitution of technical grade for this application may be economically feasible if the price of technical grade is low enough. Petitioner's Post Conference Memorandum of Law at 4; Transcript at 25. These issues shall be explored further should the Commission conduct a final investigation.

14/ Other applications for both technical and free-flowing grades include chemical manufacture and processing, aquaculture, metal processing, and air and gas purification. Report at A-3.

15/ Pharmaceutical grade accounts for a very small percentage of domestic consumption of potassium permanganate. Report at A-6.

grade qualifies, and can be sold, as pharmaceutical grade. Therefore, the technical and pharmaceutical grades are substantially similar in characteristics and uses.

Based on the best information available at this time, we conclude that there is an insufficient basis for distinguishing the three grades as separate like products. Therefore, we find that the product "like" the articles being imported is all potassium permanganate without regard to separate grades. 16/ 17/ Accordingly, we determine that there is one domestic industry consisting of the sole domestic producer, Carus Chemical Co.

#### The Condition of the Domestic Industry

In reaching our determinations in these investigations, we analyzed such relevant factors as production, capacity, capacity utilization, U.S. producer's shipments, inventories, and employment. Based on our analysis of these factors, we conclude that the domestic industry in these investigations is experiencing serious economic difficulties. The overall trend of these factors during 1980-1982 showed deterioration. 18/

---

16/ Chairman Eckes refers generally to his separate views regarding the nature of the domestic industry in Sorbitol from France, Inv. No. 731-TA-44 (USITC Pub. No. 1233) (March, 1982).

17/ Commissioner Stern refers readers to her views in Sorbitol from France, Inv. No. 731-TA-44 (USITC Pub. No. 1233) (March 1982) at 9, in which she found that two grades of sorbitol were separate like products because each had different characteristics that prevented their interchangeability and each had distinct and dissimilar end uses. In these preliminary investigations, there was insufficient information to make such a determination.

18/ We are unable to discuss specific trends in any detail because virtually all of the information is confidential since Carus is the sole domestic producer.

More specifically, excess inventories caused Carus to shut down its La Salle, Illinois, plant for a period of time during the summer of 1982. 19/ In September, 1982, Carus and the union which represents the production workers at Carus signed a contract modification which resulted in wage and benefit concessions effective October 1, 1982. 20/

We also considered Carus' profitability regarding its potassium permanganate operations. In particular, we analyzed sales, operating and net profit or loss, and the ratio of such profits or losses to net sales. Based on our analysis of these data, we conclude that there was a decline in the financial condition of the domestic industry during the period of these investigations.

Reasonable Indication of Material Injury or Threat of Material Injury by Reason of Alleged LTFV Imports. 21/

Section 771(7)(B) of the Tariff Act of 1930 directs the Commission to consider, among other factors, (1) the volume of imports of the merchandise under investigation, (2) their impact on domestic prices for the like product, and (3) the consequent impact of the imports on the domestic industry. 22/

The determination of whether this industry's difficulties have occurred because of imports of potassium permanganate from China and Spain has been complicated by Carus' 1981 loss of its largest customer, the Chemagro

---

19/ Petitioner attributes this shutdown to import competition. Petition at 26.

20/ Report at A-13.

21/ Commissioner Haggart finds material injury only and therefore does not reach the issue of threat of material injury.

22/ 19 U.S.C. § 1677(7)(B).

Agricultural Division of Mobay Chemical Corp. (Chemagro) 23/ Chemagro was lost as a customer because it switched to a different manufacturing process that did not require the use of potassium permanganate. 24/ We have examined data on economic and financial indicators which reflect an attempt to factor out the impact of the loss of this customer on the domestic industry. 25/ In this regard, we note that in reaching our determination we are not expected to weigh the impact of the alleged LTFV imports on the domestic industry against the impact of the loss of the Chemagro contract. Nor are we required to determine whether the imports are the principal, substantial, or even a significant cause of material injury. 26/ 27/

---

23/ Report at A-8.

24/ Report at A-8.

25/ We note that, because of the problem of allocating fixed costs, the data excluding Chemagro are of limited value to our assessment of financial injury. See Appendix D.

26/ S. Rep. No. 249, 96th Cong., 1st. Sess. 74-75 (1979).

27/ Commissioner Stern notes that the Commission is nevertheless expected to "take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributed to such other factors." H. Rep. No. 317, 96th Cong., 1st Sess. 47 (1979). Therefore, where the condition of the domestic industry is completely attributable to factors other than the allegedly unfair imports, or where such imports do not materially contribute to the injury suffered by the domestic industry, a negative determination is warranted. See, e.g., her views in Certain Tapered Roller Bearings and Parts Thereof From Japan, The Federal Republic of Germany, and Italy, Inv. Nos. 731-TA-120-22 (Preliminary) (March, 1983). Commuter Aircraft, and the views of Chairman Eckes, Commissioners Stern and Haggart in Certain Airplanes from Brazil, Inv. No. 701-TA-188 (Preliminary) (USITC Pub. No. 1291) (Sept. 1982) at 11. In the present investigations, there was not sufficient information available for her to evaluate fully the effect of the loss of Chemagro. In particular, financial data that reflected an attempt to factor out the effect of the loss of Chemagro was of limited value. See note 20 *supra*. She intends to further explore this issue should the Commission conduct a final investigation.

Another question which is relevant to determination of the causality issue is whether, and to what extent, Carus' exports, which were subsequently imported into the United States in 1982, contributed to the injury experienced by the domestic industry. 28/ 29/

#### Imports from China

Approximately 50 percent of the 1980 imports from China were imported by Carus to supplement its own production which was at near capacity. 30/ Imports from China then decreased sharply in 1981 when Carus ceased to import. 31/ However, in 1982, imports were more than double the 1981 figure, 32/ indicating that China has been able to retain market share despite the loss of Carus, its major U.S. customer in 1980, by increasing its market share with respect to customers other than Carus.

---

28/ A sizeable percentage of total imports of potassium permanganate in 1982, and of the growth in total imports between 1981 and 1982 is accounted for by Carus-produced material which was exported to West Germany, and subsequently imported back into the United States. Importers have alleged that this material was sold in the United States at prices considerably lower than the price of the domestic product, and that the price of Carus' exports is considerably lower than the price of the comparable domestically-sold product. Thus, they allege that any market disruption caused by this reimported material constitutes self-inflicted injury. Transcript at 67-68; 87. The available information, which is confidential, does not enable us to fully evaluate these allegations. These issues shall be further examined should the Commission conduct a final investigation.

29/ Commissioner Stern also notes that, because the petitioner has exported a significant percentage of its production of potassium permanganate in each of the years under investigation, more information on petitioner's exports in years prior to 1980, and on export sales should be developed for any final investigation.

30/ Report at A-15.

31/ Commissioner Stern therefore believes that the impact of the alleged LTFV imports from China should be judged on the basis of 1981-82 data.

32/ Report at A-18.

The prices of potassium permanganate imported from China were lower than the domestic prices during the most recent period under investigation. 33/ The margins of underselling were particularly significant in late 1982. 34/ In addition, there are some indications that the price of the Chinese product has caused the domestic producer to lower its price to meet the price of the imported product. There are also indications that the domestic producer has lost some sales to the Chinese product due to price. 35/

Therefore, we conclude that there is a reasonable indication of material injury to the domestic industry caused by alleged LTFV imports of potassium permanganate from China. 36/

#### Threat of Material Injury

Commissioner Stern notes that, in addition to the import trends discussed above, the ratio of inventories to shipments of imports from China is significant, and supports a finding that there is a reasonable indication of threat of material injury. She further notes that little information on China's export capacity and its other export markets was available in this investigation. These issues should be further developed should the Commission conduct a final investigation.

---

33/ Report at A-21.

34/ Report at A-22-23.

35/ Report at A-24.

36/ Commissioner Stern determined that there is a reasonable indication of material injury or threat of material injury.

### Imports from Spain

Imports of potassium permanganate from Spain first entered the United States in 1981. 37/ Imports from Spain increased from 977,000 pounds in 1981 to 1 million pounds in 1982. Furthermore, since Spain began importing in 1981, the ratio of imports from Spain to apparent domestic consumption has been significant and growing. 38/

Import trends in conjunction with several verified lost sales, and one verified example of price suppression, 39/ cause us to conclude that there is a reasonable indication of material injury to the domestic industry by reason of alleged LTFV sales of potassium permanganate from Spain. 40/ 41/

### Threat of Material Injury

Commissioner Stern notes that in addition to the import trends discussed above, an analysis of confidential data regarding the ratio of inventories to shipments of imports from Spain, the capacity of the Spanish producer, trends in Spain's exports to both the United States and other export markets, reveals that there is also a reasonable indication of threat of material injury by reason of imports from Spain.

---

37/ Report at A-19.

38/ Report at A-21.

39/ Report at A-25.

40/ For technical grade potassium permanganate, the prices for imports from Spain were lower than the domestic product in quarters for which data were available. However, in the case of free flowing grade, evidence of underselling was mixed.

41/ Commissioner Stern determined that there is a reasonable indication of material injury or threat of material injury.

## ADDITIONAL VIEWS OF COMMISSIONER PAULA STERN

Commissioner Stern notes that there were significant gaps in the information available in this preliminary investigation. It is impossible to rule out that further developments could demonstrate that the technical and free-flowing grades of potassium permanganate should be regarded as separate like products, allowing for a more disaggregated analysis than was possible at this stage. Allegations that Carus' injury might be self-inflicted could neither be confirmed nor discounted on the basis of the record. Nor could the issue of the extent to which Carus' problem is attributable to the loss of its major customer be satisfactorily evaluated. While the record was sufficient to support a preliminary affirmative determination, Commissioner Stern trusts that should this case return for a final determination all parties will cooperate fully in resolving these as well as other questions.



## INFORMATION OBTAINED IN THE INVESTIGATIONS

## Introduction

On February 22, 1983, counsel for Carus Chemical Co. filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from the People's Republic of China (China) and Spain of potassium permanganate, provided for in item 420.28 of the Tariff Schedules of the United States (TSUS), which are allegedly being sold at less than fair value (LTFV). Accordingly, the Commission instituted preliminary investigations Nos. 731-TA-125 and 126 (Preliminary), under section 731 of the Tariff Act of 1930, to determine 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 the importation of such merchandise into the United States. The statute directs that the Commission make its determinations within 45 days after receipt of a petition, or in this case, by April 8, 1983.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on March 3, 1983 (48 F.R. 9091). 1/ The conference was held in Washington, D.C., on March 21, 1983. 2/ The Commission voted on these investigations on March 31, 1983.

## Previous Commission Investigation Concerning Potassium Permanganate

On July 6, 1982, the Commission instituted a countervailing duty investigation, No. 701-TA-183 (Final), concerning imports of potassium permanganate from Spain. The investigation was instituted in response to a final affirmative subsidy determination by Commerce. No preliminary material injury investigation was conducted by the Commission because Spain was not a "country under the agreement" when the petition was originally filed on November 10, 1981. 3/ The Commission made no determination pursuant to investigation No. 701-TA-183 (Final) because the petitioner, Carus Chemical Co., withdrew its petition.

## The Product

Description and uses

Potassium permanganate, or permanganate of potash, is the compound of manganese, potassium, and oxygen which has the chemical formula  $\text{KMnO}_4$ .

---

1/ A copy of the Commission's notice of institution of preliminary investigations is presented in app. A. A copy of the Department of Commerce's notices of institution are presented in app. B.

2/ A copy of the list of witnesses appearing at the conference is presented in app. C.

3/ See 19 U.S.C. 1671(b).

It exists at room temperature as a dark purple crystalline solid of rhombic shape with a blue metallic sheen. Potassium permanganate has a sweetish, astringent taste, is soluble in water, acetone, and methanol, and decomposes in alcohol. It is highly toxic by ingestion or inhalation, is a strong irritant to tissue, and is a dangerous fire risk when in contact with organic material because of its strength as an oxidizing agent.

There are three basic grades of potassium permanganate sold commercially --free flowing, technical, and pharmaceutical. Each grade is available in a variety of particle sizes although customers seldom express a strong preference because particle size does not govern end use.

The free flowing grade of potassium permanganate is produced by adding an anticaking agent to the technical grade product, preventing the particles from sticking together when in contact with moisture. The free flowing grade is slightly less pure than the technical or pharmaceutical grades--approximately 97 or 98 percent potassium permanganate by weight--as a result of the addition of the anticaking agent.

The free flowing grade is generally preferred for water and wastewater treatment, as described below, because it can be injected into the water by means of an automatic dry chemical feeder, a relatively simple process. Free flowing grade can be used in any of the applications listed below, with the exception of those involving contact with food or pharmaceutical applications.

The technical grade product is usually at least 98 or 99 percent potassium permanganate by weight. It can be used in the same applications as the free flowing grade. However, in water and wastewater treatment, the technical grade must be used in conjunction with a solution tank feeder system that costs about \$10,000. <sup>1/</sup> In addition, the majority of potassium permanganate sold as technical grade qualifies, and can be sold, as pharmaceutical grade in accordance with the requirements specified in the United States Pharmacopeia (U.S.P.).

The pharmaceutical (U.S.P.) grade must be at least 99 percent potassium permanganate by weight in order to conform with U.S.P. requirements. It is the only grade approved by the Food and Drug Administration for use in applications involving contact with food and for pharmaceutical use.

Potassium permanganate is used principally as an oxidizing agent in the following applications:

1. Water treatment:

- (a) Municipal--removes iron, manganese, and hydrogen sulfide; eliminates taste, odor, and color; and controls algae growth.
- (b) Industrial--controls phenol and other industrial pollutants.

---

<sup>1/</sup> Cost estimate provided by petitioner in postconference brief.

2. Wastewater treatment:
  - (a) Municipal--oxidizes organic and inorganic contaminants, removes toxic and corrosive hydrogen sulfide from sanitary sludge, deodorizes wastewater streams, and dewateres sludge.
  - (b) Industrial--removes soluble iron and manganese from acid mine wastes, removes hydrogen sulfide from sludge, and dewateres sludge.
3. Chemical manufacture and processing--aids in synthesis of organic products for the chemical process industries and the pharmaceutical industries.
4. Aquaculture (fish farming)--controls fish diseases and parasites, and detoxifies poisons while relieving oxygen depletion in fish ponds.
5. Metal processing--removes oxides, mill scale, and carbon residues on steel.
6. Air and gas purification--removes pollutants from air and impurities from industrial gases, and quenches slag from foundry operations.

In addition to the above, potassium permanganate is used as a decoloring and bleaching agent in the textile and tanning industries, as an oxidizer in the decontamination of radioactive wastes, as an aid in flotation processes used in mining, and in numerous other applications.

According to the petition, estimated U.S. consumption of potassium permanganate by end use was as follows during 1982:

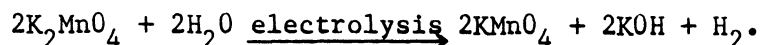
<u>End use</u>	<u>Percentage distribution</u>
Water treatment-----	37
Wastewater treatment-----	24
Chemical manufacturing and processing-----	14
Aquaculture (fish farming)----	6
Metal processing-----	6
Air and gas purification-----	6
Other uses-----	7
Total-----	<u>100</u>

There are no products that compete with potassium permanganate over the complete range of applications in which it is used. However, there are competing products or alternative processes for specific end uses. For example, activated carbon is the major product that competes with potassium permanganate in the purification of drinking water, hydrogen peroxide competes in the treatment of wastewater, and aeration of water is often used as a substitute in aquaculture.

### Manufacturing process

Potassium permanganate is manufactured by the oxidation of potassium manganate ( $K_2MnO_4$ ), which is prepared by the fusion of pyrolusite and potassium hydroxide. The manganese ion in potassium manganate is oxidized to potassium permanganate ( $KMnO_4$ ). This oxidation may be accomplished by one of two methods. The first is by treating a hot solution of the potassium manganate with carbon dioxide, which forms crystals when cooled. This method is very old and is not currently used to manufacture commercial quantities of potassium permanganate anywhere in the world, with the possible exception of China. It is, however, a method sometimes used to make laboratory quantities of this material.

The commercial manufacturing process used in the United States and Spain is continuous electrolysis of a solution of potassium manganate with continuous crystallization, resulting in the production of potassium permanganate and of the byproducts potassium hydroxide and hydrogen gas, according to the reaction:



The potassium permanganate crystals formed through these processes are packaged for shipment in steel drums or in bulk to customers. The most common sizes of drums are 50 kilograms and 150 kgs., although some shipments are made in 25 kg. drums.

### U.S. tariff treatment

Potassium permanganate is classified under item 420.28 of the TSUS. As of January 1, 1983, the column 1 (most-favored-nation) rate of duty for potassium permanganate is 6.4 percent ad valorem. <sup>1/</sup> This rate represents the fourth in a series of staged reductions granted in the Tokyo round of the Multilateral Trade Negotiations (MTN). Under the Trade Agreements Act of 1979, the rate of duty is to be reduced to a final rate of 5 percent ad valorem through eight annual staged reductions beginning January 1, 1980. The final reduction to 5 percent ad valorem is to become effective on January 1, 1987. From January 1972 through December 1979 the column 1 rate of duty was 3 cents per pound.

---

<sup>1/</sup> Col. 1 rates of duty are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, these rates would not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the Generalized System of Preferences or under the "LDDC" rate of duty column.

Imports of potassium permanganate from least developed developing countries (LDDC's) are dutiable at 5 percent ad valorem. 1/ The column 2 rate of duty is 23 percent ad valorem. 2/ Imports of potassium permanganate from beneficiary developing countries have been designated as eligible for duty-free treatment under the Generalized System of Preferences (GSP). 3/

#### Nature and Extent of Alleged Sales at LTFV

The petitioner has alleged that potassium permanganate is being imported from China and Spain at prices that are substantially less than fair value. The petitioner is unaware of the identity of the Chinese producer or producers exporting potassium permanganate to the United States and has no direct evidence of the actual price paid for the imported Chinese product or of its foreign market value. For purposes of calculating the dumping margin, the petitioner used the average f.a.s. value of all potassium permanganate imported from China during May-October 1982 to represent the U.S. price and used the ex-factory price at which potassium permanganate is sold in India 4/ to represent the foreign market value. The resulting dumping margin was calculated to be 90.6 percent.

The potassium permanganate being imported from Spain is believed to be manufactured and exported by one firm--Asturquimica, S.A. (Asturquimica). The petitioner has no direct evidence of the actual price paid for the imported Spanish product or of its foreign market value. However, a comparison of the average f.a.s. value of potassium permanganate imported from Spain during May-October 1982 with Asturquimica's average ex-factory price during the same period results in the alleged dumping margin of 31.1 percent.

#### The Domestic Market

##### U.S. consumption

As shown in table 1, U.S. consumption of all grades of potassium permanganate \* \* \*. Free flowing grade, which dominated the market during

---

1/ The preferential rates of duty in the "LDDC" column reflect the full U.S. MTN concession rates implemented without staging for particular items which are the products of LDDC's enumerated in general headnote 3(d) of the TSUS.

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

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

4/ According to the petitioner, no reliable calculation of the foreign market value of potassium permanganate can be made with respect to China because of the state-controlled nature of the Chinese industry. India was chosen as a surrogate country because of alleged similarities between the two countries with regard to economic development and technologies used in the production of potassium permanganate.

1980-82, \* \* \*. Both of these trends can be explained in large part by reduced purchases of free flowing grade by Carus' largest customer, which accounted for \* \* \* percent of U.S. consumption of potassium permanganate in 1980, \* \* \* percent in 1981 and zero in 1982. 1/

U.S. consumption of the technical grade product \* \* \*. Demand for the pharmaceutical grade was relatively insignificant throughout the period.

Table 1.--Potassium permanganate: U.S. consumption, 1/ by grades, 1980-82

Grade	1980	1981	1982
Quantity (1,000 pounds)			
Free flowing-----	***	***	***
Technical-----	***	***	***
Pharmaceutical-----	***	***	***
Total-----	***	***	***
Percent of total			
Free flowing-----	***	***	***
Technical-----	***	***	***
Pharmaceutical-----	***	***	***
Total-----	***	***	***

1/ Calculated by multiplying domestic shipments, by grades, by importers that provided data in response to questionnaires of the U.S. International Trade Commission, by the ratio of aggregate U.S. imports as reported by the U.S. Department of Commerce to U.S. imports reported by the aforementioned importers, for those countries for which importers' responses did not account for 100 percent of U.S. imports, and adding to such product domestic shipments, by grades, by the U.S. producer.

Source: Derived from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

1/ For more information concerning this customer, refer to the section of this report that addresses the question of material injury.

### Channels of distribution

Distribution of potassium permanganate, whether domestic or imported, takes place through either direct sales to end users, or sales to distributors or jobbers, who in turn supply end-user markets.

The domestic producer, Carus, sells the majority (about \* \* \* percent) of its domestic shipments of potassium permanganate to distributors. Carus' primary market in sales to end users consists of municipalities.

Imported potassium permanganate is sold by foreign producers to importing firms, which then resell the material either to end users or to other distributors. While most imported potassium permanganate is sold by importers to other distributors, some sales are made directly to end users, in particular municipalities, on a bid basis.

In general, distributors do not have agreements with domestic or foreign producers, or with importers, to sell one producer's product to the exclusion of the others'. However, as a matter of practice, most distributors handle either Carus' and Chinese material, Carus' and Spanish material, or only one of the three. The Commission staff is not aware of any distributor (excluding importers) that sells both the Chinese and Spanish products or all three.

### U.S. Producer

The sole U.S. manufacturer of potassium permanganate is Carus Chemical Co., located in La Salle, Ill. Carus Chemical Co. is a division of Carus Corp., a small, privately held firm. Carus has manufactured potassium permanganate, sold under the trade name Cairox, since 1915 and has been the sole U.S. producer since shortly after World War I. The firm also produces small quantities of other chemicals at the La Salle plant.

### U.S. Importers

There are nine major importers of potassium permanganate into the United States. \* \* \*.

### Foreign Producers

Information regarding the identity of the Chinese producer or producers of potassium permanganate is not available at this time. International trade in the product is handled by the China National Chemicals Import and Export Corp. (Sinochem), located in Beijing, China. China's capacity to produce

potassium permanganate was reported to be 12 million pounds a year in 1979. 1/ Capacity subsequently declined following the closure of two plants during 1980-82. Those plants are not expected to reopen. 2/

The sole producer of potassium permanganate in Spain is Asturquimica, S.A., located in Trubia, Spain. Asturquimica, organized in 1978, is currently wholly owned by Industrial Quimica del Nalon of Spain (Nalon). Nalon, a company with annual sales of about \$38 million, has been involved in the manufacture of potassium permanganate since 1943. Asturquimica's annual capacity was 6.6 million pounds during 1980-82. 3/

Potassium permanganate is also produced in India by Swadeshi Chemicals Private, Ltd., and in Czechoslovakia, East Germany, and the U.S.S.R. None of these countries exported potassium permanganate to the United States during 1980-82 with the exception of the U.S.S.R., which exported a small quantity to the United States in 1981.

Former manufacturers of potassium permanganate that ceased production during 1980-82 include The Boots Co., Ltd., of the United Kingdom, Rhone Poulenc, of France, and the Nippon Chemical Industrial Co., of Japan. The Boots Co. is now a distributor of the Carus product in Europe.

#### The Question of Material Injury

To obtain information for this section of the report, the Commission sent a questionnaire to Carus Chemical Co., the sole U.S. producer. The analysis in this section is complicated by the 1981 loss of Carus' largest customer, the Chemagro Agricultural Division of Mobay Chemical Corp. (a U.S. subsidiary of Farbenfabriken Bayer, A.G., of West Germany) (Chemagro). In 1974, Carus signed a 5-year agreement (subsequently extended) to supply free flowing grade potassium permanganate to Chemagro. In order to supply the quantities specified in the agreement, which varied from approximately 4 million to 12 million pounds a year, Carus increased its plant capacity by 50 percent to a level of 30 million pounds a year. 4/ In 1981, Chemagro switched to a different manufacturing process that did not require the use of potassium permanganate. 5/ The impact of the loss of this customer on Carus is evident through examination of the share of total company shipments that were directed to Chemagro, \* \* \*.

---

1/ Encyclopedia of Chemical Technology, Kirk-Othmer, John Wiley & Sons, New York, 3d ed., vol. 14, pp. 872-873.

2/ Counsel's postconference brief.

3/ Transcript of the public conference, p. 55.

4/ See the petition, p. 4.

5/ In a telephone conversation on Mar. 18, 1983, a Carus official indicated that Chemagro used potassium permanganate in the manufacture of a synthetic organic intermediate which, in turn, was used in the manufacture of a soybean herbicide. By means of a \* \* \* investment, Chemagro was able to develop a completely new manufacturing process that eliminated the oxidation step that formerly required the use of potassium permanganate. Carus' final month of production and shipment to Chemagro occurred in \* \* \* 1981.



Carus acknowledged in the petition that the loss of Chemagro was unrelated to the alleged injury suffered as a result of dumping, except in the sense that the vulnerability of the company to dumping was exacerbated by the loss of such a large customer. To the extent possible, the data and analyses that follow are presented both inclusive and exclusive of Chemagro.

U.S. production, capacity, and capacity utilization

Carus' total production of potassium permanganate \* \* \* (table 2).  
Production for customers other than Chemagro \* \* \*. Production for Chemagro \* \* \*.

Table 2.--Potassium permanganate: U.S. production, capacity,  
and capacity utilization, by grades, 1980-82

Item	:	1980	:	1981	:	1982
Production:	:	:	:	:	:	:
For Chemagro: free flowing----1,000 pounds--:	:	***	:	***	:	***
For other customers:	:	:	:	:	:	:
Free flowing-----1,000 pounds--:	:	***	:	***	:	***
Technical-----do--:	:	***	:	***	:	***
Pharmaceutical-----do--:	:	***	:	***	:	***
Total-----do--:	:	***	:	***	:	***
Capacity (all grades) <u>1</u> /-----do--:	:	***	:	***	:	***
Capacity utilization:	:	:	:	:	:	:
Including Chemagro-----percent--:	:	***	:	***	:	***
Excluding Chemagro-----do--:	:	***	:	***	:	***
	:	:	:	:	:	:

1/ Practical rated capacity is defined as the normal sustained production that can be achieved on an annual basis, making allowances for normal maintenance and downtime, and is based on a 24-hour-a-day, 7-day-a-week, 52-week-a-year operation.

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

Carus' capacity to produce potassium permanganate remained constant at 30 million pounds a year during 1980-82. Capacity utilization, taking into consideration production for Chemagro, \* \* \*. Excluding production for Chemagro, capacity utilization \* \* \*.

Excessive inventories forced Carus to close its La Salle plant \* \* \*.

#### U.S. producer's shipments, inventories, and imports

As shown in table 3, Carus' domestic shipments of potassium permanganate, excluding those to Chemagro, \* \* \*. Domestic shipments of free flowing grade to customers other than Chemagro \* \* \* domestic shipments of technical grade \* \* \*.

Export shipments, <sup>1/</sup> composed primarily of \* \* \*. Exports \* \* \* annually as a share of total shipments (including shipments to Chemagro) \* \* \*. As a share of total shipments, excluding those to Chemagro, exports \* \* \*.

The unit value of Carus' export shipments \* \* \* than the unit value of its domestic shipments \* \* \* as shown in the following tabulation:

(In dollars per pound)						
Item	:	1980	:	1981	:	1982
	:		:		:	
Unit value of domestic shipments-----	:	***	:	***	:	***
Unit value of export shipments-----	:	***	:	***	:	***
	:		:		:	

Carus' total shipments to customers other than Chemagro \* \* \*.

<sup>1/</sup> In a telephone conversation on Mar. 25, 1983, a Carus official indicated that the majority of the firm's exports during 1980-82 were to \* \* \*. \* \* \*.

Table 3.--Potassium permanganate: U.S. producer's shipments  
and inventories, by grades, 1979-82

(In thousands of pounds)

Item	1979	1980	1981	1982
Shipments:				
Domestic:				
Free flowing:				
To Chemagro-----	////////	***	***	***
To other customers-----	////////	***	***	***
Total-----	////////	***	***	***
Technical-----	////////	***	***	***
Pharmaceutical-----	////////	***	***	***
Total (including Chemagro)-----	////////	***	***	***
Total (excluding Chemagro)-----	////////	***	***	***
Exports:				
Free flowing-----	////////	***	***	***
Technical-----	////////	***	***	***
Pharmaceutical-----	////////	***	***	***
Total-----	////////	***	***	***
Total:				
Free flowing:				
To Chemagro-----	////////	***	***	***
To other customers-----	////////	***	***	***
Total-----	////////	***	***	***
Technical-----	////////	***	***	***
Pharmaceutical-----	////////	***	***	***
Total (including Chemagro)-----	////////	***	***	***
Total (excluding Chemagro)-----	////////	***	***	***
Inventories: <sup>1/</sup>				
Free flowing-----	***	***	***	***
Technical-----	***	***	***	***
Pharmaceutical-----	***	***	***	***
Total-----	***	***	***	***

<sup>1/</sup> All inventories held by Carus were related to \* \* \*.

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

End-of-year inventories held by Carus \* \* \*. Yearend inventories, as a share of shipments, \* \* \* as shown in the following tabulation:

Year	Inventories	Shipments	Ratio of inventories to shipments
	-----1,000 pounds-----		Percent
1980-----	***	***	***
1981-----	***	***	***
1982-----	***	***	***

Carus purchased significant quantities of technical grade potassium permanganate from China 1/ \* \* \* during 1980-81 to supplement its own production \* \* \* prior to the termination of the Chemagro contract in 1981. \* \* \*. Carus' purchases of imports are presented in the following tabulation:

(In thousands of pounds)				
Item	1980	1981	1982	
Purchases of imports from:				
China-----	***	***	***	***
* * *-----	***	***	***	***
* * *-----	***	***	***	***
Total-----	***	***	***	***

#### U.S. employment

The number of workers engaged in employment related to the production of potassium permanganate, and hours worked by such workers, \* \* \* (table 4). Employment and hours worked \* \* \*. According to Carus, the \* \* \* in employment and hours worked in 1981 and 1982 are essentially attributable to \* \* \*.

1/ Carus' purchases of imports from China in 1980 and 1981 \* \* \*.

Table 4.--Average number of production and related workers engaged in the manufacture of potassium permanganate, hours worked by such workers, wages paid, and total compensation, 1980-82

Year	: Number : of : workers	: Hours : worked : Thousands	: Wages : paid : Per hour	: Total : compensa- : tion 1/
1980-----	: ***	: ***	: ***	: ***
1981-----	: ***	: ***	: ***	: ***
1982-----	: ***	: ***	: ***	: ***

1/ Wages plus fringe benefits.

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

Carus shut down its plant \* \* \* during the summer of 1982 in order to liquidate inventories, resulting in the layoff of more than \* \* \* of its production workers. On September 28, 1982, Carus and the International Chemical Workers Union, Local 79, which represents the production workers at Carus, signed a negotiated modification to the collective bargaining agreement between the two parties. The contract modification, effective October 1, 1982, resulted in wage and benefit concessions totaling \$1.80 per hour. 1/ Carus attributed both of these events to \* \* \*.

#### Financial experience of the U.S. producer

Overall company operations, including subsidiaries.--Carus Corp.'s total company consolidated sales revenue \* \* \* (table 5). Carus derived \* \* \* of its total company consolidated sales revenue from the sale of potassium permanganate in 1980. The share \* \* \* in 1981 and 1982. A subsidiary company in the publishing business accounted for the bulk of the remaining sales revenue during 1980-82.

Carus Corp.'s overall consolidated company operations were \* \* \*. The company reported an operating \* \* \*.

\* \* \* \* \*

Carus reported a \* \* \* cash flow of \* \* \*. Manufacturing costs (cost of goods sold) \* \* \* and operating (general, selling, and administrative) expenses \* \* \*.

1/ The petition, summary of confidential exhibit 11.

Table 5.--Income-and-loss experience of Carus Corp. on its overall company operations, including subsidiaries, 1980-82

Item	1980	1981	1982
Net sales-----1,000 dollars--:	***	***	***
Cost of goods sold-----do-----:	***	***	***
Gross income-----do-----:	***	***	***
General, selling, and administrative expenses-----do-----:	***	***	***
Operating income or (loss)-----do-----:	***	***	***
Other income or (expense)-----do-----:	***	***	***
Net income or (loss) before income taxes do-----:	***	***	***
Depreciation and amortization expense-----do-----:	***	***	***
Cash flow from operations-----do-----:	***	***	***
Ratio to total net sales:			
Gross income-----percent--:	***	***	***
Operating income or (loss)-----do-----:	***	***	***
Net income or (loss) before income taxes percent--:	***	***	***
Cost of goods sold-----do-----:	***	***	***
General, selling, and administrative expenses-----do-----:	***	***	***
Ratio of potassium permanganate sales to total establishment net sales-----percent--:	***	***	***

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

Potassium permanganate operations.--Net sales related to Carus' potassium permanganate operations \* \* \* (table 6). Carus derived \* \* \* and \* \* \* of its potassium permanganate sales revenue from Chemagro in 1980 and 1981, respectively. No sales were made to Chemagro in 1982.

\* \* \* \* \*

Table 6.--Income-and-loss experience of Carus Corp. on its potassium permanganate operations, 1980-82

Item	:	1980	:	1981	:	1982
Net sales:	:	:	:	:	:	:
Potassium permanganate-----1,000 dollars--:	:	***	:	***	:	***
Other products-----do-----:	:	***	:	***	:	***
Total net sales-----do-----:	:	***	:	***	:	***
Cost of goods sold-----do-----:	:	***	:	***	:	***
Gross income-----do-----:	:	***	:	***	:	***
General, selling, and administrative	:	:	:	:	:	:
expenses-----do-----:	:	***	:	***	:	***
Operating income or (loss)-----do-----:	:	***	:	***	:	***
Other income or (expense)-----do-----:	:	***	:	***	:	***
Net income or (loss) before income taxes	:	:	:	:	:	:
do-----:	:	***	:	***	:	***
Depreciation and amortization expense--do-----:	:	***	:	***	:	***
Cash flow from operations-----do-----:	:	***	:	***	:	***
Ratio to total net sales:	:	:	:	:	:	:
Gross income-----percent--:	:	***	:	***	:	***
Operating income or (loss)-----do-----:	:	***	:	***	:	***
Net income or (loss) before income taxes	:	:	:	:	:	:
percent--:	:	***	:	***	:	***
Cost of goods sold-----do-----:	:	***	:	***	:	***
General, selling, and administrative	:	:	:	:	:	:
expenses-----do-----:	:	***	:	***	:	***
	:	:	:	:	:	:

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

Cash flow generated from Carus Corp.'s potassium permanganate operations \* \* \*.

As a share of net sales, manufacturing costs (cost of goods sold) \* \* \*. Operating expenses \* \* \*.

Carus Corp. furnished income-and-loss data on its potassium permanganate operations that exclude revenue, costs, and expenses related to sales made to Chemagro during 1980-82. Such data, based on estimates submitted by Carus, are presented in appendix D.

Investment in productive facilities.--The original cost of Carus Corp.'s investment in productive facilities used in the production of potassium permanganate \* \* \* (table 7). The book value of such assets \* \* \*. The replacement value of such assets \* \* \*.

The relationship of operating income or loss to investment in productive facilities, at cost, book value, and replacement value, indicates the same trend as the relationship of such income to net sales.

Table 7.—Carus Corp.'s investment in facilities used in the production of potassium permanganate, as of December 31, 1980-82

Item	As of December 31--		
	1980	1981	1982
Original cost-----1,000 dollars--:	***	***	***
Book value-----do-----:	***	***	***
Replacement value-----do-----:	***	***	***
Ratio of operating income or (loss) to--			
Net sales-----percent--:	***	***	***
Original cost-----do-----:	***	***	***
Book value-----do-----:	***	***	***
Replacement cost-----do-----:	***	***	***

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

Capital expenditures.--As shown in table 8, capital expenditures for land, buildings, and machinery and equipment \* \* \*. Overall, Carus spent \* \* \* for land during this period, \* \* \* for buildings, and \* \* \* for machinery and equipment.

Table 8.--Carus Corp.'s capital expenditures for land, buildings, and machinery and equipment used in the production of potassium permanganate, 1980-82

(In thousands of dollars)

Item	1980	1981	1982
Land and land improvements-----:	***	***	***
Buildings or leasehold improvements-----:	***	***	***
Machinery, equipment, and fixtures-----:	***	***	***
Total-----:	***	***	***

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

Research and development expenditures.--Carus supplied research and development expenditures relative to its potassium permanganate operations during 1980-82. Such expenditures are presented in the following tabulation:



<u>Period</u>	<u>Research and development expenditures (1,000 dollars)</u>
1980-----	***
1981-----	***
1982-----	***

### The Question of the Threat of Material Injury

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase of the alleged LTFV imports, the rate of increase of U.S. market penetration by such imports, the quantities of such imports held in inventory in the United States, and the capacity of producers in China and Spain to generate exports (including the availability of export markets other than the United States).

Trends in imports and U.S. market penetration are discussed in the section of this report that addresses the causal relationship between the alleged injury and the alleged LTFV imports. Information regarding the capacity of the Chinese producer or producers to generate exports has not yet been provided.

Data provided by counsel for Asturquimica show that \* \* \*. \* \* \*. Asturquimica's annual levels of capacity, production, excess capacity, total exports, and exports to the United States during 1980-82 were as follows:

(In thousands of pounds)				
Item	1980	1981	1982	
Capacity-----	***	***	***	***
Production-----	***	***	***	***
Excess capacity-----	***	***	***	***
Total exports-----	***	***	***	***
Exports to the United States-----	***	***	***	***

Asturquimica's inventories of potassium permanganate were stated to be \* \* \* pounds as of the end of March 1983. No data were provided for prior periods.

Yearend inventories of Chinese potassium permanganate held by importers that submitted data in response to the Commission's questionnaires 1/

1/ Such importers accounted for \* \* \* percent, \* \* \* percent, and \* \* \* percent of imports from China in 1980, 1981 and 1982, respectively.

\* \* \* as a share of those firms' imports from China \* \* \*. Importers' yearend inventories of imports from Spain 1/ \* \* \* as a share of those firms' imports from Spain \* \* \*.

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

U.S. imports

U.S. imports of potassium permanganate increased 17.5 percent from 1980 to 1981 and 24.3 percent from 1981 to 1982 (table 9). Imports from China, which represented 85 percent of total U.S. imports in 1980, decreased sharply in 1981 and then more than doubled in 1982. These imports were \* \* \*

Table 9.--Potassium permanganate: U.S. imports for  
consumption, by selected sources, 1980-82

Source	1980	1981	1982
Quantity (1,000 pounds)			
China-----	<u>1/</u> 1,019	281	588
Spain-----	0	977	1,029
All other-----	178	147	<u>2/</u> 129
Total-----	1,196	1,405	<u>2/</u> 1,746
Value (1,000 dollars)			
China-----	695	183	323
Spain-----	-	699	704
All other-----	183	150	142
Total-----	878	1,033	1,169
Percent of total quantity			
China-----	85.2	20.0	33.7
Spain-----	-	69.5	58.9
All other-----	14.8	10.5	<u>2/</u> 7.4
Total-----	100.0	100.0	100.0

1/ Includes \* \* \* pounds purchased by Carus.

2/ \* \* \*.

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

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

1/ Importers of the Spanish product that submitted data in response to the Commission's questionnaires accounted for \* \* \* percent of imports from Spain in 1981 and 1982.

technical grade material. Imports of potassium permanganate from Spain, composed of all three grades, first entered the United States in 1981. Spain was the major source of imports in both 1981 and 1982. Imports from other countries were relatively small and decreased each year during 1980-82.

Technical grade potassium permanganate accounted for 88 percent of imports in 1980. Free flowing grade was nearly as dominant in 1981, accounting for 84 percent of imports. In 1982, imports were more evenly distributed between the two grades, as technical grade accounted for 53 percent of imports and free flowing grade, for 46 percent. The percentage distribution of U.S. imports of potassium permanganate, by grades, as compiled from data submitted in response to Commission questionnaires, is shown in the following tabulation (in percent):

Grade	1980	1981	1982
Free flowing-----	11.5	83.7	45.6
Technical-----	88.5	16.0	53.3
Pharmaceutical-----	0	0.3	1.1
Total-----	100.0	100.0	100.0

#### Market penetration of imports

Domestic shipments of imports of potassium permanganate \* \* \* (table 10). U.S. consumption \* \* \* as did the U.S. producer's shipments.

Table 10.--Potassium permanganate: U.S. producer's domestic shipments, exports, domestic shipments of imports, and consumption, 1980-82

(In thousands of pounds)					
Year	Producer's domestic shipments 1/	Exports	Domestic shipments of imports	Consumption 1/	
1980-----	***	***	1,073	***	
1981-----	***	***	1,075	***	
1982-----	***	***	1,793	***	

1/ Includes shipments to Chemagro.

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

Carus' share of U.S. consumption of potassium permanganate, excluding purchases by Chemagro, \* \* \* (table 11). Imports from China accounted for \* \* \*. Imports from Spain, which first entered the United States in 1981, \* \* \*.

Table 11.--Potassium permanganate: Ratios of domestic shipments of the U.S. producer and of imports 1/ to U.S. consumption, by grades and by sources, including and excluding shipments to Chemagro, 1980-82

(In percent)						
Item	Including Chemagro			Excluding Chemagro		
	1980	1981	1982	1980	1981	1982
Free flowing grade:						
U.S.-produced-----	***	***	***	***	***	***
Imported from China-----	***	***	***	***	***	***
Imported from Spain-----	***	***	***	***	***	***
Imported from other countries-----	***	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0	100.0
Technical grade:						
U.S.-produced-----	***	***	***	***	***	***
Imported from China <u>2/</u> -----	***	***	***	***	***	***
Imported from Spain-----	***	***	***	***	***	***
Imported from other countries <u>3/</u> -----	***	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0	100.0
Pharmaceutical grade:						
U.S.-produced-----	***	***	***	***	***	***
Imported from China-----	***	***	***	***	***	***
Imported from Spain-----	***	***	***	***	***	***
Imported from other countries-----	***	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0	100.0
All grades:						
U.S.-produced-----	***	***	***	***	***	***
Imported from China <u>2/</u> -----	***	***	***	***	***	***
Imported from Spain-----	***	***	***	***	***	***
Imported from other countries <u>3/</u> -----	***	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0	100.0

1/ Domestic shipments of imports from Spain are actual statistics reported by importers that provided data in response to questionnaires of the U.S. International Trade Commission. Domestic shipments of imports from China and "other countries" were derived by multiplying domestic shipments by importers that provided data in response to such questionnaires by the ratio of aggregate U.S. imports as reported by the U.S. Department of Commerce to U.S. imports reported by the aforementioned importers, because imports reported by such importers did not account for 100 percent of U.S. imports from those countries. Such importers accounted for \* \* \* percent of imports from China in 1980 and 1981 and for \* \* \* percent in 1982, and for \* \* \* percent, \* \* \* percent, and \* \* \* percent of imports from "other countries" in 1980, 1981, and 1982, respectively.

2/ Imports from China, excluding material purchased by Carus, accounted for \* \* \* percent of consumption of the technical grade product in 1980 and for \* \* \* percent and \* \* \* percent of consumption of all grades, including and excluding shipments to Chemagro, respectively.

3/ Imports of Carus material, exported to West Germany and subsequently reimported into the United States, accounted for \* \* \* percent of consumption of the technical grade product in 1982 and for \* \* \* percent of consumption of all grades.

Source: Derived from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Material produced by Carus accounted for more than \* \* \* of U.S. consumption of each of the three grades during 1980-82. The U.S. producer has \* \* \* in the relatively small market for pharmaceutical grade. With respect to the two major grades, Carus has been \* \* \* in the market for free flowing grade, where its share (excluding Chemagro) was \* \* \*. Its chief competition in this market has been imports of the Spanish product, \* \* \*. Imports from China have provided the major competition for Carus in the technical grade market, \* \* \*.

### Prices

Transaction prices for potassium permanganate are determined differently for each class of customer. Industrial consumers and distributors, which account for the largest share of total sales of domestically produced and imported potassium permanganate, transact most of their business on a spot basis. These customers do not usually enter into contract agreements with their suppliers. Prices to these buyers are quoted on an f.o.b. point-of-shipment basis by the U.S. producer and by importers. Local governments, which use potassium permanganate for water purification, solicit sealed bids from suppliers. The bid prices generally include delivery charges. The firm that offers the lowest bid is normally awarded a contract to supply the customer with potassium permanganate for periods of up to 1 year. The U.S. producer and the importers often compete with their own distributors to obtain these municipal contracts.

Carus has not deviated from its published list prices in transactions with distributors except for \* \* \*. Carus also offers \* \* \*. In contrast, two of the major importers have stated that they \* \* \*. The other importers that were contacted indicated that they shipped all of their potassium permanganate \* \* \*.

Carus and importers were requested to supply quarterly prices on sales to their largest distributors of free flowing and technical grade potassium permanganate from China and Spain for the period January 1981-December 1982 on f.o.b. and delivered bases. Carus provided \* \* \*. The \* \* \* importers that responded to the questionnaire also presented \* \* \* for the quarters in which transactions occurred, but were not usually able to provide \* \* \*. These importers accounted for \* \* \* percent of all potassium permanganate imports from China in 1981, for \* \* \* percent in 1982, and for \* \* \* from Spain in both years.

Carus' prices of technical grade and free flowing grade potassium permanganate \* \* \* during the 1981-82 period. The weighted average price of the technical grade \* \* \* (tables 12 and 13). The price of the free flowing grade \* \* \* (table 14).

Prices of imported technical grade potassium permanganate from China are presented along with prices of the domestically produced product in table 12. The data, which are based on transactions of importers accounting for \* \* \* percent and \* \* \* percent of imports from China in 1981 and 1982, respectively, show that the price of the Chinese product \* \* \*.

A-21

Table 12.--Potassium permanganate: Weighted average prices of technical grade product produced domestically and imported from China on an f.o.b. point-of-shipment basis, by quarters, 1981 and 1982

Period	Domestic price	Import price	Margin of underselling or overselling	
			Amount	Percent
		Per pound 1/		
1981:				
January-March----	***	***	***	***
April-June-----	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
1982:				
January-March----	***	***	***	***
April-June-----	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***

1/ Prices for products shipped in 50 kilogram steel containers.

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

Prices of imported technical grade potassium permanganate from Spain are compared with prices of the domestic product in table 13. The data show that the price of the Spanish product \* \* \*.

\* \* \* \* \*

Table 13.--Potassium permanganate: Weighted average prices of technical grade product produced domestically and imported from Spain on an f.o.b. point-of-shipment basis, by quarters, 1981 and 1982

Period	Domestic price	Import price	Margin of underselling or overselling	
			Amount	Percent
		Per pound 1/		
1981:				
January-March----	***	***	***	***
April-June-----	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
1982:				
January-March----	***	***	***	***
April-June-----	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***

1/ Prices for products shipped in 50 kilogram steel containers.

A 22

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

Prices of free flowing grade potassium permanganate from Spain are shown along with domestic prices of this product in table 14. The price of the Spanish product \* \* \*.

\* \* \* \* \*

Table 14.--Potassium permanganate: Weighted average prices of free flowing product produced domestically and imported from Spain on an f.o.b. point-of-shipment basis, by quarters, 1981 and 1982

Period	Domestic price	Import price	Margin of underselling or overselling	
			Amount	Percent
			Per pound 1/	
1981:				
January-March----	***	***	***	***
April-June-----	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
1982:				
January-March----	***	***	***	***
April-June-----	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***

1/ Prices for products shipped in 50 kilogram steel containers.

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

#### Lost sales

Carus provided the Commission with a list of end users of potassium permanganate (predominantly municipalities) that allegedly had purchased, or had considered purchasing, the Chinese and/or Spanish products that were reportedly being offered at lower prices than the Carus product. The Commission staff sent questionnaires to 19 of these purchasers and received written responses from 15.

The purchasers were asked to supply information on the two largest contracts awarded by their firms in 1981 and in 1982. In nearly every case, a contract was awarded on the basis of competitive bids. Bids were submitted by distributors (some of which were importers of record) and frequently by Carus itself, very often competing against distributors of the Carus product as well as against distributors of imported material. All purchasers had a policy of awarding contracts to the lowest bidder, provided the supplier could meet product specifications and delivery requirements. The information contained in the returned questionnaires is summarized below, according to the country of manufacture of the product allegedly purchased or considered for purchase.

Allegations concerning imports from China.--Of the seven purchasers that allegedly bought, or considered buying, potassium permanganate of Chinese origin, one actually purchased the Chinese product (on two occasions). On both occasions, the Chinese material was offered at a lower price than the domestic material. All six of the remaining purchasers bought Carus material even though distributors of the Chinese product submitted lower bids to two of the purchasers. On one of those occasions, Carus lowered its price during the contract period to meet the price offered by the distributor of the Chinese product.

\* \* \* did not purchase any potassium permanganate of Chinese origin in 1981 or 1982.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1982. The contract was awarded to a distributor of the Carus product at a price of \* \* \* per pound even though a distributor of the Chinese product submitted a lower bid of \* \* \* per pound. No other bids were submitted. \* \* \* awarded the contract to the Carus distributor because the Chinese distributor could not, or would not, provide the technical service and the chemical feeder needed by \* \* \*.

\* \* \* purchased \* \* \* pounds of technical grade potassium permanganate in 1981 and \* \* \* pounds in 1982. In both years, \* \* \* purchased directly from Carus without soliciting competitive bids. The prices involved were \* \* \* per pound in 1981 and \* \* \* per pound in 1982.

\* \* \* purchased \* \* \* pounds of technical grade potassium permanganate in 1981 and \* \* \* pounds in 1982. In both years, \* \* \* purchased directly from Carus without soliciting competitive bids.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1981 and \* \* \* pounds in 1982. In the first instance, \* \* \* purchased directly from Carus at a price of \* \* \* per pound, without soliciting competitive bids. In the second instance, \* \* \* again purchased from Carus, at a price of \* \* \* per pound, even though a lower bid of \* \* \* per pound was submitted by an importer of the Chinese product. \* \* \*.

\* \* \* refused to supply exact quantity and price data regarding its purchases of potassium permanganate. However, \* \* \* indicated that it purchased potassium permanganate of Chinese origin on two occasions during 1981-82 and that the Chinese material was priced 3 to 4 cents per pound less than the domestic material.

\* \* \* purchased \* \* \* pounds of technical grade potassium permanganate in 1981 and \* \* \* in 1982. A distributor of Carus material was awarded the contract in 1981 with a bid of \* \* \* per pound. An importer of the Chinese product was second with a bid of \* \* \* per pound.



Allegations concerning imports from Spain.--Nine purchasers reported buying potassium permanganate of Spanish origin through solicitation of bids. Their purchases accounted for 19 percent and 13 percent of imports from Spain in 1981 and 1982, respectively. Seven of the nine were able to identify the country of origin of the material with respect to all, or nearly all, the bids submitted. These 7 purchasers solicited competitive bids on 11 occasions during 1981 and 1982. In each of the 11 instances, the contract was awarded to the lowest bidder. Six of the 11 contracts (involving 6 separate purchasers) were awarded to distributors of the Spanish product. Carus, and/or distributors of Carus material, submitted bids on each of these six occasions, placing second on at least five occasions.

Of the five contracts awarded to Carus or distributors of Carus material, only two involved competitive bids from distributors of Spanish material. On one of these occasions, Carus won the bid by lowering its price from the previous year, when a distributor of Spanish material had won the bid. In the three instances in which purchasers solicited bids on more than one occasion, the more recent bids were lower than the earlier ones. A further analysis of the competitive aspects of these purchases is presented below.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1981 and \* \* \* pounds in 1982. The 1981 contract was awarded to an importer of the Spanish product at a price of \* \* \* per pound. \* \* \* was not aware of the country of manufacture with respect to the second- and third-place bids of \* \* \* and \* \* \* per pound. In 1982, \* \* \* purchased from Carus without soliciting competitive bids. The price was \* \* \* per pound. The decision to purchase from Carus was based on its ability to provide needed technical assistance.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1982. Officials indicated that \* \* \* percent of the material supplied was of Spanish origin.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1981 and \* \* \* pounds in 1982. In 1981, a bid of \* \* \* per pound for the largest contract was submitted by a distributor of Carus material. No other bids were placed. In 1982, the winning bid of \* \* \* for the largest contract was submitted by a distributor of the Spanish product. Carus was second with a bid of \* \* \* per pound, followed by a Carus distributor (\* \* \*) with a bid of \* \* \* per pound.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1981 and \* \* \* pounds in 1982. The 1981 contract was awarded to an importer of the Spanish product at a price of \* \* \* per pound. The second-place bid of \* \* \* per pound was submitted by a distributor of Carus material, and the third-place bid of \* \* \* per pound was submitted by Carus. The 1982 contract was awarded to Carus at a price of \* \* \* per pound. The second- and third-place bids of \* \* \* and \* \* \* per pound were submitted by Carus distributors. The distributor of the Spanish product that was awarded the contract in 1981 finished fourth with a bid of \* \* \* per pound. \* \* \*.

\* \* \* purchased free flowing grade potassium permanganate of U.S. and Spanish origin in 1981 without soliciting bids. In 1982, \* \* \* did solicit bids, awarding the contract for \* \* \* pounds of free flowing grade to a distributor of Spanish material at a price of \* \* \* per pound. The second-place bid of \* \* \* per pound was submitted by a distributor of Carus material. Bids of \* \* \* per pound were placed by distributors of Spanish and Carus material.

\* \* \* purchased \* \* \* pounds of technical grade potassium permanganate in 1981 and in 1982. In 1981, the contract was awarded to Carus at a price of \* \* \* per pound. Carus had no competition. In 1982, the winning bid of \* \* \* per pound was submitted by an importer of Spanish material. Carus placed second with a bid of \* \* \* per pound.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate on two occasions in 1981 and on one occasion in 1982. In the first instance, only two bids were submitted; both involved Carus material. The winning bid was \* \* \* per pound. In the second instance, the winning bid of \* \* \* per pound was submitted by an importer of the Spanish product. The second-place bid of \* \* \* per pound was submitted by Carus. At least two higher bids were placed by Carus distributors. Carus recaptured the account in 1982 with a low bid of \* \* \* per pound, just under a bid of \* \* \* per pound submitted by a distributor of the Spanish product. At least two higher bids were submitted by distributors of the Spanish product.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1981. The contract was awarded to Carus at a price of \* \* \* per pound, just below a bid of \* \* \* per pound submitted by an importer of Spanish material.

\* \* \* purchased \* \* \* pounds of free flowing grade potassium permanganate in 1981 and \* \* \* pounds in 1982. In the first instance, the winning bid of \* \* \* per pound as well as all other bids was submitted by distributors of the Carus product. In the second instance, the winning bid of \* \* \* per pound was submitted by a distributor of the Spanish product. \* \* \* was not aware of the country of manufacture with respect to the second-place bid of \* \* \* per pound. The third-, fourth-, and fifth- place bids of \* \* \* per pound were submitted by distributors of Carus material.

**APPENDIX A**

**NOTICE OF THE COMMISSION'S INSTITUTION OF  
PRELIMINARY ANTIDUMPING INVESTIGATIONS**

## INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-125 and 126; Preliminary]

### Potassium Permanganate From the People's Republic of China and Spain

**AGENCY:** International Trade Commission.

**ACTION:** Institution of preliminary antidumping investigations and scheduling of a conference to be held in connection with the investigations.

**EFFECTIVE DATE:** February 22, 1983.

**SUMMARY:** The United States International Trade Commission hereby gives notice of the institution of preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the People's Republic of China and Spain of potassium permanganate, provided for in item 420.28 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value.

**FOR FURTHER INFORMATION CONTACT:** Mr. Robert Carpenter, Office of Investigations, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436, telephone 202-523-0399.

#### SUPPLEMENTARY INFORMATION:

##### Background

These investigations are being instituted in response to a petition filed on February 22, 1983, on behalf of the Carus Chemical Co., a U.S. producer of potassium permanganate. The Commission must make its determination in the investigations within 45 days after the date of the filing of the petition, or by April 8, 1983 (19 CFR 207.17).

#### Participation

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than seven (7) days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the notice.

#### Service of Documents

The Secretary will compile a service list from the entries of appearance filed in the investigations. Any party submitting a document in connection with the investigations shall, in addition to complying with § 201.8 of the Commission's rules (19 CFR 201.8, as amended by 47 FR 13791, Apr. 1, 1982), serve a copy of the nonconfidential version of each such document on all other parties to the investigations. Such service shall conform with the requirements set forth in § 201.16(b) of the rules (19 CFR § 201.16(b)), as amended by 47 FR 33682, Aug. 4, 1982).

In addition to the foregoing, each document filed with the Commission in the course of these investigations must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certification of service will not be accepted by the Secretary.

#### Written Submission

Any person may submit to the Commission on or before March 23, 1983, a written statement of information pertinent to the subject matter of these

investigations (19 CFR 207.15). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8, as amended by 47 FR 13791, Apr. 1, 1982).

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 § 201.6 of the Commission's rules (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

#### Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., on March 21, 1983, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the staff investigator, Mr. Robert Carpenter (202-523-0399), not later than March 17, 1983, to arrange for their appearance. Parties in support of the imposition of antidumping duties in the investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

#### Public Inspection

A copy of the petition and all written submissions, except for confidential business data, will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR 207, as amended by 47 FR 33682, Aug. 4, 1982), and part 201, subparts A through E (19 CFR Part 201, as amended by 47 FR 13791, Apr. 1, 1982, and 47 FR 33682, Aug. 4, 1982). Further information concerning the conduct of the conference will be provided by Mr. Carpenter.

This notice is published pursuant to section 207.12 of the Commission's rules (19 CFR 207.12).

Issued: February 25, 1983.  
Kenneth R. Mason,  
Secretary.

[FR Doc. 83-5397 Filed 3-2-83; 6:45 am]  
BILLING CODE 7020-02-M

APPENDIX B

NOTICES OF THE DEPARTMENT OF COMMERCE'S INSTITUTION  
OF PRELIMINARY ANTIDUMPING INVESTIGATIONS

### Potassium Permanganate From Spain; Initiation of Antidumping Investigation

**AGENCY:** International Trade Administration, Commerce.

**ACTION:** Initiation of antidumping investigation, potassium permanganate from Spain.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping investigation to determine whether potassium permanganate from Spain is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this merchandise are materially injuring, or are threatening to materially injure, a United States industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before April 8, 1983, and we will make ours on or before August 1, 1983.

**EFFECTIVE DATE:** March 18, 1983.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann of Mary Jenkins, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-4929 or 377-1756.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On February 22, 1983, we received a petition from counsel for Carus Chemical Company on behalf of the potassium permanganate industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Spain are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring a United States industry.

The allegation of sales at less than fair value is supported by comparisons of an average *ex factory* sale price of potassium permanganate in Spain to the average *ex factory* price of potassium permanganate imported into the United States from Spain. The *ex factory* U.S. price was developed from FAS prices obtained by the petitioner from U.S. Department of Commerce statistics.

### Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition and have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping investigation to determine whether potassium permanganate from Spain is being, or is likely to be sold at less than fair value in the United States. If our investigation proceeds normally, we will make our preliminary determination by August 1, 1983.

### Scope of Investigation

The merchandise covered by this investigation is potassium permanganate, and inorganic chemical produced in free flowing, technical and pharmaceutical grades. Potassium permanganate is currently classifiable under item 420.2600 of the *Tariff Schedules of the United States Annotated* (TSUSA).

### Notification to ITC

Section 732(d) of the Act requires us to notify the United States International Trade Commission of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

### Preliminary Determination by ITC

The ITC will determine by April 8, 1983, whether there is a reasonable indication that imports of potassium permanganate from Spain are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

March 14, 1983.

[FR Doc. 83-7105 Filed 3-17-83; 8:45 am]

BILLING CODE 3510-25-M

### Potassium Permanganate from the People's Republic of China; Initiation of Antidumping Investigation

**AGENCY:** International Trade Administration, Commerce.

**ACTION:** Initiation of antidumping investigation, potassium permanganate from the People's Republic of China (PRC).

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping investigation to determine whether potassium permanganate from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this merchandise are materially injuring, or are threatening to materially injure, a United States industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before April 8, 1983, and we will make ours on or before August 1, 1983.

**EFFECTIVE DATE:** March 18, 1983.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann or Mary Jenkins, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-4929 or 377-1756.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On February 22, 1983, we received a petition from counsel for Carus Chemical Company on behalf of the potassium permanganate industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act"), and that these imports are materially injuring a United States industry.

The petition further alleges that the PRC is a state-controlled economy country within the meaning of the Act. They allege that sales of potassium permanganate in the PRC do not permit a determination of foreign market value and that the Department of Commerce must choose a non-state-controlled economy country to be used as a surrogate for the purposes of determining the foreign market value of this product.

The petitioner suggests India as a possible surrogate country and supports its allegation of sales at less than fair value by comparing an average *ex factory* sales price of potassium permanganate in India to the average *ex factory* price of potassium permanganate imported into the United States from the PRC. The *ex factory* U.S. price was developed from FAS prices obtained by the petitioner from U.S. Department of Commerce statistics.

#### Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition and have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping investigation to determine whether potassium permanganate from the PRC is being, or is likely to be sold at less than fair value in the United States. If our investigation proceeds normally, we will make our preliminary determination by August 1, 1983.

#### Scope of Investigation

The merchandise covered by this investigation is potassium permanganate, an inorganic chemical produced in free flowing, technical, and pharmaceutical grades. Potassium permanganate is currently classifiable under item 420.2800 of the *Tariff Schedules of the United States Annotated* (TSUSA).

#### Notification to ITC

Section 732(d) of the Act requires us to notify the United States International Trade Commission of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by April 8, 1983, whether there is a reasonable indication that imports of potassium permanganate from the PRC are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

March 14, 1983.

Gary N. Horlick,

*Deputy Assistant Secretary for Import Administration.*

[PR Doc. 83-7006 Filed 3-17-83; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX C

THE COMMISSION'S CALENDAR OF THE PUBLIC CONFERENCE



CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 731-TA-125 and 126

POTASSIUM PERMANGANATE FROM THE  
PEOPLE'S REPUBLIC OF CHINA AND SPAIN

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on March 21, 1983, in the hearing room of the USITC Building, 701 E Street, N.W., Washington, D.C.

In support of the imposition of  
antidumping duties

Winston & Strawn--Counsel  
Washington, D.C.  
Debevoise & Liberman--Counsel  
Washington, D.C.  
on behalf of

Carus Chemical Co.

John Bortak, General Manager

Winston & Strawn  
Raymond S. Calamaro)  
Kenneth Berlin )  
Richard Meltzer ) --OF COUNSEL  
Paul Bousquet )

Debevoise & Liberman  
Charles R. Johnston, Jr.)--OF COUNSEL

In opposition to the imposition of  
antidumping duties

Kaplan Russin & Vecchi--Counsel  
Washington, D.C.  
on behalf of

Asturquímica, S.A.

Thilo Ullmann, Marketing Manager

American International Chemical, Inc.

Robert L. Caggiano, Vice President

Dennis James, Jr. )  
Kathleen F. Patterson) --OF COUNSEL

Haight, Gardner, Poor & Havens--Counsel  
Washington, D.C.  
on behalf of

China National Chemicals Import and Export Corp.

Browning Chemical Corp.

Irwin Pontell, Vice President

Sanford C. Miller )  
Temple L. Ratcliffe)--OF COUNSEL  
Edward Y. Ma )

APPENDIX D

INCOME-AND-LOSS EXPERIENCE OF CARUS CORP. ON ITS POTASSIUM  
PERMANGANATE OPERATIONS, EXCLUDING CHEMAGRO, 1980-82

\* \* \* \* \*

Income-and-loss experience of Carus Corp. on its potassium  
permanganate operations, excluding Chemagro, 1980-82 1/

Item	1980	1981	1982
Net sales:			
Potassium permanganate-----1,000 dollars--:	***	***	***
Other products-----do-----:	***	***	***
Total net sales-----do-----:	***	***	***
Cost of goods sold-----do-----:	***	***	***
Gross income-----do-----:	***	***	***
General, selling, and administrative			
expenses-----do-----:	***	***	***
Operating income or (loss)-----do-----:	***	***	***
Other income or (expense)-----do-----:	***	***	***
Net income or (loss) before income taxes			
-----do-----:	***	***	***
Depreciation and amortization expense--do-----:	***	***	***
Cash flow from operations-----do-----:	***	***	***
Ratio to total net sales:			
Gross income-----percent--:	***	***	***
Operating income or (loss)-----do-----:	***	***	***
Net income or (loss) before income taxes			
percent--:	***	***	***
Cost of goods sold-----do-----:	***	***	***
General, selling, and administrative			
expenses-----do-----:	***	***	***

1/ Carus Corp. used estimates in compiling part of the data presented in this table.

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

