

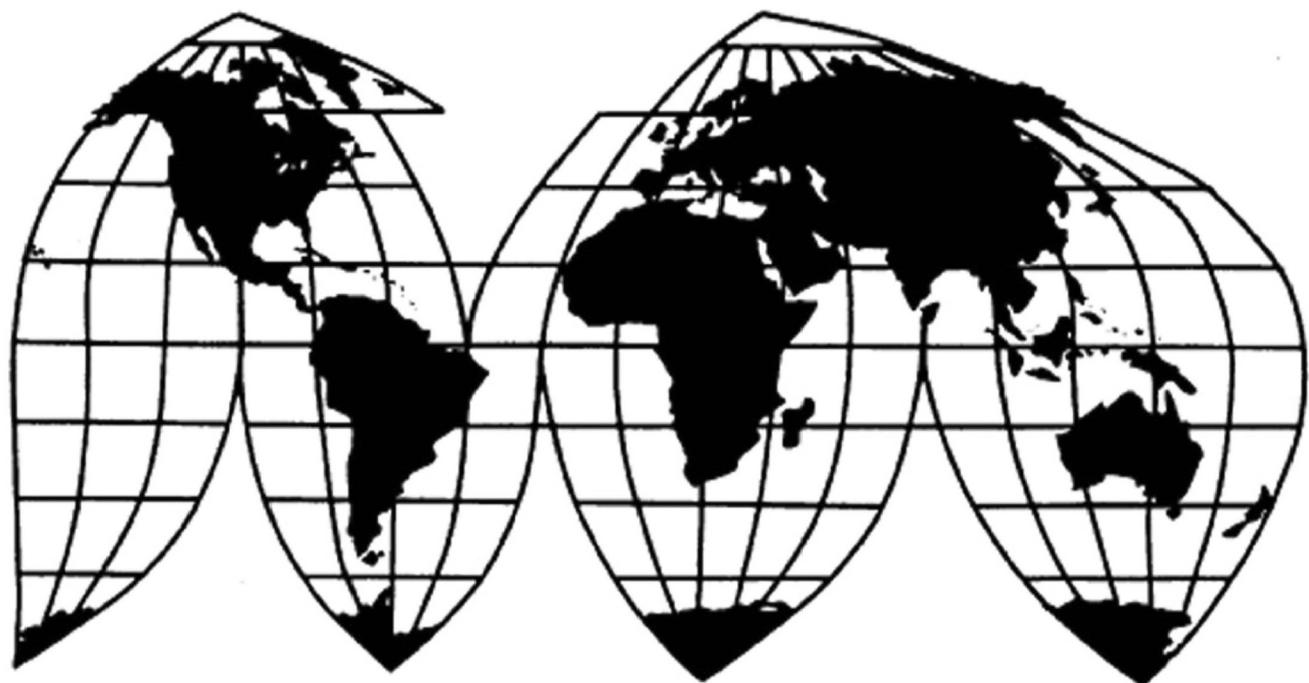
Sodium Nitrite from China and Germany

Investigation Nos. 701-TA-453 and 731-TA-1136-1137 (Second Review)

Publication 4936

July 2019

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-453 and 731-TA-1136-1137 (Second Review)

Sodium Nitrite from China and Germany

DETERMINATION

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping and countervailing duty orders on sodium nitrite from China and the antidumping duty order on sodium nitrite from Germany would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on January 2, 2019 (84 FR 6) and determined on April 12, 2019 that it would conduct expedited reviews (84 FR 25828, June 4, 2019).

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued:

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

Views of the Commission

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

I. Background

Original Investigations: On November 8, 2007, General Chemical LLC (“General Chemical”), a domestic producer of sodium nitrite, filed petitions concerning imports of sodium nitrite from China and Germany.¹ In August 2008, the Commission determined that an industry in the United States was materially injured by reason of subsidized imports of sodium nitrite from China and dumped imports of sodium nitrite from China and Germany.² Commerce issued antidumping duty and countervailing duty orders on imports of sodium nitrite from China and Germany on August 27, 2008.³

First reviews: The Commission instituted its first five-year reviews in July 2013. After conducting expedited reviews, the Commission reached affirmative determinations in January 2014.⁴ Commerce issued a continuation of the antidumping duty orders on February 12, 2014, and of the countervailing duty order on September 5, 2014.⁵

Second reviews: The Commission instituted these second five-year reviews on January 2, 2019.⁶ Chemtrade Chemicals US LLC (“Chemtrade”), a domestic producer of sodium nitrite,⁷ filed the sole response to the notice of institution. On April 12, 2019, the Commission determined that the domestic interested party group response to the notice of institution was

¹ *Sodium Nitrite from China and Germany*, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Final), USITC Pub. 4029 at 3 (Aug. 2008) (“Final Determination”).

² *Final Determination*, USITC Pub. 4029 at 35.

³ *Sodium Nitrite From Germany and the People’s Republic of China: Countervailing Duty Order*, 73 Fed. Reg. 50595 (Aug. 27, 2008), and *Sodium Nitrite From the Federal Republic of Germany and the People’s Republic of China: Antidumping Duty Orders*, 73 Fed. Reg. 50593 (Aug. 27, 2008).

⁴ *Sodium Nitrite from China and Germany*, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (First Reviews), USITC Pub. 4451 (Jan. 2014) (“First Review Determination”); 79 Fed. Reg. 6628 (Feb. 4, 2014) (Commission determinations).

⁵ *Sodium Nitrite From Germany and the People’s Republic of China: Continuation of Antidumping Duty Orders*, 79 Fed. Reg. 8438 (Feb. 12, 2014); *Sodium Nitrite From the People’s Republic of China: Continuation of Countervailing Duty Order*, 79 Fed. Reg. 53016 (Sep. 5, 2014).

⁶ *Sodium Nitrite from China and Germany; Institution of Five-Year Reviews*, 84 Fed. Reg. 6 (Jan. 2, 2019).

⁷ Chemtrade is the successor firm to General Chemical. Chemtrade’s Response to the Notice of Institution, EDIS Docs. 665704 and 665813 (filed on February 1 and February 4, 2019, respectively) (“Response”) at 2.

adequate and that the respondent interested party group response was inadequate for each order under review. Finding that no other circumstances warranted conducting full reviews, the Commission determined to conduct expedited reviews.⁸ Chemtrade subsequently filed comments pursuant to Commission rule 207.62(d) on the determinations the Commission should reach.⁹

II. Domestic Like Product and Domestic Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”¹⁰ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹¹ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.¹²

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

Sodium nitrite in any form, at any purity level. In addition the sodium nitrite covered by these investigations may or may not contain an anti-caking agent. Examples of names commonly used to reference sodium nitrite are nitrous acid, sodium salt, anti-rust, diazotizing salts, erinitrit, and filmerine. Sodium nitrite’s chemical composition is NaNO₂, and it is generally classified under subheading 2834.1010 of the Harmonized Tariff Schedule of the United States (“HTS”). The American Chemical Society Chemical Abstract Service (“CAS”) has assigned the

⁸ Explanation of Commission Determinations on Adequacy, EDIS Doc. 673642 (Apr. 22, 2019); Sodium Nitrite from China and Germany Scheduling of Expedited Five-Year Reviews, 84 Fed. Reg. 25828 (June 4, 2019).

⁹ Sodium Nitrite from China and Germany: Petitioner’s Comments, EDIS Docs. 679017 and 679018 (June 20, 2019) (“Comments”).

¹⁰ 19 U.S.C. § 1677(4)(A).

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

¹² See, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

name “sodium nitrite” to sodium nitrite. The CAS registry number is 7632-00-0.¹³

Sodium nitrite is an industrial chemical produced in both dry (flake, granular, or prilled) and liquid (solution) forms. Dry sodium nitrite is sold in bags, drums, and super sacks, and the liquid form is sold in tank trucks and rail cars. Sodium nitrite’s uses include the production of chemicals and organic dyes, as a corrosion inhibitor, in metal treatment, to improve the quality of manufactured rubber products, as a heat transfer salt, and as a food preservative.¹⁴

In the prior proceedings, the Commission defined the domestic like product to be coextensive with Commerce’s scope.¹⁵ In these reviews, Chemtrade agrees with the Commission’s definition of the domestic like product from the prior proceedings.¹⁶ Based on the analysis in the original investigations, the record in these reviews, and the lack of any contrary argument, we again define a single domestic like product consisting of sodium nitrite, in any form, coextensive with Commerce’s definition of the scope of the orders under review.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹⁷ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In each of the prior proceedings, the Commission defined the domestic industry to include all domestic producers of sodium nitrite. There were no related party or other domestic industry issues in any of the prior proceedings.¹⁸

¹³ Sodium Nitrite From Germany and the People’s Republic of China: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders, 84 Fed. Reg. 27086 (June 11, 2019) (“Commerce Sunset Review (AD)’’); Issues and Decisions Memorandum for the Final Results of the Second Expedited Five-Year Review of the Countervailing Duty Order in Sodium Nitrite From the People’s Republic of China at 2 (June 5, 2019) (downloaded from <https://enforcement.trade.gov/frn/summary/prc/2019-12282-1.pdf>). The scope definition has not changed since the Commission’s original final determinations.

¹⁴ Confidential Report (“CR”) at I-7-9, Public Report (“PR”) at I-5-6.

¹⁵ *Final Determination*, USITC Pub. 4029 at 7-8 (the definition of the domestic like product was not disputed in the original investigations); *First Review Determination*, USITC Pub. 4451 at 4-5.

¹⁶ Response at 34. Chemtrade reserved the right to comment on the appropriate definitions during the course of the reviews, but did not ultimately file additional comments on this issue.

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

¹⁸ *Final Determination*, USITC Pub. 4029 at 8-9; *First Review Determination*, USITC Pub. 4451 at 6-7.

Chemtrade agrees with the Commission’s definition of the domestic industry from the prior proceedings.¹⁹ The record does not indicate that either of the known domestic producers (Chemtrade and SABIC Innovative Chemicals US, LLC (“SABIC”)) is a related party.²⁰ Accordingly, we define the domestic industry to be all domestic producers of sodium nitrite.

III. Cumulation

A. Legal Standard

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

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.²¹

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.²² The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

¹⁹ Response at 34.

²⁰ CR at I-12, I-14-15, PR at I-8, I-9-10.

²¹ 19 U.S.C. § 1675a(a)(7).

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

B. Prior Proceedings and Arguments of the Domestic Producer

In the original investigations, the Commission found that there was a reasonable overlap of competition both among the subject imports from China and Germany, and between imports from each subject country and the domestic like product. The parties did not dispute the appropriateness of cumulation. Accordingly, the Commission cumulated subject imports from China and Germany for purposes of its material injury analysis.²³

In the first reviews, the Commission found that imports from each subject country would not likely have no discernible adverse impact upon revocation of the orders.²⁴ The Commission also found that there would likely be a reasonable overlap of competition between the subject imports from China and Germany, and between the subject imports from each country and the domestic like product.²⁵ Further, it found that imports from China and Germany were likely to compete in the U.S. market under similar conditions of competition upon revocation of the orders.²⁶ Thus, the Commission exercised its discretion to cumulate the subject imports from China and Germany.²⁷

In these current reviews, Chemtrade argues that the Commission should exercise its discretion to cumulate all subject imports because the conditions that warranted cumulation of subject imports in the prior proceedings have not changed.²⁸

C. Analysis

The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day.²⁹ In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

1. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.³⁰ Neither

²³ *Final Determination*, USITC Pub. 4029 at 14.

²⁴ *First Review Determination*, USITC Pub. 4451 at 7-9.

²⁵ *First Review Determination*, USITC Pub. 4451 at 9-10.

²⁶ *First Review Determination*, USITC Pub. 4451 at 10-11.

²⁷ *First Review Determination*, USITC Pub. 4451 at 11.

²⁸ Response at 34.

²⁹ Initiation of Five-Year (Sunset) Reviews, 84 Fed. Reg. 1705 (Feb. 5, 2019).

³⁰ 19 U.S.C. § 1675a(a)(7).

the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.³¹ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we find that imports from each subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation of the corresponding order(s).

China. In the original investigations, the quantity of subject imports from China totaled 519,000 pounds in 2005, 1.0 million pounds in 2006, and 1.6 million pounds in 2007.³² The share of apparent U.S. consumption, by quantity, of subject imports from China was *** percent in 2005, *** percent in 2006, and *** percent in 2007.³³ In the first five-year reviews, there were 176,000 pounds of subject imports from China in 2012. General Chemical asserted that Chinese production capacity to produce sodium nitrite was massive compared to global demand, and that more than *** Chinese manufacturers claimed to be producing sodium nitrite.³⁴ The Commission found that subject imports from China would not likely have no discernible adverse impact on the domestic industry if the orders were revoked.³⁵

In these reviews, the subject import volume from China was 209,000 pounds in 2015 and 122,000 pounds in 2016.³⁶ No subject imports from China entered the U.S. market in 2013, 2014, 2017, or 2018.³⁷ There are limited data available concerning the industry in China because no subject Chinese producers responded to the Commission’s notice of institution. Chemtrade asserts that China has over 40 producers of sodium nitrite with production capacity that could be as much as *** metric tons (***) pounds annually.³⁸ Publicly available data show China has exported large quantities of nitrites, a category that includes both the subject merchandise and out-of-scope merchandise. Global Trade Atlas (GTA) data indicate that in 2017 China was the world’s second largest exporter of nitrites.³⁹ According to GTA data,

³¹ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

³² *Final Determination*, USITC Pub. 4029 at Table IV-2.

³³ *Final Determination*, USITC Pub. 4029 at Table C-1; Original Investigation Confidential Report INV-FF-086, EDIS Doc. 668591 at Table C- 1.

³⁴ *First Review Determination*, USITC Pub. 4451 at 8; Confidential Views of the Commission (First Reviews), EDIS Doc. 668597 at 11.

³⁵ *First Review Determination*, USITC Pub. 4451 at 8.

³⁶ CR/PR at Table I-3.

³⁷ CR/PR at Table I-3.

³⁸ CR at I-21, PR at I-13.

³⁹ CR/PR at Table I-8.

China's largest export markets for nitrites in 2017 were India, South Korea, the United States, and Japan.⁴⁰

Based on the foregoing, particularly evidence that the Chinese industry continues to have large production capacity and high export orientation, we find that subject imports from China would not likely have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders covering these imports were revoked.

Germany. In the original investigations, the volume of subject imports from Germany totaled 7.7 million pounds in 2005, 10.2 million pounds in 2006, and 11.7 million pounds in 2007.⁴¹ The share of apparent U.S. consumption held by subject imports from Germany, by quantity, rose from *** percent in 2005 to *** percent in 2006 and *** percent in 2007.⁴² The capacity of the sole subject German producer, BASF, was *** pounds in each year of the period of investigation ("POI"). Its production was *** pounds in 2005, *** pounds in 2006, and *** pounds in 2007. BASF exported *** percent of its total shipments in 2005, *** percent in 2006, and *** percent in 2007.⁴³ In the first five-year reviews, there were 7,000 pounds of subject imports from Germany in 2012.⁴⁴ In General Chemical's response to the 2013 notice of institution, it stated that BASF was the largest producer of sodium nitrite outside of China and had a capacity of *** pounds.⁴⁵ The Commission found that subject imports from Germany would not likely have no discernible adverse impact on the domestic industry if the order were revoked.⁴⁶

In these reviews, subject imports from Germany entered the U.S. market intermittently, ranging in volumes between zero in 2017 and 2018 and 21,000 pounds in 2014.⁴⁷ There are limited data available concerning the industry in Germany because no subject German producer responded to the Commission's notice of institution. Chemtrade has stated that subject German producer BASF remains the largest producer of sodium nitrite outside of China and has a production capacity more than *** that of Chemtrade. Chemtrade asserts that BASF's production capacity exceeds the demand for nitrites in the European Union (EU).⁴⁸ Moreover, publicly available data show that Germany has continued to export large quantities of nitrites, a category that includes both the subject merchandise and out-of-scope merchandise. GTA data indicate that Germany was the world's largest exporter of nitrites in 2017.⁴⁹ According to GTA

⁴⁰ CR/PR at Table I-6.

⁴¹ *Final Determination*, USITC Pub. 4029 at Table IV-2.

⁴² *Final Determination*, USITC Pub. 4029 at Table C-1; Original Investigation Confidential Report INV-FF-086, EDIS Doc. 668591 at Table C-1.

⁴³ Original Investigation Confidential Report INV-FF-086, EDIS Doc. 668591 at Table VII-2.

⁴⁴ *First Review Determination*, USITC Pub. 4451 at 8.

⁴⁵ *First Review Determination*, USITC Pub. 4451 at 8; Confidential Views of the Commission (First Reviews), EDIS No. 668597 at 11-12 (*citing* General Chemical Confidential Response to Notice of Institution (First Reviews), EDIS No. 665704 at 26-27).

⁴⁶ *First Review Determination*, USITC Pub. 4451 at 9.

⁴⁷ CR/PR at Table I-3.

⁴⁸ Response at 27.

⁴⁹ CR/PR at Table I-8.

data, Germany's three largest export markets for nitrites in 2017 were countries in the EU, but Germany also exported large volumes outside of the EU.⁵⁰

Based on the foregoing, particularly evidence that the German industry continues to have large production capacity and high export orientation, we find that subject imports from Germany would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.⁵¹ Only a "reasonable overlap" of competition is required.⁵² In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.⁵³

Fungibility. In the original investigations, the Commission found that imports from each subject country were generally interchangeable with the domestic like product. It also found that different forms or grades of sodium nitrite were considered to be interchangeable, at least for certain end users or purchasers.⁵⁴ In the expedited first reviews, the Commission found that there was no new information to indicate that this had changed.⁵⁵ In these current reviews, Chemtrade asserts that sodium nitrite from China, Germany, or the United States is a fungible commodity, and that the underlying conditions of competition have not changed since the first

⁵⁰ CR/PR at Table I-7.

⁵¹ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

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

⁵³ See generally, *Chefline Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

⁵⁴ *Final Determination*, USITC Pub. 4029 at 11-12.

⁵⁵ *First Review Determination*, USITC Pub. 4451 at 9.

five-year reviews.⁵⁶ There is nothing in the record of these reviews to indicate that the fungibility of sodium nitrite from each domestic and subject source has changed from that observed in the prior proceedings.

Channels of Distribution. In the original investigations, the Commission found that both domestically produced sodium nitrite and subject imports from China and Germany were sold to distributors and to end users.⁵⁷ In the first expedited reviews, the Commission found that there was no new information to indicate that this had changed.⁵⁸ There is similarly no information in the record of these reviews to indicate that there would be different channels of distribution from those identified in the original investigations if the orders were revoked.

Geographic Overlap. In the original investigations, General Chemical and German producer BASF reported selling their products ***, and importers of subject merchandise reported that they served six U.S. regions.⁵⁹ In the first five-year reviews, the Commission found that domestically produced sodium nitrite and subject imports from each source were sold to the same major chemical distributors and, thus, that the subject imports served the same U.S. geographical markets as the domestic producers.⁶⁰

In 2015 and 2016 subject imports from China entered through eastern and western ports of entry.⁶¹ From 2013 through 2016, a majority of subject imports from Germany entered through eastern ports of entry.⁶² The domestic like product is sold to end users and to chemical distributors in the United States. Chemtrade asserts that German producer BASF acquired two of Chemtrade's end-user customers. It also argues that large chemical trading companies, including Univar and Brenntag, will import subject imports from China. Chemtrade states that ***.⁶³ Consequently, the record indicates that there would likely be a geographic overlap of the domestic like product and subject imports from China and Germany if the orders were revoked.

Simultaneous Presence in Market. In the original investigations, the Commission found that domestic shipments of sodium nitrite, subject imports from China, and subject imports from Germany were present in the U.S. market throughout the POI.⁶⁴ In the first five-year reviews, the record showed that subject imports from China and Germany were present in the market in each year of the period of review.⁶⁵ In the current five-year reviews, the record shows that subject imports from China and Germany entered the U.S. market intermittently. Subject imports from China entered the U.S. market in 2015 and 2016, while subject imports

⁵⁶ Response at 13-14, 21.

⁵⁷ *Final Determination*, USITC Pub. 4029 at 13.

⁵⁸ *First Review Determination*, USITC Pub. 4451 at 9.

⁵⁹ Confidential Original Views of the Commission, EDIS No. 308441 at 13; *Final Determination*, USITC Pub. 4029 at 13.

⁶⁰ *First Review Determination*, USITC Pub. 4451 at 10.

⁶¹ CR at I-20, PR at I-13.

⁶² CR at I-20, PR at I-13.

⁶³ Response at 22-23, 30.

⁶⁴ *Final Determination*, USITC Pub. 4029 at 13.

⁶⁵ *First Review Determination*, USITC Pub. 4451 at 10.

from Germany entered the U.S. market each year from 2013 through 2016.⁶⁶ The domestic like product has been present in the U.S. market throughout the period of review.⁶⁷ There is nothing in the record of these reviews that indicates that there would be a change in the simultaneous presence observed in the original investigations if the orders were revoked.

Conclusion. The record in these expedited reviews indicates that there were limited volumes of subject imports in the U.S. market during the period of review, and there is little information concerning the extent to which subject imports from China and Germany competed with each other and with the domestic like product. However, there is no new information suggesting a change in the considerations that led the Commission in its original determinations and first five-year reviews to conclude that there would be a likely reasonable overlap of competition between and among imports from China and Germany and the domestic like product upon revocation of the orders. In light of this and the absence of any contrary argument, we find a likely reasonable overlap of competition between and among subject imports from China and Germany and the domestic like product.

3. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from the subject countries would compete under similar or different conditions in the U.S. market if the orders under review were revoked. As previously discussed, in the first five-year reviews, the Commission exercised its discretion to cumulate the subject imports from both subject countries.⁶⁸

We similarly find that the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition among subject imports from China and Germany upon revocation of the orders.

D. Conclusion

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

⁶⁶ CR/PR at Table I-3.

⁶⁷ Response at 23-24, Table 1.

⁶⁸ *First Review Determination*, USITC Pub. 4451.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁶⁹ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁷⁰ Thus, the likelihood standard is prospective in nature.⁷¹ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁷²

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁷³ According to the SAA, a “reasonably foreseeable time” will vary from case-to-case, but

⁶⁹ 19 U.S.C. § 1675a(a).

⁷⁰ SAA at 883-84. The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁷¹ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁷² See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁷³ 19 U.S.C. § 1675a(a)(5).

normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁷⁴

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁷⁵ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁷⁶ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.⁷⁷

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁷⁸ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁷⁹

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the

⁷⁴ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁷⁵ 19 U.S.C. § 1675a(a)(1).

⁷⁶ 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to sodium nitrite from China and Germany. CR at I-6, PR at I-4.

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

⁷⁸ 19 U.S.C. § 1675a(a)(2).

⁷⁹ 19 U.S.C. § 1675a(a)(2)(A-D).

United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁸⁰

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁸¹ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.⁸²

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the sodium nitrite industries in China and Germany. There also is limited information on the domestic sodium nitrite market during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and first reviews, and the limited new information on the record in these reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁸³ The following conditions of competition inform our determinations.

⁸⁰ See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

⁸¹ 19 U.S.C. § 1675a(a)(4).

⁸² The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁸³ 19 U.S.C. § 1675a(a)(4).

1. Demand Conditions

In the original investigations, the Commission found that demand for sodium nitrite was driven by the production of downstream products. The demand for sodium nitrite in the U.S. market was lower in 2007 than in 2005, as some end users had moved offshore.⁸⁴ Available data indicated that apparent U.S. consumption declined from *** pounds in 2005 to *** pounds in 2007.⁸⁵ In the first five-year reviews, apparent U.S. consumption of sodium nitrite declined to *** pounds in 2012. Notwithstanding this, General Chemical reported that no end users had exited the U.S. market since 2007. The Commission also found that demand continued to be driven by the production of downstream products.⁸⁶

Based on the information available, we find that the demand for sodium nitrite in the U.S. continues to be driven by the production of downstream products.⁸⁷ The data collected in these reviews indicate that apparent U.S. consumption was *** pounds in 2018. Thus, reported apparent U.S. consumption in 2018 was above that of 2012, but below that of 2007 and 2005.⁸⁸

2. Supply Conditions

In the original investigations, the Commission found there were two domestic producers during the POI, General Chemical and Repauno. In 2006, General Chemical's parent company acquired Repauno and closed its production facility, removing a significant portion of the domestic industry's capacity.⁸⁹ In the first five-year reviews, the Commission found that General Chemical remained the primary producer of sodium nitrite in the United States. A second firm, SABIC, began producing sodium nitrite in the United States after issuance of the orders.⁹⁰ Data collected during the original investigations and the first five-year reviews indicate that the domestic industry supplied between *** and *** percent of the annual quantity of apparent U.S. consumption.⁹¹

In these reviews, Chemtrade, the responding domestic producer, is the parent entity of Chemtrade Solutions LLC, the successor-in-interest to General Chemical. Chemtrade produces sodium nitrite at the same manufacturing facility previously used by General Chemical.⁹²

⁸⁴ *Final Determination*, USITC Pub. 4029 at 15-16.

⁸⁵ *Final Determination*, USITC Pub. 4029 at 15-16; Confidential Original Views of the Commission at 21-22.

⁸⁶ *First Review Determination*, USITC Pub. 4451 at 14; Confidential Views of the Commission (First Reviews), EDIS No. 668597 at 20-21.

⁸⁷ See Response at 13-14.

⁸⁸ CR/PR at Table I-5; *Final Determination*, USITC Pub. 4029 at 15-16; Confidential Original Views of the Commission at 21-22.

⁸⁹ *Final Determination*, USITC Pub. 4029 at 18.

⁹⁰ *First Review Determination*, USITC Pub. 4451 at 14-15.

⁹¹ CR/PR at Table I-5.

⁹² Response at 2.

Chemtrade states that it is the primary domestic producer of sodium nitrite and accounts for approximately *** of U.S. production, while SABIC accounts for approximately *** of U.S. production.⁹³ In 2018, the domestic industry supplied *** percent of reported apparent U.S. consumption.⁹⁴

Cumulated subject imports supplied *** percent of apparent U.S. consumption in 2007 and a much lower share, *** percent, in 2012.⁹⁵ In these reviews, the volume and market share of subject imports have remained low, but they have supplied the U.S. market intermittently since the previous five-year reviews. There were no subject imports in 2018.⁹⁶

Nonsubject imports have increased since the original investigations and first reviews. Available data show that nonsubject imports accounted for *** percent of apparent U.S. consumption by quantity in 2007, *** percent in 2012, and *** percent in 2018. India was the source of a substantial majority of sodium nitrite imports into the U.S. market each year from 2013 through 2018.⁹⁷

3. Substitutability and Other Conditions

In the original investigations and the first reviews, the Commission found that there was a relatively high degree of substitution between subject imports from China and Germany and the domestic like product of the same grade or form. Purchasers reported quality and price as the most important factors in their purchasing decisions and also reported that they often purchased the lowest-priced product.⁹⁸ In the first reviews, there was no new information on the record to suggest that these conditions had changed since the original investigations.⁹⁹ Likewise, in the current reviews, there is no new information in the record to suggest that these conditions have changed.¹⁰⁰ Therefore, we find that sodium nitrite from China and Germany and the domestic like product of the same grade or form are generally substitutable and that price is an important factor in purchasing decisions.

⁹³ Response at 2-3, 14. Chemtrade asserts that SABIC's production of sodium nitrite is limited by its production of polymers, from which sodium nitrite is recovered as a byproduct. *Id.* at 14. It further asserts that ***. *Id.*

⁹⁴ CR/PR at Table I-5.

⁹⁵ CR/PR at Table I-5.

⁹⁶ CR/PR at Table I-3.

⁹⁷ CR/PR at Table I-3.

⁹⁸ *Final Determination*, USITC Pub. 4029 at 11. During the original investigations, subject imports from China included sodium nitrite in "prilled" form, which was not produced by BASF or General Chemical. "Prilled" sodium nitrite is a "spherical product" that does not cake. General Chemical and BASF offered both a granular sodium nitrite product with anti-caking agents and a flake form that does not cake. The Commission found that customers generally considered the granular and prilled forms of sodium nitrite to be interchangeable. *Final Determination*, USITC Pub. 4029 at 11.

⁹⁹ *First Review Determination*, USITC Pub. 4451 at 16.

¹⁰⁰ Chemtrade asserts that the substitutability of the domestic like product and the cumulated subject imports and the importance of price in purchasing decisions are the same as in the prior proceedings. Response at 13.

Additionally, Chemtrade asserts that there have been changes in distribution and customer networks since issuance of the orders. Specifically, German producer BASF has acquired two end-user customers of Chemtrade. Moreover, Univar and Brenntag distribute a variety of Chinese chemicals in the U.S. and have expanded their U.S. operations.¹⁰¹

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigations, the Commission found that subject imports increased during the POI, even while apparent U.S. consumption decreased. Cumulated subject imports increased from 8.2 million pounds in 2005 to 11.2 million pounds in 2006 to 13.3 million pounds in 2007. The share of apparent U.S. consumption held by cumulated subject imports increased from *** percent in 2005 to *** percent in 2006 and *** percent in 2007.¹⁰² The Commission also observed that the overall volume shipped and the market share held by the domestic industry decreased during the period. It found that the increasing volume of cumulated subject imports took market share away from the domestic industry. Nonsubject imports were not an important presence in the market. The Commission concluded that the increase in subject imports was significant, both on an absolute basis and relative to consumption.¹⁰³

In the first five-year reviews, the Commission found that the orders had a disciplining effect on the volume of subject imports, which decreased significantly following the imposition of the orders in 2008. Cumulated subject imports fell from 13.3 million pounds in 2007 to 5.2 million pounds in 2008 and were at greatly reduced quantities thereafter. In 2012, total cumulated subject imports were 183,000 pounds.¹⁰⁴ The Commission found that the United States remained an attractive export market to the sodium nitrite industries in China and Germany, given that subject imports remained in the U.S. market since imposition of the orders. Moreover, the Commission found that existing barriers to importation of the subject merchandise into countries other than the United States created further incentives for the subject producers to direct exports to the U.S. market should the orders under review be revoked. In light of these factors, the Commission found that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.¹⁰⁵

¹⁰¹ Response at 22 n.58, 30, Exs. 11, 12.

¹⁰² *Final Determination*, USITC Pub. 4029 at 16; Confidential Original Views of the Commission at 31-34.

¹⁰³ *Final Determination*, USITC Pub. 4029 at 24.

¹⁰⁴ *First Review Determination*, USITC Pub. 4451 at 16.

¹⁰⁵ *First Review Determination*, USITC Pub. 4451 at 16-17.

2. The Current Reviews

In these reviews, the record indicates that the orders have had a disciplining effect on the volume of subject imports. During the current period of review, subject imports entered the U.S. market intermittently. Annual cumulated subject import volume ranged from a low of zero pounds in 2017 and 2018, to a high of 213,000 pounds in 2015.¹⁰⁶

As previously stated, no importer, producer, or exporter of subject merchandise participated in these expedited reviews. Nonetheless, available record data indicate that industries in China and Germany continue to manufacture and export substantial volumes of subject merchandise. Chemtrade asserts that German producer BASF is the largest producer of sodium nitrite by capacity outside China. It asserts that BASF's production capacity exceeds the demand for nitrite in the EU.¹⁰⁷ Similarly, Chemtrade estimates that the sodium nitrite industry in China has over 40 producers with production capacity of as high as *** metric tons (*** pounds) annually.¹⁰⁸ Further, the record indicates that the subject industries in China and Germany are export oriented. GTA data indicate that during each year from 2013 to 2017, China and Germany were the two top exporters of nitrates globally.¹⁰⁹ The industries in both China and Germany export nitrates to markets worldwide, and the available export data indicate considerable annual fluctuations to individual export markets.¹¹⁰ The substantial production capacity, export orientation, and varied export markets of the cumulated subject industries suggest that these industries have the ability to export significant volumes of subject merchandise to the United States.

Chemtrade asserts that the cumulated subject industries have incentives to export significant quantities of subject merchandise to the United States if the orders were revoked. It argues that higher sodium nitrite prices make the United States an attractive market to producers and exporters of subject merchandise.¹¹¹ It further states that producers in both subject countries have access to U.S. distribution networks; in particular, BASF has acquired end users of sodium nitrite in the United States.¹¹²

Barriers to the exportation of subject merchandise into countries other than the United States are also present. India imposed antidumping duties on sodium nitrite imports from China and the EU, which includes Germany.¹¹³

Consequently, the record indicates that upon revocation, subject producers of sodium nitrite are likely to direct significant volumes of subject imports to the United States in light of their high production capacity, export orientation, and evidence that the U.S. market remains

¹⁰⁶ CR/PR at Table I-3.

¹⁰⁷ CR at I-23, PR at I-15.

¹⁰⁸ CR at I-21, PR at I-13.

¹⁰⁹ CR/ PR at Table I-8. The available export data concern global exporters of nitrates, a category that includes both subject merchandise and out-of-scope merchandise.

¹¹⁰ CR/PR at Tables I-6-7.

¹¹¹ Response at 24-25.

¹¹² Response at 30.

¹¹³ CR at I-24, PR at I-16.

attractive to these producers. Accordingly, we find that the likely volume of cumulated subject imports, both in absolute terms and relative to consumption in the United States, would likely be significant if the orders were revoked.¹¹⁴

D. Likely Price Effects

1. The Prior Proceedings

In the original investigations, the Commission found that subject imports significantly undersold the domestic like product during the POI at large margins. Subject imports undersold the domestic like product in 25 of 26 quarterly pricing comparisons for product 1 (technical-grade sodium nitrite), with margins of underselling ranging from *** percent to *** percent. Subject imports undersold the domestic like product in four of eight quarterly pricing comparisons for product 2 (food-grade sodium nitrite), with margins of underselling ranging from *** percent to *** percent.¹¹⁵ The data showed significant underselling by the subject imports whether the sales were to distributors or to end users.¹¹⁶

The Commission did not find that subject imports had significant price suppressing or depressing effects on the domestic like product. It instead found that low-priced subject imports displaced significant volumes of domestically produced sodium nitrite. For these reasons, the Commission concluded that there had been significant price underselling by the increasing volumes of subject imports that had adversely affected the domestic industry by taking market share during a time of decreasing demand.¹¹⁷

In the first five-year reviews, the Commission again found price to be an important factor in purchasing decisions of sodium nitrite. The Commission found that the significant underselling observed during the original investigations would likely recur if the antidumping and countervailing duty orders were revoked. In turn, this underselling would likely cause the domestic industry to choose between two strategies: maintain prices, but lose sales to subject imports, as was the case in the original investigations, or cut prices to meet those of the subject imports. In conclusion, the Commission found that the likely significant volume of cumulated imports of sodium nitrite from China and Germany would likely undersell the domestic like product to a significant degree and have significant effects on the domestic industry's prices or sales volumes.¹¹⁸

¹¹⁴ Because of expedited nature of these reviews, the record does not contain information concerning inventories of the subject merchandise or the potential for product shifting.

¹¹⁵ *Final Determination*, USITC Pub. 4029 at 27; Confidential Original Views of the Commission at 40.

¹¹⁶ *Final Determination*, USITC Pub. 4029 at 27.

¹¹⁷ *Final Determination*, USITC Pub. 4029 at 28.

¹¹⁸ *First Review Determination*, USITC Pub. 4451 at 19.

2. The Current Reviews

The record in the current reviews does not contain current pricing comparisons due to the expedited nature of these reviews. Based on available information, including the high degree of substitutability between sodium nitrite from different sources and the importance of price in purchasing decisions, we find that the significant underselling observed during the original investigations would likely recur if the antidumping and countervailing duty orders were revoked. In light of the likely underselling, the domestic industry would likely need to choose between maintaining prices while losing market share to subject imports, or cutting prices to meet those of the subject imports. Accordingly, we conclude that the likely significant volume of cumulated imports of sodium nitrite from China and Germany would likely significantly undersell the domestic like product and also would likely enter the United States at prices that would have significant depressing or suppressing effects on the price of the domestic like product or cause the domestic industry to lose sales and market share.

E. Likely Impact

1. The Prior Proceedings

In the original investigations, the Commission found that the domestic industry was performing poorly in 2005, and many of the domestic industry's performance indicators worsened significantly between 2005 and 2006 as the volume of low-priced cumulated subject imports increased.¹¹⁹ The domestic industry's production, capacity,¹²⁰ and U.S. shipments decreased over the POI.¹²¹ Net sales also fell, although the cost of goods sold to net sales ratio improved.¹²²

The Commission found that the domestic industry's operating income improved over the POI as did its ratio of operating income to net sales.¹²³ The Commission found that, in an industry where production facilities needed to operate continuously at high capacity utilization rates, the domestic industry lost sales to subject imports and, as a result, experienced decreases in U.S. shipments and production levels.¹²⁴ The Commission concluded that, given

¹¹⁹ *Final Determination*, USITC Pub. 4029 at 29.

¹²⁰ The Commission found that the domestic industry's decrease in production capacity and temporary increase in capacity utilization between 2006 and 2007 were due, at least in part, to General Chemical's closure of the Repauno facility. Confidential Original Views of the Commission at 45-46; *Final Determination*, USITC Pub. 4029 at 30-31.

¹²¹ *Final Determination*, USITC Pub. 4029 at 30.

¹²² *Final Determination*, USITC Pub. 4029 at 31.

¹²³ Confidential Original Views of the Commission at 47; *Final Determination*, USITC Pub. 4029 at 31. The Commission concluded that the improvements achieved by the domestic industry in its operating income and its ratio of operating income to net sales followed Chemtrade's acquisition of Repauno and came at the expense of other indicators, principally capacity and employment. *Final Determination*, USITC Pub. 4029 at 29.

¹²⁴ *Final Determination*, USITC Pub. 4029 at 32.

the significant volume and significant increase in the volume of cumulated subject imports, decreasing apparent U.S. consumption, significant underselling by subject imports, confirmed lost sales and lost revenues, and decreases in the domestic industry's output, the subject imports had a significant impact on the domestic sodium nitrite industry.¹²⁵

In the expedited first reviews, General Chemical maintained that the orders had a positive impact on its output, market share, investment, and operating performance. The limited information on the record in those reviews was insufficient to enable the Commission to determine whether the domestic industry was vulnerable. The Commission found that, should the orders be revoked, the likely significant volume of subject imports that would likely undersell the domestic like product would likely have a significant impact on the production, shipments, sales, market share, and revenues of the domestic industry. It found that these declines would likely have a direct adverse impact on the domestic industry's profitability.¹²⁶

During the first reviews, the Commission also considered the role of nonsubject imports, which had been present in increasing quantities in the U.S. market since the orders were first imposed. It found that, as the domestic industry was able to increase its share of the U.S. market despite increased nonsubject imports, any increase in subject imports upon revocation would likely be, at least in substantial part, at the expense of the domestic industry. The Commission concluded that if the antidumping and countervailing duty orders were revoked, cumulated subject imports from China and Germany would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹²⁷

2. The Current Reviews

In these expedited reviews, the information available on the domestic industry's condition is based on the data that Chemtrade provided in its response to the notice of institution.¹²⁸ In 2018, Chemtrade's capacity was *** pounds, its production was *** pounds, and its capacity utilization was *** percent. Chemtrade's domestic shipments were *** pounds, accounting for a *** percent share of apparent U.S. consumption by quantity.¹²⁹ Its net sales revenue was \$***, and its operating income was \$***, equivalent to *** percent of net sales.¹³⁰ The limited information in these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury should the orders be revoked.

Based on the information available in these reviews, we find that revocation of the orders would likely lead to a significant volume of low-priced subject imports. Subject imports would also likely undersell the domestic like product, and would cause significant price

¹²⁵ *Final Determination*, USITC Pub. 4029 at 32.

¹²⁶ *First Review Determination*, USITC Pub. 4451 at 21.

¹²⁷ *First Review Determination*, USITC Pub. 4451 at 21-22.

¹²⁸ Chemtrade estimates that it accounts for approximately *** percent of U.S. sodium nitrite production in 2018. Response at 3; CR at I-3, PR at I-1.

¹²⁹ CR/PR at Tables I-2, I-5.

¹³⁰ CR/PR at Table I-2.

depressing or suppressing effects or would contribute to the domestic industry losing market share to subject imports. Subject imports would consequently likely have a significant impact on the domestic industry's production, capacity utilization, employment, shipments, revenues, profitability, and return on investments.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Nonsubject imports have increased their presence in the U.S. market since the original investigations and the first reviews.¹³¹ In 2018, nonsubject imports accounted for *** percent of apparent U.S. consumption.¹³² Nevertheless, because the domestic industry supplies the majority of the U.S. market, and subject imports would likely compete head-to-head with the domestic like product upon revocation, the likely increase in subject imports would likely take market share away from the domestic industry as well as from nonsubject imports. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

Accordingly, we conclude that revocation of the antidumping and countervailing duty orders on sodium nitrite from China and Germany would likely have a significant adverse impact on domestic producers within a reasonably foreseeable time.

V. Conclusion

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

¹³¹ Nonsubject imports totaled 629,000 pounds in 2007, 5.8 million pounds in 2012, and 10.2 million pounds in 2018. CR/PR at Table I-4.

¹³² Nonsubject imports accounted for *** percent of apparent U.S. consumption in 2007, and *** percent in 2012. CR/PR at Table I-5.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On January 2, 2019, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of antidumping and countervailing duty orders on sodium nitrite from China and Germany would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.³ ⁴ The following tabulation presents information relating to the background and schedule of this proceeding:⁵

| Effective date | Action |
|-----------------|--|
| January 1, 2019 | Notice of initiation by Commerce (84 FR 1705, February 5, 2019) |
| January 2, 2019 | Notice of institution by Commission (84 FR 6, January 2, 2019) |
| April 12, 2019 | Commission’s vote on adequacy |
| June 11, 2019 | Commerce’s results of its expedited reviews (84 FR 27084; 84 FR 27086) |
| July 10, 2019 | Commission’s vote |
| July 31, 2019 | Commission’s determinations and views |

¹ 19 U.S.C. 1675(c).

² *Sodium Nitrite From China and Germany; Institution of Five-Year Reviews*, 84 FR 6, January 2, 2019. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. *Initiation of Five-Year (Sunset) Reviews*, 84 FR 1705, February 5, 2019. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

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

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. The Commission did not receive any responses from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

⁵ Commerce tolled all statutory deadlines affected by the partial federal government closure by 40 calendar days.

RESPONSES TO THE COMMISSION'S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Chemtrade Chemicals US LLC ("Chemtrade"), a domestic producer of sodium nitrite (referred to herein as "domestic interested party").

A complete response to the Commission's notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the response and estimate of coverage is shown in table I-1.

Table I-1

Sodium nitrite: Summary of responses to the Commission's notice of institution

| Type of interested party | Completed responses | |
|--------------------------|---------------------|-------------------|
| | Number | Coverage |
| Domestic: | | |
| U.S. producer | 1 | ***% ¹ |

¹ In its response to the notice of institution, the domestic interested party estimated that it accounted for this share of total U.S. production of sodium nitrite during 2018. During the original investigations, Chemtrade was the only U.S. producer of sodium nitrite for commercial sale. Since the antidumping and countervailing duty orders were published, ***. The domestic interested party estimates ***. Domestic Interested Party's Response to the Notice of Institution, February 1, 2019, p. 31 and n. 74.

Party comments on adequacy

The Commission received one submission from a party commenting on the adequacy of the response to the notice of institution and whether the Commission should conduct expedited or full reviews. This submission was filed on behalf of Chemtrade, the domestic interested party.

The domestic interested party argued that the Commission should find the respondent interested party group response to be inadequate since there was no submission by any respondent interested party. Because of the inadequate response by the respondent interested parties and the fact that a full review is unlikely to elicit any new information, it requested that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on sodium nitrite from China and Germany.⁶

⁶ Domestic interested party's comments on adequacy, March 8, 2019, p. 4.

THE ORIGINAL INVESTIGATIONS AND SUBSEQUENT REVIEWS

The original investigations

The original investigations resulted from a petition filed on November 8, 2007 with Commerce and the Commission by General Chemical LLC, Parsippany, New Jersey. On July 8, 2008, Commerce determined that imports of sodium nitrite from China and Germany were being sold at less than fair value ("LTFV") and that countervailable subsidies were being provided to producers and exporters of sodium nitrite in China.⁷ On August 20, 2008, the Commission determined that the domestic industry was materially injured by reason of LTFV imports of sodium nitrite from China and Germany, and by imports of sodium nitrite from China found by Commerce to be subsidized by the Government of China.⁸ On August 27, 2008, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 150.82 percent to 237.00 percent and a subsidy rate of 169.01 percent.⁹

The first five-year reviews

On October 21, 2013, the Commission determined that it would conduct expedited reviews of the countervailing duty order on sodium nitrite from China and the antidumping duty orders on sodium nitrite from China and Germany.¹⁰ On November 19, 2013, Commerce published its determination that revocation of the antidumping duty orders on sodium nitrite from China and Germany would be likely to lead to continuation or recurrence of dumping.¹¹ On November 20, 2013, Commerce published its determination that revocation of the countervailing duty order on sodium nitrite from China would be likely to lead to the continuation or recurrence of net countervailable subsidies.¹² On January 29, 2014, the Commission notified Commerce of its determination that revocation of the countervailing duty

⁷ *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the People's Republic of China*, 73 FR 38984, July 8, 2008; *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 38986, July 8, 2008; and *Sodium Nitrite from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 38981, July 8, 2008.

⁸ *Sodium Nitrite From China and Germany*, 73 FR 50345, August 26, 2008.

⁹ *Sodium Nitrite from the People's Republic of China: Countervailing Duty Order*, 73 FR 50595, August 27, 2008; and *Sodium Nitrite from the Federal Republic of Germany and the People's Republic of China: Antidumping Duty Orders*, 73 FR 50593, August 27, 2008.

¹⁰ *Sodium Nitrite from China and Germany; Scheduling of Expedited Five-Year Reviews Concerning the Countervailing Duty Order and Antidumping Duty Order on Sodium Nitrite From China and the Antidumping Duty Order on Sodium Nitrite From Germany*, 78 FR 68474, November 14, 2013.

¹¹ *Sodium Nitrite From Germany and the People's Republic of China: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 78 FR 69368, November 19, 2013.

¹² *Sodium Nitrite From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 78 FR 69646, November 20, 2013.

order on sodium nitrite from China and the antidumping duty orders on sodium nitrite from China and Germany would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹³ Following affirmative determinations in the five-year reviews by Commerce and the Commission, Commerce issued a continuation of the antidumping duty orders on imports of sodium nitrite from China and Germany, effective February 12, 2014.¹⁴ Effective September 5, 2014, Commerce issued a continuation of the countervailing duty order on imports of sodium nitrite from China.¹⁵

PREVIOUS AND RELATED INVESTIGATIONS

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

ACTIONS AT COMMERCE

Commerce has not conducted any changed circumstances reviews, critical circumstances reviews, or issued anti-circumvention findings, since the completion of the last five-year reviews. In addition, Commerce has not issued any duty absorption findings or any company revocations or scope rulings since the imposition of the orders.

Current five-year reviews

Commerce is conducting expedited reviews with respect to sodium nitrite from China and Germany and intends to issue the final results of these reviews based on the facts available not later than June 5, 2019.¹⁶

¹³ *Sodium Nitrite from China and Germany*, 79 FR 6628, February 4, 2014.

¹⁴ *Sodium Nitrite From Germany and the People's Republic of China: Continuation of Antidumping Duty Orders*, 79 FR 8438, February 12, 2014.

¹⁵ *Sodium Nitrite From the People's Republic of China: Continuation of Countervailing Duty Order*, 79 FR 53016, September 5, 2014.

¹⁶ *Letter from Abdelali Elouaradia, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ*, March 20, 2019.

THE PRODUCT

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

The merchandise subject to these orders is sodium nitrite in any form, at any purity level. In addition, the sodium nitrite covered by these orders may or may not contain an anti-caking agent. Examples of names commonly used to reference sodium nitrite are nitrous acid, sodium salt, anti-rust, diazotizing salts, erinitrit, and filmerine. The chemical composition of sodium nitrite is NaNO₂ and it is generally classified under subheading 2834.10.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). The American Chemical Society Chemical Abstract Service (CAS) has assigned the name “sodium nitrite” to sodium nitrite. The CAS registry number is 7632-00-0.

While the HTSUS subheading, CAS registry number, and CAS name are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.¹⁷

U.S. tariff treatment

Sodium nitrite is currently imported under HTS statistical reporting number 2834.10.1000.¹⁸ Sodium nitrite imported from China and Germany enters the U.S. market at a column 1-general duty rate of 5.5 percent ad valorem. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Description and uses¹⁹

Sodium nitrite is an industrial chemical with a chemical formula of NaNO₂. It is a pale straw-colored material that is very soluble in water, where it forms a clear to slightly yellowish solution. Pure sodium nitrite melts at about 271°C and it begins to decompose at about 320°C into sodium oxide, nitrogen oxides, and nitrogen. Sodium nitrite is hygroscopic, but relatively insoluble in most organic solvents. Sodium nitrite is an active oxidizing agent and can also function as a reducing agent toward such powerful oxidizing agents as dichromate,

¹⁷ *Sodium Nitrite From Germany and the People's Republic of China: Continuation of Antidumping Duty Orders*, 79 FR 8438, February 12, 2014.

¹⁸ This HTS statistical reporting number does not contain any products other than sodium nitrite. For purposes of the scope of these reviews, the narrative description is dispositive, not the tariff heading, CAS registry number or CAS name, which are provided for convenience and customs purposes.

¹⁹ Unless otherwise noted, this information is based on *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Review)*, USITC Publication 4451, January 2014, pp. I-5 through I-7.

permanganate, chlorate, and chlorine. In the presence of acids, sodium nitrite forms nitrous acid. In an acid medium, sodium nitrite reacts with organic alcohols and amines to form organic nitrites such as amyl nitrite.

Sodium nitrite is produced in both dry (flake, granular, or prill) and liquid (solution) forms. Dry sodium nitrite is sold in bags, drums, and super sacks, and the liquid form is sold in tank trucks and rail cars. Granular sodium nitrite is a powder that may or may not be treated with an anti-caking agent. If not treated, the sodium nitrite will harden over time into a solid brick-like mass that must be broken up. The flake form is sodium nitrite that has been fed through a compactor and then is broken into flakes by a screen. Because of this additional processing, it may be slightly more expensive than the granular product. During the original investigations, the prill form of sodium nitrite sold in the U.S. market was produced in China. It is a granular product that is similar in form to tapioca (i.e., small spherical pieces that do not clump together or harden). The liquid form is sodium nitrite powder dissolved in water, typically about a 40 percent solution. The following tabulation details the major end uses of sodium nitrite, the forms used by each end use, and the application process.

* * * * *

Many industrial applications of sodium nitrite are based on its oxidizing properties and its decomposition in an acid solution to nitrous acid. Some of the principal applications of sodium nitrite are in the production of chemicals and dyes including azo, food, and textile dyes. Sodium nitrite is used with metals for coating, detinning, plating, and corrosion inhibition. It is also used by the rubber industry in synthetic rubber and blowing compounds. In addition, sodium nitrite is used in heat transfer salts. It is used in wastewater treatment to control odor and to inhibit the growth of bacteria. Finally, sodium nitrite is used in meat curing as a food preservative. In the medical field, sodium nitrite is an antidote to cyanide poisoning and as such is used in cyanide antidote kits. Other medical applications for sodium nitrite include the possible use for treatment for stroke victims to increase blood flow to the heart and other muscles.

Manufacturing process²⁰

The industrial manufacturing process to produce sodium nitrite relies on the transformation of liquid ammonia and caustic soda or soda ash. Liquid ammonia is oxidized with air at a high temperature in a catalytic bed to form nitrogen oxides (NO and NO₂). The nitric oxides enter an absorption tower where they react with either soda ash (sodium carbonate) or caustic soda (sodium hydroxide) solutions to form a sodium nitrite solution. If caustic soda is used, the liquid formed at this stage is sufficiently concentrated and pure to be sold directly to some customers for certain uses. If, however, soda ash is used, the liquid is

²⁰ Unless otherwise noted, this information is based on *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Review)*, USITC Publication 4451, January 2014, pp. I-7 through I-8.

highly diluted and must go through several steps to remove water, and thereby increase the sodium nitrite concentration.

Regardless of whether soda ash or caustic soda is used as a raw material, all sodium nitrite destined for sale as a dry product must undergo additional processing. The sodium nitrite liquid is pumped through an evaporator-crystallizer where sodium nitrite crystals are formed. The crystals are centrifuged to separate the sodium nitrite crystals. The sodium nitrite crystals are then either dried to reduce the moisture from three percent to less than 0.2 percent (which yields a high purity product), dried and blended with an anti-caking agent (which increases the flow ability of the powder), or further dried, compacted into a thin cake, and flaked. Food grade sodium nitrite undergoes a testing process which permits the manufacturer to certify that the product meets specific quality standards, especially with respect to the presence of heavy metals. If the sodium nitrite was produced using soda ash, it would need to be dissolved to form a liquid product, if that is the saleable form preferred by the customer. This is accomplished by dissolving the centrifuged crystals in water and applying heat. Each shipment is diluted to the customer's specifications, although a liquid with a 40 percent sodium nitrite concentration is a common standard.

THE INDUSTRY IN THE UNITED STATES

U.S. producers

During the final phase of the original investigations, the Commission received a U.S. producer questionnaire from one firm, which accounted for all production of sodium nitrite in the United States during 2007.²¹

During the first five-year reviews, the Commission received a response to the notice of institution from one firm, which accounted for approximately *** percent of production of sodium nitrite in the United States during 2012.²²

In response to the Commission's notice of institution in the current reviews, the domestic interested party provided a list of two known and currently operating U.S. producers of sodium nitrite, including itself.²³

Recent developments

Since the Commission's last five-year reviews, the following developments have occurred in the sodium nitrite industry.

²¹ *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Final): Sodium Nitrite from China and Germany*, USITC Publication 4029, August 2008, p. I-3. Petitioner General Chemical was the only active producer of sodium nitrite during the original investigations.

²² General Chemical Substantive Response to the Commission's Notice of Institution (July 30, 2013); *Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Review): Sodium Nitrite from China and Germany—Staff Report*, INV-LL-102, December 2, 2013, table I-3.

²³ Domestic interested party's response to the notice of institution, February 1, 2019, p. 31.

In December 2013, Chemtrade Logistics Income Fund (Chemtrade) acquired General Chemical.²⁴ Chemtrade has continued to make capital investments in its plant throughout the period since the last reviews. However, none of these investments involved an expansion of capacity. SABIC, the only other U.S. producer, did not submit any information for these reviews, but Chemtrade estimates that it accounts for approximately *** percent of sodium nitrite produced in the United States.²⁵ The U.S. sodium nitrite market is mature and is likely to continue to grow at a slow rate.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year reviews.²⁶ Table I-2 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations and prior five-year reviews.

The domestic interested party highlights that it earned \$*** in operating profits in 2018, after suffering losses before the imposition of antidumping and countervailing duties. It also states that Chemtrade has reinvested in its business since the imposition of such duties, and made capital expenditures from 2014 to 2018 in the amount of nearly \$***.²⁷

²⁴ "Chemtrade Buys General Chemical for \$860M," *Mergers and Acquisitions Report*, December 9, 2013, Vol. 28, Issue 49, p. 14.

²⁵ Domestic interested party's response to the notice of institution, February 1, 2019, pp. 2-3.

²⁶ Individual company trade and financial data are presented in app. B.

²⁷ Domestic interested party's response to the notice of institution, February 1, 2019, p. 20.

Table I-2

Sodium nitrite: Trade and financial data submitted by U.S. producers, 2007, 2012, and 2018

* * * *

DEFINITIONS OF THE DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.²⁸

In the final phase of the original investigations, the Commission found that there is a continuum of sodium nitrite products of different grades and/or forms, with no clear dividing lines based on grade and/or form. The Commission, finding that all sodium nitrite shared the same chemical composition, oxidizing properties, and potential to decompose into nitrous acid; may be used for some of the same end uses; and had considerable overlap in packaging and manufacturing processes, as well as price, defined a single domestic like product consisting of sodium nitrite, regardless of form or grade, coextensive with the scope of the investigations. Consistent with the Commission’s definition of the domestic like product, the Commission defined the domestic industry as including all domestic producers of sodium nitrite, which included General Chemical (and Repauno when it was operating).²⁹

In the first reviews, the Commission continued to define the domestic like product as sodium nitrite, regardless of form or grade, coextensive with Commerce’s scope.³⁰ The Commission also continued to define the domestic industry as all domestic producers of sodium nitrite.³¹

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate definition of the domestic like product and the domestic industry and inquired as to whether any related party issues existed. In the response to the notice of institution, the domestic interested party agreed with the definitions of the domestic like product and domestic industry that were adopted in the original investigations and five-year reviews, but reserved the right to comment on the appropriate definitions during

²⁸ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

²⁹ *Sodium Nitrite from China and Germany, Investigations Nos. 701-TA-453 and 731-TA-1136-1137 (Final)*, USITC Publication 4029, August 2008, pp. 7-9.

³⁰ *Sodium Nitrite from China and Germany, Investigations Nos. 701-TA-453 and 731-TA-1136-1137 (Review)*, USITC Publication 4451, January 2014, pp. 4-5.

³¹ *Ibid* at pp. 5-6.

the course of the proceeding.³² The domestic interested party did not cite any related party issues.³³

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

U.S. importers

During the final phase of the original investigations, the Commission received useable U.S. importer questionnaires from 12 firms, which accounted for approximately *** percent of total U.S. imports of sodium nitrite from China and *** percent of imports of sodium nitrite from Germany during 2007.³⁴

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic industry observed an increase in the number of U.S. importers of subject merchandise and identified 11 U.S. importers that they believed to be currently importing or to have imported subject merchandise from China and Germany since 2008.³⁵

Although the Commission did not receive responses from any respondent interested parties in the current reviews, the domestic interested party provided a list of 11 potential U.S. importers of sodium nitrite in its response to the Commission's notice of institution.³⁶

U.S. imports

Table I-3 presents the quantity, value, and unit value for imports from China and Germany as well as the other top sources of U.S. imports (shown in descending order of 2018 imports by quantity).

The domestic interested party notes that, since the countervailing and antidumping duty orders entered into effect in August 2008, subject imports of sodium nitrite from China and Germany have declined significantly. It notes that in the first few years after the orders were published imports of sodium nitrite from India increased, to some extent displacing the volume formerly supplied from China and Germany.³⁷ India was the largest source of nonsubject imports during 2013-18, and accounted for 98.6 percent of total U.S. imports in 2018.

³² Domestic interested party's response to the notice of institution, February 1, 2019, p. 34.

³³ Domestic interested party's response to the notice of institution, February 1, 2019.

³⁴ *Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Final): Sodium Nitrite from China and Germany—Staff Report*, INV-FF-086, July 28, 2008, p. IV-1.

³⁵ *Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Review): Sodium Nitrite from China and Germany—Staff Report*, INV-LL-102, December 2, 2013, pp. I-18-19.

³⁶ Domestic interested party's response to the notice of institution, February 1, 2019, exh. 13.

³⁷ Domestic interested party's response to the notice of institution, February 1, 2019, pp. 14-15.

Table I-3
Sodium nitrite: U.S. imports, 2013-18

| Item | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------|-------|--------|--------|-------|--------|
| Quantity (1,000 pounds) | | | | | | |
| China | -- | -- | 209 | 122 | -- | -- |
| Germany | 13 | 21 | 4 | 11 | -- | -- |
| Subtotal, subject | 13 | 21 | 213 | 133 | -- | -- |
| India | 7,149 | 7,360 | 9,584 | 10,782 | 9,182 | 10,052 |
| Russia | -- | -- | -- | 42 | 168 | 88 |
| Canada | 28 | -- | 33 | -- | 5 | 44 |
| All other imports | 83 | 30 | 934 | 132 | 84 | 14 |
| Subtotal, nonsubject | 7,261 | 7,389 | 10,550 | 10,956 | 9,439 | 10,198 |
| Total imports | 7,274 | 7,410 | 10,763 | 11,089 | 9,439 | 10,198 |
| Landed, duty-paid value (\$1,000) | | | | | | |
| China | -- | -- | 71 | 120 | -- | -- |
| Germany | 48 | 28 | 19 | 6 | -- | -- |
| Subtotal, subject | 48 | 28 | 90 | 127 | -- | -- |
| India | 2,824 | 2,982 | 3,667 | 4,053 | 3,428 | 3,754 |
| Russia | -- | -- | -- | 13 | 50 | 33 |
| Canada | 34 | -- | 72 | -- | 10 | 15 |
| All other imports | 108 | 40 | 451 | 53 | 161 | 57 |
| Subtotal, nonsubject | 2,932 | 3,022 | 4,118 | 4,118 | 3,640 | 3,843 |
| Total imports | 2,980 | 3,050 | 4,208 | 4,244 | 3,640 | 3,843 |
| Unit value (dollars per pound) | | | | | | |
| China | -- | -- | 0.34 | 0.98 | -- | -- |
| Germany | 3.69 | 1.33 | 4.75 | 0.55 | -- | -- |
| Subtotal, subject | 3.69 | 1.33 | 0.42 | 0.95 | -- | -- |
| India | 0.40 | 0.41 | 0.38 | 0.44 | 0.38 | 0.37 |
| Russia | -- | -- | -- | 0.31 | 0.30 | 0.38 |
| Canada | 1.21 | -- | 2.18 | -- | 2.00 | 0.34 |
| All other imports | 1.30 | 1.33 | 0.48 | 0.40 | 1.92 | 4.07 |
| Subtotal, nonsubject | 0.40 | 0.41 | 0.39 | 0.38 | 0.39 | 0.38 |
| Total imports | 0.41 | 0.41 | 0.39 | 0.38 | 0.39 | 0.38 |

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

Source: Official statistics of Commerce for HTS statistical reporting number 2834.10.1000.

Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-5 presents data on U.S. market shares of U.S. apparent consumption.

Table I-4

Sodium nitrite: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2007, 2012, and 2018

| Item | 2007 | 2012 | 2018 |
|--------------------------------|--------|-------|--------|
| Quantity (1,000 pounds) | | | |
| U.S. producers' U.S. shipments | *** | *** | *** |
| U.S. imports from— | | | |
| China | 1,626 | 176 | -- |
| Germany | 11,723 | 7 | -- |
| Subtotal | 13,349 | 183 | -- |
| All other | 629 | 5,836 | 10,198 |
| Total imports | 13,979 | 6,019 | 10,198 |
| Apparent U.S. consumption | *** | *** | *** |
| Value (1,000 dollars) | | | |
| U.S. producers' U.S. shipments | *** | *** | *** |
| U.S. imports from— | | | |
| China | 476 | 110 | -- |
| Germany | 2,680 | 19 | -- |
| Subtotal | 3,155 | 129 | -- |
| All other | 113 | 2,454 | 3,843 |
| Total imports | 3,269 | 2,583 | 3,843 |
| Apparent U.S. consumption | *** | *** | *** |

Source: For 2007 and 2012, data are compiled using data submitted by responding U.S. producers and importers in the Commission's original investigations and its first five-year reviews. See app. C. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested party's corrected response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2834.10.1000.

Table I-5

Sodium nitrite: Apparent U.S. consumption and U.S. market shares, 2007, 2012, and 2018

* * * * *

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Additional information concerning geographical markets and simultaneous presence in the market is presented below.³⁸

Based on official import statistics, imports of sodium nitrite from subject countries were present in the U.S. market in 20 of 72 months during 2013 to 2018. There were no reported imports from China or Germany in 2017 or 2018. From 2013 to 2016, imports from China entered through eastern and western ports of entry and the majority of imports from Germany entered through eastern ports of entry.

THE INDUSTRY IN CHINA

During the final phase of the original investigations, the Commission did not receive a foreign producer/exporter questionnaire response from any firms in China.³⁹ In its first five-year reviews, the Commission did not receive responses from any respondent interested parties in China.⁴⁰ In these current reviews, the Commission did not receive a response from any firm in China. The domestic interested party provided a list of 14 firms in China believed to have either produced or exported sodium nitrite since 2008.⁴¹

The domestic interested party's response to the notice of institution states that the industry in China has over 40 producers with production capacity that could be as much as *** metric tons (***) pounds per annum. One producer in China, Shanxi Jiaocheng, has *** metric tons (***) pounds of capacity.⁴²

Table I-6 presents export data for nitrites by destination from China, a category that includes sodium nitrite and out-of-scope products, in descending order of quantity for 2017. India was China's largest export market during 2017, followed by South Korea, accounting for 24.2 percent and 20.7 percent of total exports from China, respectively.

³⁸ In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

³⁹ *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Final)*, USITC Publication 4029, August 2008, p. VII-2.

⁴⁰ *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Review)*, USITC Publication 4451, January 2014, p. I-19.

⁴¹ Domestic interested party's response to the notice of institution, February 1, 2019, exh. 14.

⁴² Domestic interested party's response to the notice of institution, February 1, 2019, p. 28.

Table I-6**Nitrites: Exports of nitrites from China, by destination, 2013-17**

| Item | Calendar year | | | | |
|----------------------|-------------------------|---------|--------|--------|---------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| | Quantity (1,000 pounds) | | | | |
| India | 36,705 | 30,395 | 26,304 | 16,601 | 24,827 |
| South Korea | 18,063 | 19,026 | 17,380 | 19,760 | 21,202 |
| United States | 15,805 | 18,915 | 12,445 | 14,988 | 13,625 |
| Japan | 9,243 | 9,083 | 9,956 | 11,543 | 10,879 |
| Taiwan | 4,147 | 4,683 | 4,696 | 4,562 | 5,290 |
| Indonesia | 6,092 | 5,214 | 4,210 | 4,473 | 4,804 |
| Thailand | 2,331 | 2,761 | 3,100 | 2,626 | 2,531 |
| Vietnam | 1,280 | 1,325 | 1,785 | 1,897 | 2,209 |
| Pakistan | 1,381 | 1,810 | 1,554 | 1,543 | 1,690 |
| Iran | 509 | 1,287 | 745 | 1,014 | 1,609 |
| Australia | 1,065 | 990 | 1,226 | 1,184 | 1,534 |
| United Arab Emirates | 1,338 | 3,013 | 968 | 1,900 | 1,468 |
| Russia | 3,649 | 3,975 | 328 | 53 | 1,252 |
| Egypt | 1,819 | 1,433 | 1,433 | 1,433 | 1,157 |
| Brazil | 1,598 | 1,418 | 1,636 | 1,872 | 1,131 |
| All other countries | 10,487 | 14,096 | 11,209 | 9,308 | 7,279 |
| Total | 115,513 | 119,422 | 98,976 | 94,759 | 102,487 |

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2834.10. These data may be overstated as HTS subheading 2834.10 may contain products outside the scope of these reviews.

THE INDUSTRY IN GERMANY

During the final phase of the original investigations, the Commission received one foreign producer questionnaire from BASF AG (“BASF”), the only producer of sodium nitrite in Germany at the time.⁴³ In its first five-year reviews, the Commission did not receive a response from any subject producer or exporter in Germany.⁴⁴ In these current reviews, the Commission did not receive a response from any firm in Germany. The domestic interested party provided a list of 10 firms in Germany believed to have either produced or exported sodium nitrite since 2008.⁴⁵

⁴³ *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 (Final) and 731-TA-1136-1137 (Final)*, USITC Publication 4029, August 2008, p. VII-4.

⁴⁴ *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Review)*, USITC Publication 4451, January 2014, p. I-22.

⁴⁵ Domestic interested party's response to the notice of institution, February 1, 2019, exh. 14.

In its response to the notice of institution, the domestic interested party presented data regarding production capacity and exports of producers of sodium nitrite in Germany. The domestic interested party states that BASF, with the capacity to produce *** metric tons (***) pounds) of nitrites annually (sodium nitrite and out-of-scope potassium nitrite), is the largest producer of sodium nitrite, by capacity, in the world, outside China.⁴⁶⁴⁷ The domestic interested party also states that BASF's production capacity exceeds the demand for nitrites in its home market, the EU, estimated at *** metric tons (***) pounds).⁴⁸

Table I-7 presents constructed export data of nitrites by destination from Germany, a category that includes sodium nitrite and out-of-scope products, in descending order of quantity for 2017.⁴⁹ The leading export markets of nitrites from Germany are the Netherlands and the United Kingdom, accounting for 18.3 percent and 11.1 percent in 2017, respectively.

⁴⁶ Ibid at p. 27.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Data are based on global trading partners' import statistics as reported in the GTIS/GTA database, accessed March 11, 2019. Export data of nitrites from Germany were not available.

Table I-7**Nitrites: Global imports from Germany, by trading partner, 2013-17**

| Item | Calendar year | | | | |
|---------------------|-------------------------|---------|--------|---------|---------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| | Quantity (1,000 pounds) | | | | |
| Netherlands | 29,310 | 0 | 3,186 | 18,244 | 20,588 |
| United Kingdom | 23,679 | 15,914 | 10,573 | 11,344 | 12,511 |
| France | 8,280 | 7,477 | 7,797 | 7,144 | 7,984 |
| Brazil | 10,516 | 10,838 | 7,107 | 7,211 | 6,763 |
| India | 4,047 | 3,559 | 2,977 | 11,997 | 6,389 |
| Switzerland | 7,714 | 6,005 | 7,095 | 6,463 | 5,883 |
| South Korea | 4,929 | 5,250 | 5,679 | 6,048 | 5,828 |
| Mexico | 4,955 | 5,329 | 4,866 | 4,631 | 5,324 |
| Taiwan | 7,408 | 6,584 | 5,759 | 5,603 | 5,211 |
| Spain | 5,818 | 6,184 | 5,484 | 4,822 | 4,488 |
| Italy | 2,819 | 2,977 | 3,217 | 3,039 | 3,570 |
| South Africa | 3,221 | 3,020 | 3,214 | 2,508 | 2,744 |
| Belgium | 2,939 | 2,147 | 2,249 | 2,260 | 2,670 |
| Thailand | 1,954 | 1,832 | 2,370 | 2,280 | 2,130 |
| Turkey | 1,732 | 1,919 | 2,030 | 1,854 | 1,914 |
| Norway | 1,760 | 1,799 | 1,728 | 1,617 | 1,682 |
| All other countries | 19,263 | 30,429 | 17,317 | 14,363 | 16,745 |
| Total | 140,344 | 111,263 | 92,647 | 111,429 | 112,425 |

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

Source: Official import statistics under HTS subheading 2834.10, as reported by various countries' statistical authorities in the GTIS/GTA database, accessed March 11, 2019. These data may be overstated as HTS subheading 2834.10 may contain products outside the scope of these reviews.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

As noted in the original investigations and in the last reviews, India has imposed antidumping duties on sodium nitrite imports from China and the EU, including Germany.⁵⁰ On December 5, 2014, India's Ministry of Commerce and Industry extended antidumping duties on imports from Germany (the EU), but changed the duty rate from a variable one determined on

⁵⁰ The antidumping duties were initially applied to Germany in 2002 and were continued in the sunset review in 2008. In its review in 2013, India extended the antidumping duties to all sodium nitrite originating in or exported from the EU. *Sodium Nitrite from China and Germany, Inv. Nos. 701-TA-453 and 731-TA-1136-1137 (Review)*, USITC Publication 4451, January 2014, p. I-38.

a reference price basis to a constant \$3.00 per metric ton.⁵¹ In July 2017, the Ministry of Commerce and Industry also extended antidumping duties on imports from China with a duty rate of \$72.95 per metric ton.⁵²

Additionally, India imposed safeguard duties on sodium nitrite imports for a 15-month period, from February 26, 2014 to May 25, 2015. For the first 12 months, the duty rate was 30 percent ad valorem (minus any antidumping duties). For the final three months, the duty rate was 28 percent ad valorem. While India did not apply the safeguard duty to imports from most developing countries, the country did apply it to imports from China as well as those from Germany.⁵³

THE GLOBAL MARKET

Table I-8 presents the ten largest global export sources of nitrites, a category that includes sodium nitrite and out-of-scope products, during 2013-17. China and Germany alternated as the largest source of global export of nitrites over this period. In 2017, Germany was the largest global exporter of nitrites. India, the largest source of sodium nitrite imports in the United States, is the third-largest global exporter of nitrites.

⁵¹ *Final Findings in the Sunset Review of anti-dumping duty imposed on the imports of Sodium Nitrite originating in or exported from the European Union*, No. F.15/1009/2012-DGAD, for publication in the Gazette of India, Part-I, Section-I, December 5, 2014.

⁵² *Sunset Review of Anti-dumping duty imposed on the imports of Sodium Nitrite originating in or exported from China PR*, F.No. 15/06/2016-DGAD, for publication in the Gazette of India, Part-I, Section-I, July 19, 2017.

⁵³ “Finance Ministry imposes safeguard duty on sodium nitrite imports,” K.R. Srivats, *The Hindu BusinessLine*, March 4, 2014.

Table I-8**Nitrites: Global exports by major sources, 2013-17**

| Item | Calendar year | | | | |
|--------------------------------|---------------|---------|---------|---------|---------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Quantity (1,000 pounds) | | | | | |
| Germany | 140,344 | 111,263 | 92,647 | 111,429 | 112,425 |
| China | 115,513 | 119,422 | 98,976 | 94,759 | 102,487 |
| South Africa | 1,271 | 4,722 | 9,046 | 28,755 | 38,442 |
| India | 15,832 | 21,849 | 23,330 | 21,543 | 26,731 |
| USA | 20,618 | 20,836 | 21,088 | 21,569 | 21,169 |
| Russia | 6,081 | 10,261 | 9,560 | 16,502 | 17,854 |
| Namibia | -- | 138 | 3,822 | 2,040 | 2,725 |
| Malaysia | 18 | 51 | 11 | 184 | 2,570 |
| Poland | 2,217 | 2,229 | 1,781 | 2,371 | 2,086 |
| Belgium | 1,703 | 1,431 | 1,574 | 1,479 | 1,566 |
| All other countries | 34,868 | 28,680 | 17,452 | 15,570 | 9,833 |
| Total | 338,466 | 320,881 | 279,287 | 316,201 | 337,888 |

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

Note.—Mirror data of global imports have been substituted for reported exports from Germany for all years.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2834.10, accessed March 25, 2019. These data may be overstated as HTS subheading 2834.10 may contain products outside the scope of these reviews.

APPENDIX A

FEDERAL REGISTER NOTICES

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

| Citation | Title | Link |
|--------------------------------|---|---|
| 84 FR 6 January 2, 2019 | <i>Sodium Nitrite From China and Germany; Institution of Five-Year Reviews</i> | https://www.govinfo.gov/content/pkg/FR-2019-01-02/pdf/2018-28272.pdf |
| 84 FR 1704 February 5, 2019 | <i>Initiation of Five-Year (Sunset) Reviews</i> | https://www.govinfo.gov/content/pkg/FR-2019-02-05/pdf/2019-01271.pdf |
| 84 FR 25828 June 4, 2019 | <i>Sodium Nitrite From China and Germany Scheduling of Expedited Five-Year Reviews</i> | https://www.govinfo.gov/content/pkg/FR-2019-06-04/pdf/2019-11562.pdf |
| 84 FR 27084 June 11, 2019 | <i>Sodium Nitrite From the People's Republic of China: Final Results of the Expedited Second Five Year (Sunset) Review of the Countervailing Duty Order</i> | https://www.govinfo.gov/content/pkg/FR-2019-06-11/pdf/2019-12282.pdf |
| 84 FR 27086 June 11, 2019 | <i>Sodium Nitrite From Germany and the People's Republic of China: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders</i> | https://www.govinfo.gov/content/pkg/FR-2019-06-11/pdf/2019-12281.pdf |

APPENDIX B

COMPANY-SPECIFIC DATA

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APPENDIX C

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS

Table C-1**Sodium nitrite: Summary data concerning the U.S. market, 2005-07, January-March 2007, and January-March 2008**

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

| Item | Reported data | | | | | Period changes | | | | Jan.-Mar. 2007-08 | |
|-----------------------------------|---------------|--------|--------|--------|--------|----------------|---------|---------|-------|----------------------|--|
| | January-March | | | | | 2005-07 | 2005-06 | 2006-07 | | | |
| | 2005 | 2006 | 2007 | 2007 | 2008 | | | | | | |
| U.S. consumption quantity: | | | | | | | | | | | |
| Amount | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Producers' share (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Importers' share (1): | | | | | | | | | | | |
| China | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Germany | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Subtotal (subject) | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Other sources | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Total imports | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| U.S. consumption value: | | | | | | | | | | | |
| Amount | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Producers' share (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Importers' share (1): | | | | | | | | | | | |
| China | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Germany | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Subtotal (subject) | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Other sources | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| Total imports | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | |
| U.S. imports from: | | | | | | | | | | | |
| China: | | | | | | | | | | | |
| Quantity | 519 | 1,044 | 1,626 | 683 | 742 | 213.2 | 101.1 | 55.7 | 8.6 | | |
| Value | 122 | 245 | 476 | 174 | 255 | 289.2 | 100.8 | 93.9 | 46.3 | | |
| Unit value | \$0.24 | \$0.24 | \$0.29 | \$0.26 | \$0.34 | 24.3 | -0.2 | 24.5 | 34.8 | | |
| Ending inventory quantity .. | *** | *** | *** | *** | *** | *** | *** | *** | *** | | |
| Germany: | | | | | | | | | | | |
| Quantity | 7,717 | 10,175 | 11,723 | 2,648 | 3,015 | 51.9 | 31.9 | 15.2 | 13.9 | | |
| Value | 1,627 | 2,072 | 2,680 | 571 | 744 | 64.7 | 27.3 | 29.3 | 30.3 | | |
| Unit value | \$0.21 | \$0.20 | \$0.23 | \$0.22 | \$0.25 | 8.4 | -3.4 | 12.2 | 14.4 | | |
| Ending inventory quantity .. | *** | *** | *** | *** | *** | *** | *** | *** | *** | | |
| Subject sources: | | | | | | | | | | | |
| Quantity | 8,236 | 11,219 | 13,349 | 3,331 | 3,757 | 62.1 | 36.2 | 19.0 | 12.8 | | |
| Value | 1,750 | 2,318 | 3,155 | 745 | 999 | 80.4 | 32.5 | 36.2 | 34.1 | | |
| Unit value | \$0.21 | \$0.21 | \$0.24 | \$0.22 | \$0.27 | 11.3 | -2.8 | 14.4 | 18.8 | | |
| Ending inventory quantity .. | *** | *** | *** | *** | *** | *** | *** | *** | *** | | |
| All other sources: | | | | | | | | | | | |
| Quantity | 132 | 359 | 629 | 93 | 132 | 375.8 | 171.2 | 75.4 | 42.9 | | |
| Value | 17 | 69 | 113 | 21 | 99 | 550.5 | 296.3 | 64.2 | 371.0 | | |
| Unit value | \$0.13 | \$0.19 | \$0.18 | \$0.23 | \$0.75 | 36.7 | 46.1 | -6.4 | 229.7 | | |
| Ending inventory quantity .. | *** | *** | *** | *** | *** | *** | *** | *** | *** | | |
| All sources: | | | | | | | | | | | |
| Quantity | 8,368 | 11,578 | 13,979 | 3,424 | 3,890 | 67.0 | 38.4 | 20.7 | 13.6 | | |
| Value | 1,767 | 2,387 | 3,269 | 766 | 1,098 | 85.0 | 35.1 | 37.0 | 43.3 | | |
| Unit value | \$0.21 | \$0.21 | \$0.23 | \$0.22 | \$0.28 | 10.7 | -2.4 | 13.4 | 26.1 | | |
| Ending inventory quantity .. | *** | *** | *** | *** | *** | *** | *** | *** | *** | | |

Table continued on next page.

Table C-1-Continued**Sodium nitrite: Summary data concerning the U.S. market, 2005-07, January-March 2007, and January-March 2008**

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

| Item | Reported data | | | | | Period changes | | | Jan.-Mar. 2007-08 | | | | |
|--|---------------|------|---------|---------|---------|----------------|-----|-----|----------------------|--|--|--|--|
| | January-March | | 2005-07 | 2005-06 | 2006-07 | | | | | | | | |
| | 2007 | 2008 | | | | | | | | | | | |
| U.S. producers': | | | | | | | | | | | | | |
| Average capacity quantity . . . | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Production quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Capacity utilization (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| U.S. shipments: | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Export shipments: | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Ending inventory quantity . . . | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Inventories/total shipments (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Production workers | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Hours worked (1,000s) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Wages paid (\$1,000s) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Hourly wages | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Productivity (pounds per hour) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Unit labor costs | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Net sales: | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Cost of goods sold (COGS) . | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Gross profit or (loss) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| SG&A expenses | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Operating income or (loss) . . | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Capital expenditures | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Unit COGS | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Unit SG&A expenses | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Unit operating income or (los: | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| COGS/sales (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |
| Operating income or (loss)/sales (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | | | | |

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Less than \$0.005 but positive.

(4) Not applicable or not meaningful.

Note.-- Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

