

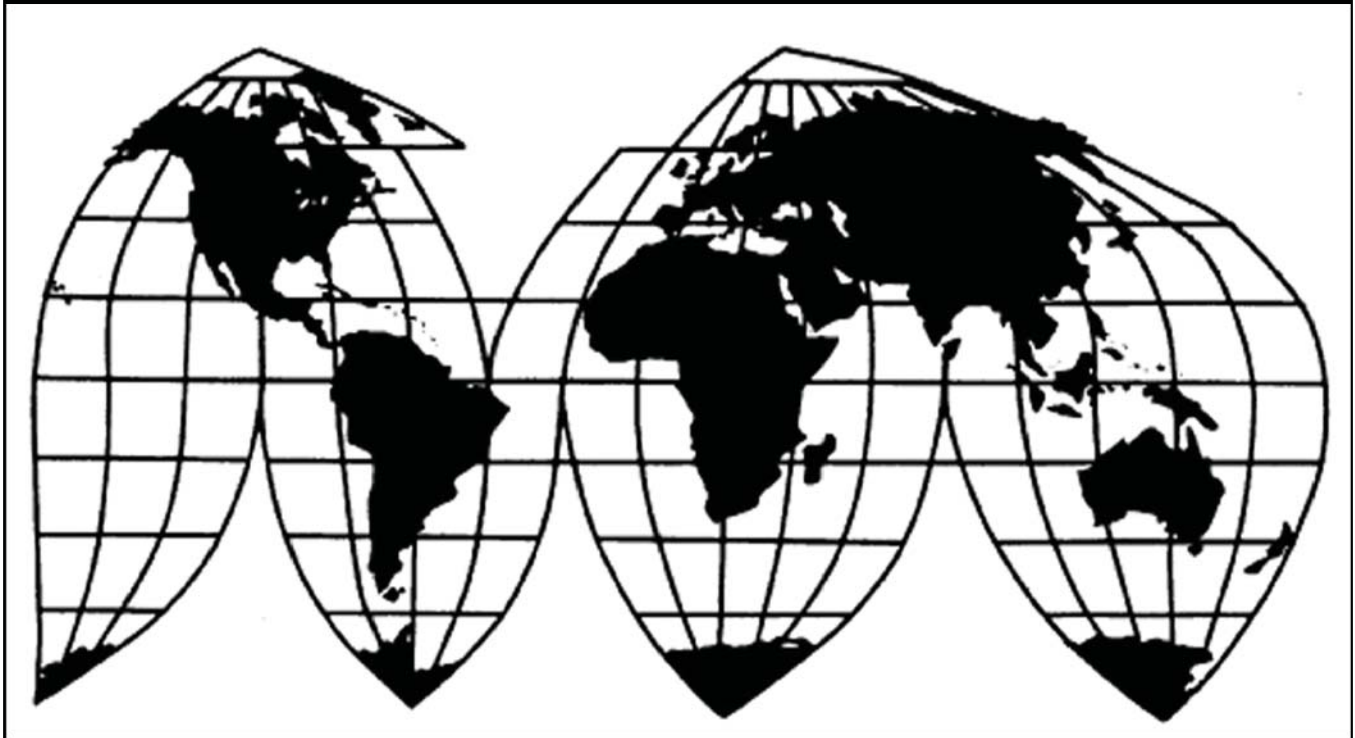
Potassium Phosphate Salts from China

Investigation Nos. 701-TA-473 and 731-TA-1173 (Review)

Publication 4584

December 2015

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-473 and 731-TA-1173 (Review)

Potassium Phosphate Salts from China

DETERMINATIONS

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

BACKGROUND

The Commission, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), instituted these reviews on June 1, 2015 (80 F.R. 31068) and determined on September 4, 2015 that it would conduct expedited reviews (80 F.R. 57204, September 22, 2015).

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 antidumping and countervailing duty orders on certain potassium phosphate salts (“phosphate salts”) from China would be likely to lead to continuation or recurrence of material injury to U.S. industries producing dipotassium phosphate (“DKP”) and tetrapotassium pyrophosphate (“TKPP”) within a reasonably foreseeable time.

I. Background

Original Determinations. The Commission instituted the original investigations of phosphate salts from China based on petitions filed by ICL Performance Products LP (“ICL”) and Prayon, Inc. (“Prayon”) on September 24, 2009. The Commission issued its final determinations in July 2010. In its final determinations, the Commission found three domestic like products: (1) DKP; (2) TKPP; and (3) monopotassium phosphates (“MKP”). The Commission determined that domestic industries in the United States producing DKP and TKPP were materially injured by reason of dumped and subsidized imports of phosphate salts from China, and determined that subject imports of MKP from China did not materially injure a domestic industry.¹ On July 22, 2010, Commerce issued antidumping and countervailing duty orders on imports of certain phosphate salts from China.²

The Current Reviews. The Commission instituted these first five-year reviews on June 1, 2015.³ The Commission received a joint response to the notice of institution from ICL and Prayon (collectively “domestic interested parties”). The Commission did not receive a response to the notice of institution from any respondent interested party. On September 4, 2015, the Commission determined that the domestic interested party group response to its notice of institution was adequate.⁴ In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant full reviews, the Commission

¹ *Certain Potassium Phosphate Salts From China*, Inv. Nos. 701-TA-473 and 731-TA-1173 (Final), USITC Pub. 4171 (July 2010) (“Original Determinations, USITC Pub. 4171”).

² *Certain Potassium Phosphate Salts From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 Fed. Reg. 42682 (July 22, 2010); *Certain Potassium Phosphate Salts From the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 75 Fed. Reg. 42683 (July 22, 2010).

³ *Certain Potassium Phosphate Salts From China; Institution of Five-Year Reviews*, 80 Fed. Reg. 31068 (June 1, 2010).

⁴ *Potassium Phosphate Salts From China; Scheduling of Expedited Five-Year Reviews*, 80 Fed. Reg. 57204 (Sept. 22, 2015).

determined that it would conduct expedited reviews of the orders.⁵ ICL and Prayon submitted comments supporting affirmative determinations.

Data/Response Coverage. U.S. industry data are based on information submitted by ICL and Prayon. ICL estimates that it accounted for *** percent of U.S. DKP production and *** percent of U.S. TKPP production in 2014.⁶ Prayon estimates that it accounted for *** percent of U.S. TKPP production in 2014.⁷ U.S. import data are based on a combination of questionnaires from the original investigations for 2007-09 and official import statistics for 2010-14.⁸ Foreign industry data and related information are based on information from the original investigations and information reported by domestic interested parties in these reviews.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

⁵ *Scheduling of Expedited Five-Year Reviews*, 80 Fed. Reg. 57204 (Sept. 22, 2015). The Commission also determined that the reviews were extraordinarily complicated and exercised its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). *Id.*

⁶ Confidential Report, INV-NN-058 (Aug. 24, 2015) (as revised by memorandum INV-NN-064, Sept. 2, 2015) (“CR”) at I-14-15, Public Report (“PR”) at I-9.

⁷ CR at I-14-15, PR at I-9.

⁸ CR/PR at Tables I-4 and I-9, CR at I-18-27, PR at I-1-17. As discussed further below, official import statistics for DKP include substantial quantities of out-of-scope merchandise. CR at I-20-21, PR at I-13.

⁹ CR at I-28-30, PR at I-; CR/PR at Tables I-10 to I-11.

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).

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

Anhydrous Dipotassium Phosphate (DKP) and Tetrapotassium Pyrophosphate (TKPP), whether anhydrous or in solution (collectively “phosphate salts”).

TKPP, also known as normal potassium pyrophosphate, Diphosphoric acid or Tetrapotassium salt, is a potassium salt with the formula $K_4P_2O_7$. The CAS registry number for TKPP is 7320-34-5. TKPP is typically 18.7 percent phosphorus and 47.3 percent potassium. It is generally greater than or equal to 43.0 percent P_2O_5 content. TKPP is classified under heading 2835.39.1000, HTSUS.

DKP, also known as Dipotassium salt, Dipotassium hydrogen orthophosphate or Potassium phosphate, dibasic, has a chemical formula of K_2HPO_4 . The CAS registry number for DKP is 7758-11-4. DKP is typically 17.8 percent phosphorus, 44.8 percent potassium and 40 percent P_2O_5 content. DKP is classified under heading 2835.24.0000, HTSUS.

The products covered by this order include the foregoing phosphate salts in all grades, whether food grade or technical grade. The products covered by this order also include anhydrous DKP without regard to physical form, whether crushed, granule, powder or fines. Also covered are all forms of TKPP, whether crushed, granule, powder, fines or solution.

For purposes of the order, the narrative description is dispositive, and not the tariff heading, American Chemical Society, CAS registry number or CAS name, or the specific percentage chemical composition identified above.¹³

This scope definition is unchanged from Commerce’s scope definition in the original investigations.¹⁴

DKP and TKPP are potassium salts of phosphoric acid; they are manufactured by the reaction of phosphoric acid with an alkali base. Each is sold in technical or food grades. DKP is used in dairy applications, baked goods, meat processing, and as an emulsifier. TKPP is used in liquid cleaning products and in potable and industrial water treatment where it acts to prevent corrosion, in metal cleaners and surface treatments, and in the manufacture of latex paints.¹⁵

¹³ See Potassium Phosphate Salts from the People’s Republic of China: Final Results of Expedited First Sunset Review of the Countervailing Duty Order, 80 Fed. Reg. 60121 (Oct. 5, 2015); Certain Potassium Phosphate Salts From the People’s Republic of China: Final Results of Expedited First Sunset Review of the Antidumping Duty Order, 80 Fed. Reg. 60122 (Oct. 5, 2015).

¹⁴ See Certain Potassium Phosphate Salts From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order, 75 Fed. Reg. at 42682; Certain Potassium Phosphate Salts From the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order, 75 Fed. Reg. at 42683.

¹⁵ CR at I-6-7, PR at I-4-5.

In its final determinations in the original investigations, the Commission defined DKP and TKPP, each of which is within Commerce’s scope definition, as separate domestic like products.¹⁶ No party contested this finding. As the Commission explained, each type of phosphate salt has different properties and physical characteristics, performs different functions, and serves different end users. It also observed that the phosphate salts are not interchangeable and are perceived as separate products by end users.¹⁷ Although there were some similarities in pricing, manufacturing processes, and channels of distribution among the different types of salts, the Commission concluded that absent any contrary argument, differences between the salts supported a finding of DKP and TKPP as separate domestic like products.¹⁸

In these reviews, domestic interested parties indicate that they agree with the Commission’s definition of the domestic like product in the original investigations.¹⁹ The record of these reviews contains no information that suggests any reason to revisit the Commission’s prior domestic like product definitions.²⁰ We accordingly define DKP and TKPP as separate domestic like products, as the Commission did in the original investigations.

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.”²¹ 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.

DKP: In the original investigations, the Commission defined the pertinent domestic industry to include all domestic producers of DKP.²² No U.S. producer of DKP was a related party.²³ In these reviews, domestic interested parties indicate that they agree with the Commission’s definition of the domestic industry in the original investigations.²⁴ Just as in the

¹⁶ Original Determinations, USITC Pub. 4171 at 7.

¹⁷ Original Determinations, USITC Pub. 4171 at 6-7.

¹⁸ Confidential Original Views, EDIS Doc. 561367, at 7-9; Original Determinations, USITC Pub. 4171 at 6-7.

¹⁹ Domestic Interested Parties Response to Notice of Institution (“Response”) at 22.

²⁰ See *generally* CR at I-5-10, PR at I-4-7.

²¹ 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.

²² Original Determinations, USITC Pub. 4171 at 7.

²³ Original Determinations, USITC Pub. 4171 at 7.

²⁴ Response at 22.

original investigations, there are no related party issues pertaining to DKP.²⁵ We consequently find the domestic DKP industry to include all U.S. producers of DKP.

TKPP: In the original investigations, the Commission defined the pertinent domestic industry to include all domestic producers of TKPP.²⁶ No U.S. producer of TKPP was a related party.²⁷ There are no related party issues pertaining to TKPP in the current reviews.²⁸ We consequently find the domestic TKPP industry to include all U.S. producers of TKPP.

III. 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.”²⁹ 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.”³⁰ Thus, the likelihood standard is prospective in nature.³¹ 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.³²

²⁵ CR at I-16, PR at I-10-11.

²⁶ Original Determinations, USITC Pub. 4171 at 7.

²⁷ Original Determinations, USITC Pub. 4171 at 7.

²⁸ CR at I-16, PR at I-11.

²⁹ 19 U.S.C. § 1675a(a).

³⁰ 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.

³¹ 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.

³² 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) (Continued...)

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.”³³ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”³⁴

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.”³⁵ 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).³⁶ 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.³⁷

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.³⁸ In doing so, the Commission

(...Continued)

(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’”).

³³ 19 U.S.C. § 1675a(a)(5).

³⁴ 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.*

³⁵ 19 U.S.C. § 1675a(a)(1).

³⁶ 19 U.S.C. § 1675a(a)(1). Commerce made no duty absorption findings with respect to the antidumping and countervailing duty orders under review. CR at I-13, PR at I-, Commerce’s Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Certain Potassium Phosphate Salts from the People’s Republic of China (Sept. 28, 2015) at 4; Commerce’s Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Certain Potassium Phosphate Salts from the People’s Republic of China (Sept. 28, 2015) at 4.

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

³⁸ 19 U.S.C. § 1675a(a)(2).

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.³⁹

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁴⁰

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.⁴¹ 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.⁴²

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the DKP and TKPP industries in China. For our determination, we rely as appropriate on the facts available from the original investigations, data submitted in the response to the notice of institution, and other public data.

³⁹ 19 U.S.C. § 1675a(a)(2)(A-D).

⁴⁰ 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.

⁴¹ 19 U.S.C. § 1675a(a)(4).

⁴² 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.

B. DKP

1. 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.”⁴³ The following conditions of competition inform our determinations.

Demand Conditions. In the original investigations, the Commission found demand for DKP tended to fluctuate depending on the general level of demand in the end-use market.⁴⁴ It found that the phosphate salts at issue had different end uses depending on their distinctive properties.⁴⁵ Apparent U.S. consumption of DKP increased over the period of investigation (“POI”).⁴⁶

In these reviews, the information available indicates that factors affecting buying patterns and demand for DKP remain largely unchanged since the original POI.⁴⁷ Domestic interested parties state that demand for DKP tends to increase in line with growth in the gross national product.⁴⁸ Reliable data for apparent U.S. consumption of DKP are unavailable for the period of review, as the official statistics for HTS basket statistical reporting number 2835.24.000 encompass both DKP and a substantial quantity of other products.⁴⁹

Supply Conditions. In the original investigations, the market share of ICL, ***, fell from *** percent in 2007 to *** percent in 2008 and then to *** percent in 2009.⁵⁰ Subject imports’ market share increased from *** percent in 2007 to *** percent in 2008, before falling to *** percent in 2009.⁵¹ The market share of nonsubject imports of DKP increased during the POI.⁵²

DKP was sold directly to large end-use customers, or through regional or national distributors.⁵³ U.S. producers of phosphate salts reported that they had refused, declined, or

⁴³ 19 U.S.C. § 1675a(a)(4).

⁴⁴ Original Determinations, USITC Pub. 4171 at 13.

⁴⁵ Confidential Original Views at 19; Original Determinations, USITC Pub. 4171 at 15.

⁴⁶ Original Determinations, USITC Pub. 4171 at 13. Apparent U.S. consumption of DKPP increased from *** pounds in 2007 to *** pounds in 2008, and then fell to *** pounds in 2009. Confidential Original Views at 18.

⁴⁷ *E.g.*, CR/PR at Appendix D (purchasers surveys). Responding purchasers reported no changes in the end uses and applications of potassium phosphate salts in the U.S. market or in China since 2010. CR/PR at D-4.

⁴⁸ Response at 7.

⁴⁹ See CR at I-20, PR at I-13. The problematic nature of the official import statistics for DKP is explained further in section III.B.2. below. The Commission also observes that the PIERS data presented implied that the surge in imports under HTS subheading 2835.24.00 is accounted for by MKP and not by an increase in imports of DKP. CR/PR at I-4 n.11.

⁵⁰ Confidential Original Views at 20; Original Determinations, USITC Pub. 4171 at 14.

⁵¹ Confidential Original Views at 20; Original Determinations, USITC Pub. 4171 at 14.

⁵² Original Determinations USITC Pub. 4171 at 14.

⁵³ Original Determinations USITC Pub. 4171 at 15.

been unable to supply customers during the POI because of shortages of phosphoric acid and/or potassium hydroxide (key reactants used in producing phosphate salts), caused by a potassium miners' strike in Canada.⁵⁴ U.S. producers also imported substantial quantities of phosphate salts from nonsubject countries, often from affiliated companies.⁵⁵ In general, the domestic producers' capacity was stable over the POI.⁵⁶

In these reviews, ICL remains the only domestic producer of DKP.⁵⁷ Because the record does not contain reliable apparent consumption data, we cannot accurately calculate market share during the period of review for the domestic industry, subject imports, or nonsubject imports.⁵⁸ As explained further in section III.B.2. below, domestic interested parties contend that the orders have greatly reduced the quantity of subject DKP imports in the U.S. market.⁵⁹

Substitutability and Other Considerations. In the original investigations, DKP was sold primarily as a technical or a food grade product, with the food grade product subject to more stringent analysis and requiring a narrower range of specifications.⁶⁰ U.S. producers sold *** percent of their DKP as food grade in 2009.⁶¹ That same year, *** U.S. imports of DKP from China were food grade.⁶² The Commission stated that the record with respect to DKP generally indicated a high degree of potential substitutability between domestically produced DKP, subject imports, and nonsubject imports.⁶³

U.S. producers also experienced rising raw material costs during the POI.⁶⁴ The price of phosphoric acid rose rapidly in 2008, increasing by 400 percent, but fell sharply after early

⁵⁴ Original Determinations, USITC Pub. 4171 at 14-15.

⁵⁵ USITC Pub. 4171 at 15. ***, and ***. Confidential Original Views at 21.

⁵⁶ Confidential Original Views at 22; USITC Pub. 4171 at 15. The Commission observed, however, that because the ***. *Id.*

⁵⁷ CR at I-14, PR at I-9.

⁵⁸ See CR at I-20-21, PR at I-12-13.

⁵⁹ CR/PR at Table I-4.

⁶⁰ Original Determinations, USITC Pub. 4171 at 15-16. Food grade phosphate salts were subject to more careful analysis and required a narrower range of specifications, regarding pH and maximum allowable amounts of arsenic, fluoride, lead, and insoluble materials as specified in the Food Chemicals Codex. Domestic producers and importers also provided their customers with a certification of analysis after the finished product was tested in a laboratory, to assess the degree of impurities, the particle size, and the product's density. Although a higher grade, *i.e.* food grade, could be substituted for technical grade when it is economically feasible, the reverse was usually not true. *Id.*

⁶¹ Confidential Original Views at 23; Original Determinations, USITC Pub. 4171 at 16.

⁶² Confidential Original Views at 24; Original Determinations, USITC Pub. 4171 at 16.

⁶³ Original Determinations, USITC Pub. 4171 at 16.

⁶⁴ Original Determinations, USITC Pub. 4171 at 16. The primary raw materials used in the production of phosphate salts, phosphoric acid and potassium hydroxide, together accounted for a substantial portion of the cost of goods sold. *Id.*

2009.⁶⁵ Prices for potassium hydroxide began rising in the first half of 2008 and increased by 300 percent between the third quarter of 2008 and the second quarter of 2009.⁶⁶

In the current reviews, domestic interested parties indicate that there continues to be high substitutability between domestically produced DKP and the subject imports.⁶⁷ We find nothing in the current record that calls into question the Commission's finding in the original investigations of a high degree of substitutability between domestically produced DKP and subject imports of that product.

2. Likely Volume of Subject Imports

The Original Investigations. In the original investigations, the Commission found that the volume of subject imports of DKP increased from *** pounds in 2007 to *** pounds in 2008 and then to *** pounds in 2009.⁶⁸ The market share of subject imports of DKP increased by *** percentage points from 2007 to 2009.⁶⁹ The ratio of the quantity of subject imports to U.S. production also increased from *** percent in 2007 to *** percent in 2008 and *** percent in 2009.⁷⁰ The Commission found that the volume of subject imports of DKP was significant both in absolute terms and relative to consumption and production in the United States, and that the increase in subject import volume and market share was also significant.⁷¹

The Current Reviews. As previously discussed, official import statistics for DKP are not reliable because the pertinent HTS statistical reporting number is a basket category that contains substantial quantities of products other than DKP.⁷² Domestic interested parties state that most of the imports from China in this basket category are MKP, which is not subject to any trade remedies. They provided data from PIERS indicating that subject imports of DKP have declined *** since imposition of the orders; according to these data, imports of DKP from China in 2014 were only 36,000 pounds, in contrast to the *** pounds of subject imports of DKP in 2009.⁷³

The information available in the current reviews indicates that the DKP industry in China has both the means and incentive to increase exports to the United States significantly should the orders be revoked. The industry in China continues to maintain and operate substantial

⁶⁵ Original Determinations, USITC Pub. 4171 at 16-17. The Commission attributed this rise partly to increased demand for phosphates used in corn and soybean fertilizer applications as federal biofuel mandates became effective. *Id.*

⁶⁶ Original Determinations, USITC Pub. 4171 at 16-17.

⁶⁷ Response at 13.

⁶⁸ Confidential Original Views at 38, Original Determinations, USITC Pub. 4171 at 24.

⁶⁹ Confidential Original Views at 38, Original Determinations, USITC Pub. 4171 at 24.

⁷⁰ Confidential Original Views at 39, Original Determinations, USITC Pub. 4171 at 24.

⁷¹ Original Determinations, USITC Pub. 4171 at 24.

⁷² CR at I-20, PR at I-13.

⁷³ Domestic Interested Parties' Comments on the Record (Oct. 5, 2015) ("Final Comments") at 5-6.

capacity, with an estimated DKP capacity of *** pounds as of July 1, 2015.⁷⁴ This is likely to increase as there is continued expansion of phosphate production in China, focused on fine phosphorus chemical products.⁷⁵ The record from the original investigations indicated that the industry in China had substantial excess capacity to produce DKP.⁷⁶

Information from the original investigations also indicates that the DKP industry in China is substantially export oriented.⁷⁷ The more recent information available indicates that Chinese producers exported a substantial portion of their production of ortho potassium phosphates, a product category that includes DKP but also includes considerable out-of-scope merchandise, from 2010 to 2014.⁷⁸

The record also indicates that the United States remains an attractive export market for DKP. The United States is the world's largest importer of ortho potassium phosphates.⁷⁹ The available information shows that DKP prices in the United States are higher than those available to Chinese producers in their current export markets.⁸⁰ Consequently, absent the discipline of the orders, DKP producers in China are likely to use their excess capacity to increase shipments of subject DKP to the United States rapidly, as they did during the original investigations.

Accordingly, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant in the event of revocation.⁸¹

3. Likely Price Effects

The Original Investigations. In the original investigations, the Commission found subject imports of DKP and domestically produced DKP were both primarily food grade and generally

⁷⁴ CR at I-29, PR at I-18.

⁷⁵ See CR at I-28, PR at I-18. In 2012, Hubei Xingfa Chemicals Group Co. Ltd., announced a plan to invest in a project that would produce 66.1 million pounds of potassium phosphate per year, while in 2013 the AsiaPhos phosphate plant reopened with "enhanced production capacity." CR at I-28-29, PR I-18.

⁷⁶ The capacity utilization rate of the DKP industry in China was *** percent in 2007, *** percent in 2008, and *** percent in 2009. Confidential Original Staff Report, INV-HH-065, EDIS Doc. 427759 (June 18, 2010) at Table VII-3.

⁷⁷ Confidential Original Staff Report at Table VII-3; Original Determinations, USITC Pub. 4171 at Table VII-3.

⁷⁸ See CR/PR at Table I-10. Total exports of ortho potassium phosphate were 234 million pounds in 2014. This was a sharp increase from the 168 million pounds exported in 2013 and the highest quantity exported over the 2010-14 period. *Id.*

⁷⁹ See CR/PR at Table I-12. Additionally, in each year from 2010 to 2014, the United States was China's second-largest export market for ortho potassium phosphates. CR/PR at Table I-10.

⁸⁰ Final Comments at 10, Response at 17 (comparing domestic industry's average unit sales values with export values for Chinese producers).

⁸¹ There were no known trade remedy investigations or existing antidumping duty orders on DKP from China during the period of review. CR at I-31, PR at I-. Because producers and importers of the subject merchandise did not participate in these reviews, the record does not contain data addressing existing inventories of the subject merchandise or the potential for product shifting.

interchangeable.⁸² The Commission collected pricing data on two DKP products (food grade and technical grade), and found that subject imports generally undersold the domestic like product during the POI and gained market share as a result.⁸³ Subject imports of DKP undersold the U.S. product in 8 of 12 quarterly comparisons for food grade DKP and in all four possible quarterly comparisons for technical grade DKP.⁸⁴

The Commission did not find that subject imports significantly depressed the prices of domestically produced DKP, as domestic producers' prices increased from 2007 to 2009.⁸⁵ However, the Commission did find that subject imports of DKP had significant price suppressing effects.⁸⁶ Based on a rise in the domestic industry's cost of goods sold ("COGS") to net sales ratio combined with a surge in subject imports, the Commission found that by 2009 the domestic producers were unable to raise their prices sufficiently to cover increased costs due to the significant volume of lower-priced subject imports entering the U.S. market.⁸⁷

The Current Reviews. The record does not contain any additional pricing comparisons due to the lack of participation from respondent interested parties and the expedited nature of the reviews. As explained above, we continue to find that domestically produced DKP and subject imports are highly substitutable and that price remains an important factor in purchasing decisions. As previously stated, if the orders were revoked, subject producers would likely resume exporting significant volumes of DKP to the United States. The subject producers would likely sell the subject merchandise at low prices and undersell domestically produced DKP to gain market share, as had occurred during the original POI.

Because price is important to purchasing decisions, the presence of significant quantities of subject imports that would likely enter the United States in the event of revocation and that would likely undersell the domestically produced product, would force the domestic DKP industry either to lower prices or lose sales. In light of these considerations, we conclude that absent the disciplining effects of the orders, subject DKP imports would likely have significant depressing or suppressing effects on prices for the domestic like product.

⁸² Original Determinations, USITC Pub. 4171 at 24.

⁸³ Original Determinations, USITC Pub. 4171 at 25.

⁸⁴ Original Determinations, USITC Pub. 4171 at 24.

⁸⁵ Original Determinations, USITC Pub. 4171 at 26.

⁸⁶ Confidential Original Views at 42; Original Determinations, USITC Pub. 4171 at 26.

⁸⁷ Original Determinations, USITC Pub. 4171 at 28-29.

4. Likely Impact⁸⁸

The Original Investigations. In the original investigations, the Commission found that despite overall growth in apparent U.S. consumption of DKP between 2007 and 2009, production of DKP by ICL, the sole domestic producer, was virtually unchanged.⁸⁹ ICL's net sales showed little growth, as a steep decline in its U.S. shipments throughout the POI offset the benefits of increased export opportunities.⁹⁰ With its U.S. shipments falling, ICL's share of the U.S. market fell from *** percent to *** percent in just two years, with nearly *** of that loss directly attributable to imports of DKP from China.⁹¹ Moreover, the tremendous growth in the volume of low-priced subject imports, which undersold the domestic like product and nonsubject imports alike in the majority of instances, resulted in such price pressure that ICL was unable to cover its rapidly rising costs, culminating in operating losses in 2009.⁹² The Commission also observed that although nonsubject imports also took market share from ICL during the POI, the presence of nonsubject imports did not negate the causal link between subject imports of DKP and the adverse effects that the domestic industry was experiencing.⁹³

The Current Reviews. Because these are expedited reviews, information on the record concerning the performance of the domestic DKP industry since the original investigations pertains only to certain economic factors and is available only for 2014.⁹⁴ This limited information is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.⁹⁵

In 2014, the DKP capacity of ICL, the sole domestic producer, was *** pounds, its DKP production was *** pounds and its U.S. shipments of DKP were *** pounds.⁹⁶ Capacity

⁸⁸ In its expedited review of the antidumping duty order, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted-average margins of up to 95.40 percent. *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of Expedited First Sunset Review of the Antidumping Duty Order*, 80 Fed. Reg. 60122 (Oct. 5, 2015).

As a result of its expedited review of the countervailing duty order, Commerce determined that revocation of the order would be likely to lead to the continuation or recurrence of subsidies at rates of 109.11 percent for all manufacturers/exporters with separate rates and all others. *Potassium Phosphate Salts From the People's Republic of China: Final Results of Expedited First Sunset Review of the Countervailing Duty Order*, 80 Fed. Reg. 60121 (Oct. 5, 2015).

⁸⁹ Original Determinations, USITC Pub. 4171 at 29.

⁹⁰ Original Determinations, USITC Pub. 4171 at 29.

⁹¹ Confidential Original Views at 47; Original Determinations, USITC Pub. 4171 at 29.

⁹² Original Determinations, USITC Pub. 4171 at 29.

⁹³ Original Determinations, USITC Pub. 4171 at 29.

⁹⁴ CR/PR at Table I-2.

⁹⁵ Based on the limited record of these reviews, Vice Chairman Pinkert finds that the domestic industry does not appear to be vulnerable, given that its profitability and U.S. shipments were higher in 2014 than in any year of the POI.

⁹⁶ CR/PR at Table I-2.

utilization was *** percent in 2014; production, U.S. shipments, and capacity utilization were all higher in 2014 than in any year of the POI.⁹⁷ Operating income was *** in 2014 and the ratio of operating income to net sales was *** percent. Each of these figures was also higher than any reported during the POI.⁹⁸

Based on the record, we find that, should the orders be revoked, there will likely be a significant volume of subject DKP imports from China, and that these imports would likely undersell the domestic like product and have significant price effects. These, in turn, would have a significant adverse impact on the domestic industry's production, capacity utilization, shipments, sales, market share, and revenues and likely cause the domestic industry's profitability to fall.

We also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to subject imports. As previously stated, reliable data concerning nonsubject import volume during the period of review are not available. Even if the volume of nonsubject imports increased, they did not preclude the domestic industry from improving its production, capacity utilization, and operating performance. Consequently, the likely impact of subject imports in the reasonably foreseeable future is distinguishable from that of nonsubject imports.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports of DKP from China would likely have a significant impact on the domestic DKP industry within a reasonably foreseeable time.

C. TKPP

1. Conditions of Competition and the Business Cycle

Demand Conditions. In the original investigations, the Commission found demand for TKPP tended to fluctuate depending on the general level of demand in the end-use market.⁹⁹ Apparent U.S. consumption of TKPP declined over the POI.¹⁰⁰ The information available in the current reviews indicates that factors affecting buying patterns and demand for TKPP remain largely unchanged since the original POI.¹⁰¹ In these reviews, apparent U.S. consumption of TKPP was *** pounds in 2014.¹⁰² This was higher than in 2009, when apparent U.S. consumption was 28.8 million pounds, but lower than in 2007 when apparent U.S. consumption was 43.3 million pounds.¹⁰³

⁹⁷ CR/PR at Table I-2.

⁹⁸ CR/PR at Table I-2 (INV-NN-064).

⁹⁹ Original Determinations, USITC Pub. 4171 at 13.

¹⁰⁰ Original Determinations, USITC Pub. 4171 at 13.

¹⁰¹ See CR/PR at D-3-5.

¹⁰² CR/PR at Tables I-8, I-9.

¹⁰³ CR/PR at Table I-9.

Supply Conditions. In the original investigations, the three domestic producers (ICL, Prayon, and Innophos) were the largest source of supply of TKPP in the U.S. market.¹⁰⁴ Their market share dropped from 90.5 percent in 2007 to 87.7 percent in 2008 and then to 81.7 percent in 2009.¹⁰⁵ The market share of subject imports of TKPP increased over the POI, while the market share of nonsubject imports of TKPP remained small.¹⁰⁶

As of 2014, only two companies continued to produce TKPP domestically, ICL and Prayon.¹⁰⁷ U.S. producers no longer represent the largest source of supply.¹⁰⁸ Their share of apparent U.S. consumption was *** percent in 2014, down from 81.7 percent in 2009 and 90.5 percent at its peak in 2007.¹⁰⁹ Subject imports from China have had a very small presence in the U.S. market since 2010.¹¹⁰ In 2014, China's share of apparent U.S. consumption was *** percent.¹¹¹ Nonsubject imports were the largest source of supply, with *** percent of apparent U.S. consumption.¹¹² The largest suppliers of nonsubject imports were Mexico, Canada, and Germany.¹¹³

Substitutability and Other Considerations. In the original investigations, TKPP was sold primarily as a technical or a food grade product, with the food grade product subject to more careful analysis and requiring a more narrow range of specifications.¹¹⁴ In 2009, U.S. producers sold *** percent of TKPP as technical grade.¹¹⁵ During that year, U.S. importers sold *** percent of their TKPP from China as technical grade.¹¹⁶ The Commission stated that the record with respect to TKPP generally indicated a high degree of potential substitutability between domestically produced TKPP, subject imports, and nonsubject imports.¹¹⁷

¹⁰⁴ Original Determinations, USITC Pub. 4171 at 14.

¹⁰⁵ Original Determinations, USITC Pub. 4171 at 14.

¹⁰⁶ Original Determinations, USITC Pub. 4171 at 14.

¹⁰⁷ CR at I-14, PR at I-. In 2014, ICL accounted for *** percent of domestic DKP production, while Prayon accounted for *** percent. *Id.* ***. Response at 20 n.42.

¹⁰⁸ CR/PR at Table I-9.

¹⁰⁹ CR/PR at Table I-9.

¹¹⁰ CR/PR at Table I-5.

¹¹¹ CR/PR at Table I-9.

¹¹² CR/PR at Table I-9.

¹¹³ CR/PR at Table I-5.

¹¹⁴ Confidential Original Views at 23; Original Determinations, USITC Pub. 4171 at 15-16. Food grade phosphate salts were subject to more careful analysis and required a narrower range of specifications including pH and maximum allowable amounts of arsenic, fluoride, lead, and insoluble materials as specified in the Food Chemicals Codex. Domestic producers and importers also provided their customers with a certification of analysis after the finished product was tested in a laboratory assessing the degree of impurities, the particle size, and the product's density. Although a higher grade, *i.e.* food grade, could be substituted for technical grade when it is economically feasible, the reverse was usually not true. *Id.*

¹¹⁵ Confidential Original Views at 23; Original Determinations, USITC Pub. 4171 at 16.

¹¹⁶ Confidential Original Views at 24; Original Determinations, USITC Pub. 4171 at 16.

¹¹⁷ Original Determinations, USITC Pub. 4171 at 16.

U.S. producers also experienced rising raw material costs during the POI.¹¹⁸ The price of phosphoric acid rose rapidly in 2008, increasing by 400 percent, but fell sharply after early 2009.¹¹⁹ Prices for potassium hydroxide began rising in the first half of 2008 and increased by 300 percent between the third quarter of 2008 and the second quarter of 2009.¹²⁰

In the current reviews, domestic interested parties indicate that there continues to be high substitutability between domestically produced TKPP and the subject imports.¹²¹ We find that nothing in the current record calls into question the Commission's finding in the original investigations of a high degree of substitutability between domestically produced TKPP and subject imports of that product.

2. Likely Volume of Subject Imports

Original Investigations: The volume of subject imports of TKPP increased from *** pounds in 2007 to *** pounds in 2009.¹²² The market share of subject imports of TKPP increased *** percentage points from 2007 to 2009.¹²³ The ratio of the quantity of subject imports to U.S. production increased from *** percent in 2007 to *** percent in 2008 and then to *** percent in 2009.¹²⁴ The Commission found that the volume of subject imports was significant, in absolute terms and relative to consumption and production in the United States, and that the increase in subject import volume and market share was also significant.¹²⁵

The Current Reviews. Subject TKPP imports from China in recent years have been minimal under the disciplining effects of the orders. Subject TKPP import volume declined from 432,000 pounds in 2010 to 79,000 pounds in 2011, 35,000 pounds in 2012, and 9,000 pounds in 2013 and 2014.¹²⁶

The information available in the current reviews indicates that the TKPP industry in China has both the means and incentive to increase exports to the United States to significant levels upon revocation of the orders. The industry in China continues to maintain and operate substantial capacity, with an estimated TKPP capacity of *** pounds as of July 1, 2015.¹²⁷ This is likely to increase as there is continued expansion of phosphate production in China, focused on

¹¹⁸ Original Determinations, USITC Pub. 4171 at 16. The primary raw materials used in the production of phosphate salts, phosphoric acid and potassium hydroxide, together accounted for a substantial portion of the cost of goods sold. *Id.*

¹¹⁹ Original Determinations, USITC Pub. 4171 at 16-17. The Commission attributed this rise partly to increased demand for phosphates used in corn and soybean fertilizer applications as federal biofuel mandates became effective. *Id.*

¹²⁰ Original Determinations, USITC Pub. 4171 at 16-17.

¹²¹ Response at 13.

¹²² Confidential Original Views at 49; Original Determinations, USITC Pub. 4171 at 30.

¹²³ Confidential Original Views at 49; Original Determinations, USITC Pub. 4171 at 30.

¹²⁴ Confidential Original Views at 49; Original Determinations, USITC Pub. 4171 at 30.

¹²⁵ Original Determinations, USITC Pub. 4171 at 30.

¹²⁶ CR/PR at Table I-5.

¹²⁷ CR at I-29, PR at I-18.

fine phosphorus chemical products.¹²⁸ The record of the original investigations indicated that the industry in China had substantial excess capacity to produce TKPP.¹²⁹

Information from the original investigations indicates that the TKPP industry in China is substantially export oriented.¹³⁰ The more recent information available indicates that Chinese producers exported a substantial portion of their production of potassium polyphosphate salts, a product category that includes TKPP but also includes considerable out-of-scope merchandise, from 2010 to 2014.¹³¹

The record also indicates that the United States remains an attractive export market for producers of TKPP in China. Indeed, the United States is the world's largest importer of potassium polyphosphate salts.¹³² The available information shows that TKPP prices in the United States are higher than those available to Chinese producers in their current export markets.¹³³ Consequently, subject TKPP producers in China are likely to use their excess capacity to increase shipments of subject TKPP to the United States upon revocation of the orders, as they did during the original investigations.

Accordingly, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant in the event of revocation.¹³⁴

3. Likely Price Effects

The Original Investigations. In its original investigations, the Commission collected pricing data on two TKPP products (food grade and technical grade).¹³⁵ The Commission found that subject imports generally undersold the domestic like product during the POI and gained market share as a result.¹³⁶ Subject imports of food grade TKPP undersold domestically

¹²⁸ See CR at I-28, PR at I-18. In 2012, Hubei Xingfa Chemicals Group Co. Ltd., announced a plan to invest in a project that would produce 66.1 million pounds of potassium phosphate per year, while in 2013 the AsiaPhos phosphate plant reopened with "enhanced production capacity." CR at I-28-29, PR at I-18.

¹²⁹ The Chinese TKPP industry's capacity utilization rate was *** percent in 2007, *** percent in 2008, and *** percent in 2009. Confidential Original Staff Report at Table VII-5.

¹³⁰ Confidential Original Staff Report at Table VII-5; Original Determinations, USITC Pub. 4171 at Table VII-5.

¹³¹ See CR/PR at Table I-11. China was the largest world source of exports of this product every year from 2010 to 2014. *Id.*

¹³² See CR/PR at Table I-13.

¹³³ Domestic Interested Parties' *Petitioners' Comments on the Record* (Oct. 5, 2015) ("Final Comments") at 10, Response at 17 (comparing domestic producers' average unit sales values with export values for Chinese producers).

¹³⁴ There were no known trade remedy investigations or existing antidumping duty orders on TKPP from China during the period of review. CR at I-31, PR at I-20. The record does not contain data addressing existing inventories of the subject merchandise or the potential for product shifting.

¹³⁵ Original Determinations, USITC Pub. 4171 at 31.

¹³⁶ Original Determinations, USITC Pub. 4171 at 32.

produced TKPP in all five possible quarterly comparisons.¹³⁷ Subject imports of technical grade TKPP undersold the domestic product in 7 of 12 possible quarterly comparisons.¹³⁸ With respect to the technical grade TKPP, subject import underselling was mixed in 2007 and 2008. By contrast, in 2009 higher volumes of subject imports of technical grade TKPP entered the United States accompanied by declining prices and more consistent underselling of the domestically produced product.¹³⁹ The Commission did not find that subject imports significantly depressed the prices of domestically produced TKPP, however, as domestic producers' prices generally increased from 2007 to 2009.¹⁴⁰

The Commission did find evidence of significant price suppression by subject imports of TKPP.¹⁴¹ The domestic industry's COGS to net sales ratio increased irregularly from 2007 to 2009.¹⁴² The rise in the domestic industry's COGS to net sales ratio to its highest point in 2009 coincided with the highest levels of market penetration by subject imports during the POI, which provided some evidence that by the end of the period the domestic producers were unable to raise their prices sufficiently to cover increased costs due to the significant volumes of lower-priced subject imports entering the U.S. market.¹⁴³

The Current Reviews. The record does not contain any additional pricing comparisons due to the lack of participation from respondent interested parties and the expedited nature of the reviews. As explained above, we continue to find that domestically produced TKPP and subject imports are highly substitutable, and that price remains an important factor in purchasing decisions. As previously stated, if the orders were revoked, subject producers would likely resume exporting significant volumes of TKPP to the United States. The subject producers would likely undersell domestically produced TKPP to gain market share, as had occurred during the original POI.

Because price is important to purchasing decisions, the presence of significant quantities of subject imports that would likely enter the United States in the event of revocation and that would likely undersell the domestically produced product, would force the domestic TKPP industry either to lower prices or lose sales. In light of these considerations, we conclude that absent the discipline of the orders, subject TKPP imports would likely have significant depressing or suppressing effects on prices for the domestic like product.

¹³⁷ Original Determinations, USITC Pub. 4171 at 31.

¹³⁸ Original Determinations, USITC Pub. 4171 at 31.

¹³⁹ Original Determinations, USITC Pub. 4171 at 31.

¹⁴⁰ Original Determinations, USITC Pub. 4171 at 32.

¹⁴¹ Original Determinations, USITC Pub. 4171 at 33.

¹⁴² Original Determinations, USITC Pub. 4171 at 32.

¹⁴³ Original Determinations, USITC Pub. 4171 at 32.

4. Likely Impact¹⁴⁴

The Original Investigations. In its original investigations, the Commission found that despite positive operating income in 2008, the domestic TKPP industry experienced declines in other performance indicators from 2007 to 2009.¹⁴⁵ Demand, as measured by apparent U.S. consumption, declined throughout the POI, at the same time as subject imports of TKPP increased markedly.¹⁴⁶ U.S. producers experienced a steady decline in their U.S. shipments and an *** percentage point decline in market share.¹⁴⁷ Over the same period, there was a decline in the quantity of domestic production as well as in the TKPP industry's average capacity and capacity utilization rates.¹⁴⁸ Additionally, many employment-related indicators declined for the domestic TKPP industry, while unit labor costs rose by 50.8 percent.¹⁴⁹

While the quantity of net sales declined between 2007 and 2008, operating income and the ratio of operating income to net sales increased.¹⁵⁰ The Commission attributed this to an increase in the price of domestically produced TKPP, which increased in conjunction with unit COGS.¹⁵¹

In 2009, however, the volume of subject imports of TKPP grew and price-based competition increased.¹⁵² Although the domestic TKPP industry was able to raise prices from 2007 to 2009, U.S. producers were not able to continue to raise prices sufficiently to cover the increasing costs beginning in late 2008 and accelerating in 2009, resulting in a cost/price squeeze.¹⁵³ As a result, TKPP operations of domestic producers experienced an operating loss

¹⁴⁴ In its expedited review of the antidumping duty order, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted-average margins of up to 95.40 percent. *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of Expedited First Sunset Review of the Antidumping Duty Order*, 80 Fed. Reg. at 60122.

As a result of its expedited review of the countervailing duty order, Commerce determined that revocation of the order would be likely to lead to the continuation or recurrence of subsidies at rates of 109.11 percent for all manufacturers/exporters with separate rates and all others. *Potassium Phosphate Salts From the People's Republic of China: Final Results of Expedited First Sunset Review of the Countervailing Duty Order*, 80 Fed. Reg. at 60121.

¹⁴⁵ Original Determinations, USITC Pub. 4171 at 33.

¹⁴⁶ Original Determinations, USITC Pub. 4171 at 33.

¹⁴⁷ Confidential Original Views at 54; Original Determinations, USITC Pub. 4171 at 33. Subject imports' market share increased by *** percent over the same period. *Id.*

¹⁴⁸ Original Determinations, USITC Pub. 4171 at 33.

¹⁴⁹ Original Determinations, USITC Pub. 4171 at 34. During the period examined the number of production workers for TKPP, hours worked, wages paid, and productivity all declined. *Id.*

¹⁵⁰ Confidential Original Views at 55; Original Determinations, USITC Pub. 4171 at 34.

¹⁵¹ Original Determinations, USITC Pub. 4171 at 34.

¹⁵² Original Determinations, USITC Pub. 4171 at 35.

¹⁵³ Original Determinations, USITC Pub. 4171 at 35.

of \$2 million in 2009 and the ratio of operating income to net sales decreased to negative 6.8 percent.¹⁵⁴

The Current Reviews. Because these are expedited reviews, information on the record concerning the performance of the domestic TKPP industry since the original investigations pertains only to certain economic factors and is available only for 2014.¹⁵⁵ This limited information is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.¹⁵⁶

The capacity of the domestic TKPP industry was *** million pounds in 2014, which was above the levels of 2008 and 2009 but below that of 2007.¹⁵⁷ Other indicia of output, however, were considerably lower in 2014 than in any year during the original POI. In 2014, production was *** pounds, the capacity utilization rate was *** percent, and U.S. commercial shipments were *** pounds.¹⁵⁸ Operating income was *** in 2014 and the ratio of operating income to net sales was *** percent in 2014. Both operating income and the operating ratio were above the levels of 2007 and 2009, but below those of 2008.¹⁵⁹

Based on the record, we find that, should the orders be revoked, there will likely be a significant volume of subject TKPP imports from China, and that these imports will likely undersell the domestic like product and have significant price effects. These, in turn, would cause a significant impact on the domestic industry's production, capacity utilization, shipments, sales, market share, and revenues and would likely cause the domestic industry's profitability to fall.

We also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Notwithstanding the increase in nonsubject imports since the original POI, the domestic industry was able to engage in *** operations in 2014, in contrast to 2009.¹⁶⁰ Consequently, the likely impact of future subject imports is distinguishable from that of future nonsubject imports.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports from China would likely have a significant impact on domestic producers of TKPP within a reasonably foreseeable time.

¹⁵⁴ Original Determinations, USITC Pub. 4171 at 35.

¹⁵⁵ CR/PR at Table I-3.

¹⁵⁶ Based on the limited record of these reviews, Vice Chairman Pinkert finds the data on the vulnerability of the domestic industry producing TKPP to be mixed.

¹⁵⁷ CR/PR at Table I-3.

¹⁵⁸ CR/PR at Table I-3.

¹⁵⁹ CR/PR at Table I-3 (INV-NN-064).

¹⁶⁰ CR/PR at Table I-3.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on certain potassium phosphate salts from China would likely lead to continuation or recurrence of material injury to the industries in the United States producing DKP and TKPP within a reasonably foreseeable time.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On June 1, 2015, 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 certain potassium phosphate salts from China 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 these proceedings:

Effective or statutory date	Action
June 1, 2015	Notice of institution and initiation by Commerce and Commission
September 4, 2015	Scheduled date for Commission vote on adequacy
September 28, 2015	Scheduled date for Commerce results of its expedited review
October 28, 2015 or January 26, 2016 (if extended)	Commission statutory deadline to complete expedited review

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 the following entities: ICL Performance Products LP

¹ 19 U.S.C. 1675(c).

² *Certain Potassium Phosphate Salts from China: Institution of Five-Year Reviews*, 80 FR 31068, June 1, 2015. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 80 FR 31012, June 1, 2015. 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. Presented in app. D are the responses received from purchaser surveys mailed to the purchasers identified in the adequacy phase of this review.

(“ICL”) and Prayon, Inc. (“Prayon”), domestic producers of potassium phosphate salts (collectively referred to herein as “domestic interested parties”).

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

**Table I-1
Potassium phosphate salts: 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 The coverage figure is the estimated share of total U.S. production of subject potassium phosphate salts in 2014 accounted for by responding firms. The coverage figure presented, as provided by the domestic interested parties in their response, represents the firms’ aggregate share of total U.S. production of subject potassium phosphate salts i.e., dipotassium phosphate (“DKP”) and tetrapotassium pyrophosphate (“TKPP”) during 2014.

Party comments on adequacy

The Commission received one submission from parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. This submission was filed on behalf of the following entities: ICL and Prayon. According to Domestic Interested Parties, ICL and Prayon comprise essentially the entire domestic industry producing potassium phosphate salts, responded to the Commission’s Notice of Institution, indicated their willingness to participate fully in the sunset review, and provided responses to the Commission’s Cure Letters.⁵ In contrast, no respondent interested party submitted substantive responses to the Commission’s Notice of Institution.⁶ As such, the record indicates that the domestic industry’s response to the Notice of Institution is substantially complete and adequate for purposes of this review.⁷ With reference to the non-response of any foreign producers or U.S. importers of the subject merchandise, Domestic Interested Parties opined that the Commission should determine that the response from the respondent interested parties is inadequate.⁸

Domestic Interested Parties commented that under the circumstances, it was appropriate to conduct an expedited sunset review. They argued that a full sunset review was unlikely to elicit any new information, as U.S. purchasers reported no change in the market and

⁵ Domestic Interested Parties’ *Adequacy Comments and Request to Expedite (“Adequacy Comments”)*, August 13, 2015, pp. 1-2.

⁶ *Ibid.*, p. 2.

⁷ *Ibid.*

⁸ *Ibid.*, p. 3.

the respondent parties failed to submit any information. They concluded that the Commission should conduct an expedited sunset review, based upon facts available, of the antidumping and countervailing duty orders on potassium phosphate salts from China.⁹

RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's original investigation, the following developments have occurred in the potassium phosphate salts industry.

- In 2009, domestic production of tetrapotassium pyrophosphate ("TKPP") stood at 39.0 percent of capacity; in 2014 domestic industry capacity utilization for TKPP ***.¹⁰
- With respect to imports under basket HTS subheading 2835.24.00, which includes dipotassium phosphate ("DKP") and monopotassium phosphates ("MKP"), imports rose steadily since 2010 with 2014 volume equal to 2009 levels. However, according to domestic industry sources, virtually all of the increase is accounted for by MKP, not DKP.¹¹
- With respect to imports of TKPP under basket HTS subheading 2835.39.10, official statistics show a sharp decline in imports of TKPP since the antidumping and countervailing duty orders were put in place in July 2010.¹²
- Given the decline in subject imports since July 2010, U.S. manufacturers producing DKP earned operating profits of *** percent of net sales and U.S. operations producing TKPP were profitable, *** percent of net sales.¹³
- Phosphate production in China continues to expand with focus on development of fine phosphorus chemical products. In 2012, Hubei Xingfa Chemicals Group Co. Ltd. announced a plan to invest in a project with a unit that would produce 30,000 metric tons (66.1 million pounds) of potassium phosphate per year. In 2013, the AsiaPhos phosphate plant in Mianzhu, which had been destroyed in an earthquake in 2008, reopened with "enhanced production capacity."¹⁴

⁹ Ibid., p. 4.

¹⁰ Domestic Interested Parties' *Response to the Commission's Notice of Institution ("Response")*, July 1, 2015, pp. 11-12.

¹¹ PIERS data presented imply that the surge in imports under HTS subheading 2835.24.00 is accounted for by MKP and not by an increase in imports of DKP. Ibid., pp. 14-15.

¹² Ibid.

¹³ Ibid., pp. 15-16.

¹⁴ Ibid., pp. 18-19.

THE PRODUCT

Commerce's scope

Commerce has defined the subject merchandise as:

The phosphate salts covered by this order include anhydrous Dipotassium Phosphate (DKP) and Tetrapotassium Pyrophosphate (TKPP), whether anhydrous or in solution (collectively "phosphate salts").

TKPP, also known as normal potassium pyrophosphate, Diphosphoric acid or Tetrapotassium salt, is a potassium salt with the formula $K_4P_2O_7$. The CAS registry number for TKPP is 7320-34-5. TKPP is typically 18.7% phosphorus and 47.3% potassium. It is generally greater than or equal to 43.0% P_2O_5 content. TKPP is classified under heading 2835.39.1000, Harmonized Tariff Schedule of the United States (HTSUS).

DKP, also known as Dipotassium salt, Dipotassium hydrogen orthophosphate or Potassium phosphate, dibasic, has a chemical formula of K_2HPO_4 . The CAS registry number of DKP is 7758-11-4. DKP is typically 17.8% phosphorus, 44.8% potassium and 40% P_2O_5 content. DKP is classified under heading 2835.24.0000, HTSUS.

The products covered by this order include the foregoing phosphate salts in all grades, whether food grade or technical grade. The product covered by this order includes anhydrous DKP without regard to the physical form, whether crushed, granule, powder or fines. Also covered are all forms of TKPP, whether crushed, granule, powder, fines or solution.

For purposes of the order, the narrative description is dispositive, not the tariff heading. American Chemical Society, CAS registry number or CAS name, or the specific percentage chemical composition identified above.¹⁵

Description and uses¹⁶

The products that are the subject of these reviews are potassium salts of phosphoric acid, H_3PO_4 ; as such, these chemical products are labeled potassium phosphates. They include dipotassium phosphate with the chemical formula K_2PO_4 , and tetrapotassium pyrophosphate with the chemical formula $K_4P_2O_7$. These products are manufactured by the reaction of

¹⁵ *Certain Potassium Phosphate Salts From the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 FR 42682, July 22, 2010, and *Certain Potassium Phosphate Salts From the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 75 FR 42683, July 22, 2010.

¹⁶ Unless otherwise noted, this information is based on *Certain Potassium Phosphate Salts from China, Investigation Nos 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, pp. 1-7-1-10.

phosphoric acid with an alkali base, as discussed in the manufacturing process section of this report.

According to industry sources, DKP and TKPP are not interchanged one for another even though their uses may partially overlap. Additionally, different grades of the same phosphate salt are not generally interchanged with each other particularly if a higher grade is to be replaced by a lower grade.

DKP and TKPP are sold primarily as either a technical or a food grade. Food-grade phosphate salts are subject to more careful analysis and require a more narrow range of specifications including pH and maximum allowable amounts of arsenic, fluoride, lead, and insoluble materials as specified in the Food Chemicals Codex (FCC). In the United States, producers generally manufacture technical- and food-grade phosphate salts in the same facility, although they subject food-grade phosphate salts to more rigorous testing, handling, and maintenance requirements. The grades are further classified by particle size (typically categorized as fines, powder, or granules, in order of increasing particle size). These are determined by the average size of the individual particles when they are sifted through a sieve of given mesh size.

The phosphate salts purchased by customers can be procured either as dry material (usually the anhydrous salt) or they may be purchased as a solution, depending on the type of phosphate salt being considered. Since DKP can be produced directly by customers by the reaction of potassium hydroxide and phosphoric acid, it typically is not purchased in solution form (and the solution form is not included within the scope of these reviews). On the other hand, to make TKPP in solution form, additional processing is required (such as calcining) that cannot be readily performed by customers in their facilities and, consequently, solutions of TKPP are typically purchased from the phosphate salt producers. Consequently, solutions of TKPP are included within the scope of these reviews.

In terms of applications, DKP is used in dairy applications, in baked goods, and in meat processing. DKP's use in non-dairy creamers is as an emulsifier to prevent coagulation and to counteract acidity. DKP is also used as an emulsifier in many other dairy applications. Some DKP is also used in anhydrous form in dry creamers, but in the United States there is more demand for creamers in liquid form. TKPP is used in liquid cleaning products and in potable and industrial water treatment where it acts to prevent corrosion. TKPP is also used in metal cleaners and metal surface treatment and in the manufacture of latex paints where the TKPP acts to allow the paint formulation to remain as a stable suspension.

Manufacturing process¹⁷

The initial step in production of potassium phosphate salts is the reaction of phosphoric acid with a base, which is usually potassium hydroxide. To produce DKP, potassium hydroxide is reacted with phosphoric acid at relatively low temperatures, in a mole ratio of 1:1 and 2:1,

¹⁷ Unless otherwise noted, this information is based on *Certain Potassium Phosphate Salts from China, Investigation Nos 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, p. 1-11.

respectively. To produce TKPP, DKP solution is synthesized and then calcined at a temperature between 400 and 500 degrees Celsius. TKPP forms when molecules of DKP react and chemically condense. Water is then removed using either drum dryers or in some cases, the product is crystallized. After cooling, the TKPP particles are passed through a series of sieves so that only particles within the specified size range are packaged to be shipped to customers. TKPP particles that are outside the acceptable range, particularly, if they are too large, may be resized, using a granulator, and the resulting material may be fed back into the product stream. The TKPP product is then sized and packaged for shipping (if sold as a solid) or, if the product is shipped as a liquid, the TKPP is redissolved. Similar steps are taken during the production of merchant grade DKP in solid form.

According to an industry source, the customers of the domestic phosphate salts, as well as the Chinese phosphate salts, receive a certification of analysis (C of A) after the finished product is tested in a laboratory assessing the degree of impurities, the particle size, and the density. Once that certification of analysis is received and accepted, the phosphate salts provided by the various suppliers are interchangeable and, according to domestic industry sources, the product can be considered to be a commodity. The certification process can be in a form of a guarantee based on statistical testing of selected samples or a lab result may be based on actual testing of the batch that is being shipped to the customer. In addition to meeting general requirements, a supplier can produce to customer specifications if required.

U.S. tariff treatment

The potassium phosphate salts subject to these reviews are provided for in HTS subheadings as follows: DKP under HTS subheading 2835.24.00 (Phosphates: Of potassium) which also includes other potassium phosphates not subject to the reviews, and TKPP under HTS subheading 2835.39.10 (other polyphosphates of potassium), which also includes other nonsubject potassium polyphosphates. DKP and TKPP produced in China and imported under these HTS subheadings would be subject to a column 1-general duty rate of 3.1 percent *ad valorem*. The Commission's identification of these HTS provisions is based on the information available to it and is not binding on U.S. Customs and Border Protection.

The definition of the domestic like product

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. In its original determination, the Commission defined the domestic like product as three separate like products, DKP, MKP,¹⁸ and TKPP. The Commission found that

¹⁸ Based on the record in the final phase of the original investigations, the Commission found that an industry in the United States was not materially injured or threatened with material injury by reason of subject imports of anhydrous monopotassium phosphate ("MKP") from China that the U.S. Department of Commerce ("Commerce") found to be subsidized by the Government of China and sold in the United

(continued...)

DKP, MKP, and TKPP are different chemical compounds with different chemical formulas. Each product has different properties and physical characteristics, performs different functions, and serves different end uses. The record also indicated that DKP, MKP, and TKPP are not interchangeable and are perceived as separate products.

As noted in the original investigations, the three phosphate salts share common manufacturing facilities, certain processes, and employees. There appears to be some overlap in the channels of distribution for DKP, MKP, and TKPP, and the three products are arguably priced at comparable levels. Thus, some factors (physical characteristics and uses, interchangeability, and customer perceptions) support finding three like products, while other factors (price, manufacturing processes, and channels of distribution) support finding a single like product. Although a close issue, for the reasons noted in the preliminary determinations, the Commission found DKP, MKP, and TKPP to be separate domestic like products.¹⁹

In its notice of institution for this review, the Commission solicited comments from interested parties regarding the appropriate domestic like product. According to their response to the notice of institution, the domestic producers concur with this definition, but reserve the right to comment on the appropriate definitions during the course of the proceedings.²⁰

THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEWS

The original investigation

The original investigations resulted from a petition filed on September 24, 2009 with Commerce and the Commission by ICL performance Products LP (“ICL”), St. Louis, Missouri, and Prayon Inc. (Prayon”), Augusta, Georgia. On June 1, 2010, Commerce published notices in the Federal Register of the final affirmative countervailing duty determination and of final antidumping duty determination on certain potassium phosphate salts from China. Commerce used facts otherwise available and applied adverse inferences to determine the 109.11 percent countervailing duty rate for three producer/exporter combinations and for all other producers and exporters of certain potassium phosphate salts from China.²¹ Commerce calculated antidumping duty margins of 69.58 percent for seven individually investigated producer/exporters and 95.40 percent for all other producers and exporters of certain potassium phosphate salts from China.²²

(...continued)

States at less than fair value. *Certain Potassium Phosphate Salts from China, Investigation Nos. 701-TA-473 and 731-TA1173 (Final)*, USITC Publication 4171, July 2010, p. 3.

¹⁹ Ibid., pp. 6-7.

²⁰ *Domestic Interested Parties’ Response to the Notice of Institution, July 1, 2014*, p. 22.

²¹ *Certain Potassium Phosphate Salts from the People’s Republic of China: Final Affirmative Countervailing Duty Determination and Termination of Critical Circumstances Inquiry*, 75 FR 30375, June 1, 2010.

²² *Certain Potassium Phosphate Salts from the People’s Republic of China: Final Determination of Sales at Less than Fair Value and Termination of Critical Circumstances Inquiry*, 75 FR 30377, June 1, 2010.

On July 15, 2010, the Commission determined that an industry in the United States is materially injured by reason of imports from China of certain potassium phosphate salts, specifically anhydrous dipotassium phosphate (“DKP”) and tetrapotassium pyrophosphate (“TKPP”), provided for in subheadings 2835.24.00 (DKP) and 2835.39.10 (TKPP) of the Harmonized Tariff Schedule of the United States, that were found by the the Department of Commerce (Commerce) to be sold in the United States at less than fair value (LTFV) and subsidized by the Government of China.²³

The Commission also determined that an industry producing anhydrous monopotassium phosphate (“MKP”), provided for in subheading 2835.24.00 of the Harmonized Tariff Schedule of the United States, was not materially injured or threatened with material injury, nor that the establishment of an industry was materially retarded, by reason of imports from China, that were found by Commerce to be sold in the United States at LTFV and subsidized by the Government of China.²⁴

Consequently, on July 22, 2010, Commerce issued amended countervailing duty and antidumping duty determinations. The countervailing duty rate for the three producer/exporters and all other producer/exporters remained the same at 109.11 percent; the antidumping duty margins for the seven producer/exporters decreased to 62.23 percent and all other margins remained the same at 95.40 percent.²⁵

Prior related investigations

There have been no previous import injury investigations concerning DKP or TKPP. However, as discussed previously above, The Commission conducted an investigation on MKP at as part of the original investigations on DKP and TKPP and reached a negative determination. The Commission also conducted a preliminary phase investigation of the sodium phosphate STPP from China that concluded with a negative determination. In addition, the Commission instituted an antidumping duty investigation on imports of the sodium phosphate SHMP (sodium hexametaphosphate) effective February 8, 2007, following receipt of a petition by ICL and Innophos. Effective March 12, 2008, the Commission determined that an industry in the United States was materially injured by reason of imports from China of SHMP that had been found by Commerce to be sold in the United States at less than fair value.²⁶ The Commission conducted a review of the antidumping duty order on SHMP in 2013 and determined on June 28, 2013 that revocation of the antidumping duty order on sodium hexametaphosphate from

²³ *Certain Potassium Phosphate Salts from China: Determinations*, 75 FR 42783, July 22, 2010.

²⁴ *Ibid.*

²⁵ *Certain Potassium Phosphate Salts from the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 FR 42682, July 22, 2010; *Certain Potassium Phosphate Salts from the People’s Republic of China: Amended Final Determination of Sales at Less than Fair Value and Antidumping Duty Order*, 75 FR 42683, July 22, 2010.

²⁶ *Sodium Hexametaphosphate from China*, Investigation No. 731-TA-1110 (Final), USITC Publication 3984, March 2008, pp. 1-5.

China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonable foreseeable time.²⁷

ACTIONS AT COMMERCE

Since the original investigation, there have been no scope rulings, anti-circumvention findings, changed circumstances reviews, or findings of duty absorption by Commerce.

Current review results

Commerce notified the Commission that it had not received adequate responses from respondent interested parties to its notice initiating the current five-year review of the countervailing duty order and antidumping duty order on imports of certain potassium phosphates from China. Commerce intends to conduct expedited reviews of the orders and to issue the final results of these reviews based on the facts available not later than September 28, 2015.²⁸

THE INDUSTRY IN THE UNITED STATES

U.S. producers

At the time of the original investigation, four companies produced potassium phosphate salts in the United States: ICL; Innophos; PCS; and Prayon.²⁹ With regard to U.S. production of potassium phosphates, ICL produced *** in 2009. ***. In 2009, PCS produced ***. In 2009, Innophos reported total shipments of ***. Prayon produced *** in 2009.³⁰

In response to the Commission's notice of institution in this current review, domestic producers of potassium phosphate salts provided a list of two known and currently operating U.S. producers of potassium phosphate salts: ICL (accounting for *** percent of 2014 U.S. DKP production and *** percent of 2014 U.S. TKPP production) and Prayon (accounting for *** percent of 2014 TKPP production).³¹ In 2009, domestic production of TKPP stood at 39.0 percent of capacity. In 2014, domestic industry capacity utilization was *** percent of capacity.³²

²⁷ *Sodium Hexametaphosphate from China*, Investigation No. 731-TA-1110 (Review), USITC Publication 4410, June 2013, pp. 1 and 1-2.

²⁸ Edward Yang, letter to Catherine DeFilippo, July 20, 2015.

²⁹ *Certain Potassium Phosphate Salts from China: Investigation Nos. 701-TA-473 and 731-TA-1173 (Final)*, Staff Report, INV-HH-065, June 18, 2010, p. III-2.

³⁰ Ibid.

³¹ *Domestic Interested Parties Response to the Commission's Cure Letter*, July 23, 2015, attachment 2.

³² *Domestic Interested Parties Response to Second Cure Letter*, July 30, 2015, attachment 1, p. 12.

Two U.S. producers of potassium phosphate salts were identified for the current five-year review: ICL and Prayon.³³ ICL manufactures DKP and TKPP; Prayon manufactures TKPP.³⁴ Neither ICL nor Prayon are related to exporters or importers of DKP or TKPP from China, imported DKP or TKPP from China during the original investigation, or were otherwise a related party as defined by the statute.³⁵ However, both ICL and Prayon have nonsubject foreign affiliations. ICL is a subsidiary of Israel Chemical Limited of Israel, which is a primary producer of MKP and a large supplier to the United States of MKP. Prayon is a subsidiary of Prayon SA of Belgium. Prayon SA also has operations in France. Prayon is a leading producer of MKP in Belgium and is a supplier of MKP to the United States. Prayon SA is a leading producer in France of DKP and TKPP and is a supplier of DKP and TKPP to the United States.³⁶

Definition of the domestic industry and related parties issues

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. In its original determination the Commission defined the domestic industry as consisting of three separate domestic industries as follows: (1) all domestic producers of MKP, (2) all domestic producers of DKP, and (3) all domestic producers of TKPP, consistent with the Commission's finding of three separate domestic like products.³⁷ The domestic interested parties believe that they account for *** percent of current domestic production of subject potassium phosphate salts.³⁸

The Commission determined there were no known related party issues in the original investigations as no domestic producer was affiliated with subject foreign producers or imported or purchased any subject merchandise from China during the period examined.³⁹

During the period of the current five-year reviews, ICL is the sole producer of DKP and one of three producers of TKPP in the United States. Prayon and PCS are the other U.S.

³³ *Domestic Interested Parties Response to the Commission's Notice of Institution*, July 1, 2015, p. 2.

³⁴ *Ibid.*

³⁵ *Domestic Interested Parties Response to the Commission's Notice of Institution*, July 1, 2015, p. 20.

³⁶ *Certain Potassium Phosphate Salts from China, Investigation Nos. 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, p. III-2.

³⁷ *Certain Potassium Phosphate Salts from China, Investigation Nos. 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, p. 7.

³⁸ In the final phase of the original investigations, the Commission determined that the industry producing anhydrous monopotassium phosphate ("MKP"), provided for in subheading 2835.24.00 of the Harmonized tariff Schedule of the United States, was not materially injured or threatened with material injury, nor that the establishment of an industry is materially retarded, by reason of imports from China, that have been found by Commerce to be sold in the United States at LTFV and subsidized by the Government of China. *Ibid.*, p. 3.

³⁹ *Ibid.*, p. 7.

producers of TKPP. As estimated by Prayon and ICL, PCS accounts for *** percent of U.S. production of TKPP.⁴⁰

Neither ICL nor Prayon are related to exporters or importers of DKP or TKPP from China, imported DKP or TKPP from China during the original investigation, or were otherwise a related party as defined by the statute.⁴¹

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 review.⁴² Tables I-2 and I-3 present 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 investigation.

Tables I-2 and I-3 show U.S. manufacturers producing DKP earned operating profits of *** percent of net sales in 2014. Similarly, U.S. operations producing TKPP were profitable, *** percent of net sales in 2014.⁴³

Table I-2

DKP: Trade and financial data submitted by U.S. producers, 2007-09, and 2014

* * * * *

Table I-3

TKPP: Trade and financial data submitted by U.S. producers, 2007-09, and 2014

* * * * *

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. importers

In the final phase of the original investigation, the Commission issued questionnaires to 109 firms believed to import subject potassium phosphate salts, as well as to all U.S. producers of potassium phosphate salts. Questionnaire responses were received from *** companies

⁴⁰ *Domestic Interested Parties Response to the Commission's Notice of Institution*, July 1, 2015, p. 20.

⁴¹ *Ibid.*

⁴² Individual company trade and financial data are presented in app. B.

⁴³ Calculated by Commission staff. In the *Domestic Interested Parties Response to the Commission's Second Cure Letter*, July 30, 2015, attachment 1, p. 16, it was reported that DKP earned operating profits of *** percent in 2014 and that U.S. operations producing TKPP earned *** percent of net sales in 2014. It would appear that these figures were calculated using gross profits, not operating income.

that imported DKP and *** companies that imported TKPP.⁴⁴ These firms represented 84 percent of total imports from China under HTS subheading 2835.24.00 during 2007-09, while imports from nonsubject sources under this subheading substantially exceeded the volumes recorded in official import statistics. With respect to TKPP, imports from China substantially exceeded the volumes recorded in official import statistics during 2007-09, while imports from nonsubject sources were equivalent to 40 percent of imports from sources other than China entering under HTS subheading 2835.39.10. With respect to imports from nonsubject countries, companies representing the large majority of imports entering under the relevant HTS subheading responded to the Commission's questionnaires, confirming that a substantial portion of the nonsubject import volume consisted of the nonsubject chemical KTPP. Accordingly, Staff believed that importer coverage for the subject potassium phosphate salts was substantially complete.

In their response to the Commission's notice of institution in this review, domestic producers provided a list of 122 known and currently operating U.S. importers of potassium phosphate salts from China.⁴⁵

U.S. imports

In its original investigations, the Commission found that the volume of subject imports of DKP and the increase in that volume were significant, both in absolute terms and relative to consumption and production in the United States. The Commission characterized the volume of subject imports as "significant," and observed that subject imports of DKP also increased as a share of the market, and relative to U.S. production, during 2007-09.⁴⁶

With respect to TKPP, in its original investigations, the Commission found that the volume of subject imports of TKPP increased steadily from 2007 to 2009 while apparent consumption declined steadily from 2007-09. While demand for TKPP as measured by apparent U.S. consumption decreased, the market share of subject imports of TKPP increased

⁴⁴ In the final phase of the original investigations, the Commission determined that the industry producing anhydrous monopotassium phosphate ("MKP"), provided for in subheading 2835.24.00 of the Harmonized tariff Schedule of the United States, was not materially injured or threatened with material injury, nor that the establishment of an industry is materially retarded, by reason of imports from China, that have been found by Commerce to be sold in the United States at LTFV and subsidized by the Government of China. *Certain Potassium Phosphate Salts from China, Investigation Nos. 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, p. 3, and *Investigation Nos. 731-TA-1014, 1016, and 1017 (Second Review): Polyvinyl Alcohol from China, Japan, and Korea—Staff Report*, INV-NN-019, April 1, 2014, pp. IV-1 – IV-3.

⁴⁵ *Domestic Interested Parties Response to the Commission's Notice of Institution*, July 1, 2015, exh. 2.

⁴⁶ *Certain Potassium Phosphate Salts from China, Investigation Nos. 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, p. 24.

as the market share of U.S. producers' shipments of domestically produced TKPP decreased steadily from 2007 to 2009.⁴⁷

Tables I-4 and I-5 presents the quantity, value, and unit value for imports of DKP and TKPP from China as well as from the other top sources of U.S. imports (shown in descending order of 2014 imports by quantity), respectively. Imports of DKP from China for 2010-14 as presented in official statistics of Commerce for basket HTS statistical reporting number 2835.24.000 appear to be substantially higher in quantity during 2010-14 than during 2007-09. However, according to domestic interested parties, HTS basket statistical reporting number 2835.24.0000 includes both DKP and monopotassium phosphates ("MKP"), which the Commission found were not causing or threatening to cause material injury, and virtually all of the increase is accounted for by MKP, not DKP.⁴⁸

With respect to imports of TKPP from China for 2010-14, as presented in table I-5 by official statistics of Commerce for basket HTS statistical reporting number 2835.39.1000, the Commerce statistics show a sharp decline in imports of TKPP since the antidumping and countervailing duty orders were put in place in July 2010.

As discussed in the *U.S. producers* and *Global Markets* sections of this report, U.S. potassium phosphate producers are affiliated with nonsubject potassium phosphate producers in Mexico, Israel, Germany, France, and Belgium.

⁴⁷ *Ibid.*, p. 30.

⁴⁸ *Response*, p. 14.

Table I-4
DKP: U.S. imports, 2010-14

Item	Calendar year				
	2010	2011	2012	2013	2014
	Quantity (1,000 pounds)				
China (Subject)	2,149	10,593	12,535	11,587	17,928
Mexico	13,197	13,569	15,183	18,922	21,404
Israel	19,092	19,176	16,532	23,490	20,617
Germany	5,095	5,628	5,571	5,300	5,637
France	2,399	2,015	1,834	1,731	2,672
Belgium	1,550	957	2,105	2,727	1,973
Canada	18	672	783	617	705
All other sources	474	743	392	866	902
Subtotal, nonsubject	41,823	42,760	42,401	53,653	53,911
Total imports	43,973	53,354	54,936	65,241	71,839
Value (1,000 dollars)					
China (Subject)	1,401	7,096	8,352	7,765	11,359
Mexico	10,127	10,088	10,796	16,018	17,406
Israel	11,927	14,350	13,022	17,841	15,319
Germany	6,149	6,813	7,237	5,923	6,610
France	2,871	2,575	2,146	1,958	3,034
Belgium	1,852	1,205	2,577	3,275	2,102
Canada	21	293	445	328	360
All other sources	802	1,240	733	1,125	1,106
Subtotal, nonsubject	33,749	36,564	36,956	46,468	45,937
Total imports	35,150	43,660	45,308	54,233	57,296
Unit value (dollars per pound)					
China (Subject)	\$0.65	\$0.67	\$0.67	\$0.67	\$0.63
Mexico	\$0.77	\$0.74	\$0.71	\$0.85	\$0.81
Israel	\$0.62	\$0.75	\$0.79	\$0.76	\$0.74
Germany	\$1.21	\$1.21	\$1.30	\$1.12	\$1.17
France	\$1.20	\$1.28	\$1.17	\$1.13	\$1.14
Belgium	\$1.19	\$1.26	\$1.22	\$1.20	\$1.07
Canada	\$1.19	\$0.44	\$0.57	\$0.53	\$0.51
All other sources	\$1.69	\$1.67	\$1.87	\$1.30	\$1.23
Subtotal, nonsubject	\$0.81	\$0.86	\$0.87	\$0.87	\$0.85
Total imports	\$0.80	\$0.82	\$0.82	\$0.83	\$0.80

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

Source: Official statistics of Commerce for HTS statistical reporting number 2835.24.0000, pulled July 28, 2015.

Table I-5
TKPP: U.S. imports, 2010-14

Item	Calendar year				
	2010	2011	2012	2013	2014
	Quantity (1,000 pounds)				
China (Subject)	432	79	35	9	9
Mexico	0	170	0	0	5,280
Canada	831	13,560	11,790	14,564	14,586
Germany	789	1,144	4,952	5,115	5,459
France	794	430	225	739	412
Israel	2,762	342	2,410	0	0
Belgium	0	0	40	0	0
All other sources	229	330	712	1,401	551
Subtotal, nonsubject	5,405	15,976	20,129	21,819	26,288
Total imports	5,837	16,055	20,164	21,828	26,297
Value (1,000 dollars)					
China (Subject)	242	65	22	12	10
Mexico	0	131	0	0	3,789
Canada	586	8,842	7,769	10,258	9,505
Germany	801	1,279	5,660	6,102	6,294
France	970	564	337	1019	691
Israel	3,076	361	2,366	0	0
Belgium	0	0	45	0	0
All other sources	331	316	639	1,140	511
Subtotal, nonsubject	5,764	11,493	16,816	18,519	20,790
Total imports	6,006	11,558	16,838	18,531	20,800
Unit value (dollars per pound)					
China (Subject)	\$0.56	\$0.82	\$0.63	\$1.37	\$1.14
Mexico	(¹)	\$0.77	(¹)	(¹)	\$0.72
Canada	\$0.71	\$0.65	\$0.66	\$0.70	\$0.65
Germany	\$1.02	\$1.12	\$1.14	\$1.19	\$1.15
France	\$1.22	\$1.31	\$1.50	\$1.38	\$1.68
Israel	\$1.11	\$1.06	\$0.98	(¹)	(¹)
Belgium	(¹)	(¹)	\$1.17	(¹)	(¹)
All other sources	\$1.45	\$0.96	\$0.90	\$0.81	\$0.93
Subtotal, nonsubject	\$1.07	\$0.72	\$0.84	\$0.85	\$0.79
Total imports	\$1.03	\$0.72	\$0.84	\$0.85	\$0.79

¹ Not applicable.

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

Source: Official statistics of Commerce for HTS statistical reporting number 2835.39.1000, pulled July 28, 2015.

Apparent U.S. consumption and market shares

Table I-6 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption for DKP, while table I-7 presents data on U.S. market shares of U.S. apparent consumption of DKP.

Table I-6

DKP: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2007-09, and 2014

Item	2007	2008	2009	2014
	Quantity (1,000 pounds)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China	***	***	***	17,928
All other	***	***	***	53,911
Total imports	***	***	***	71,839
Apparent U.S. consumption	***	***	***	***
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from—				
China	***	***	***	11,359
All other	***	***	***	45,937
Total imports	***	***	***	57,296
Apparent U.S. consumption	***	***	***	***

Source: For the years 2007-09, data are compiled using data submitted in the Commission's original investigations. See *app. C*. For the year 2014, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution (see *app. B*) and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2835.24.0000.

Table I-7

DKP: Apparent U.S. consumption and U.S. market shares, 2007-09, and 2014

* * * * *

Table I-8 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption for TKPP, while table I-9 presents data on U.S. market shares of U.S. apparent consumption of TKPP.

Table I-8**TKPP: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2007-09, and 2014**

Item	2007	2008	2009	2014
	Quantity (1,000 pounds)			
U.S. producers' U.S. shipments	39,162	32,763	23,489	***
U.S. imports from—				
China	***	***	***	9
All other	***	***	***	26,288
Total imports	4,101	4,593	5,261	26,297
Apparent U.S. consumption	43,263	37,356	28,750	***
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	23,538	31,793	27,365	***
U.S. imports from—				
China	***	***	***	10
All other	***	***	***	20,790
Total imports	2,684	5,368	5,749	20,800
Apparent U.S. consumption	26,222	37,161	33,114	***

Source: For the years 2007-09, data are compiled using data submitted in the Commission's original investigations. See app. C. For the year 2014, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution (see app. B) and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 2835.39.1000.

Table I-9**TKPP: Apparent U.S. consumption and U.S. market shares, 2007-09, and 2014**

* * * * *

THE INDUSTRY IN CHINA**Foreign producers**

During the final phase of the original investigation, the Commission issued foreign producer/exporter questionnaires to 60 firms identified in the petition and Commerce's notice as producers or exporters of potassium phosphate salts in China, for which contact information was publicly available. Thirteen firms provided responses to the Commission's questionnaires.⁴⁹ The two largest responding firms, when aggregated, reported accounting for an estimated *** percent of production of potassium phosphate salts in China. The two largest

⁴⁹ *Certain Potassium Phosphate Salts from China, Investigation Nos. 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, p. VII-2.

exporters of potassium phosphate salts from China together accounted for *** percent of reported exports from China to the United States.⁵⁰

The Commission did not receive any responses to its notice of institution from foreign producers or exporters. The domestic producers of potassium phosphate salts provided a list of four firms that they believe currently produce potassium phosphate salts in China.⁵¹

Domestic producers also presented in their response to the notice of institution several published articles indicating that plans are underway to increase Chinese production of potassium phosphate salts.⁵² The continued expansion of phosphate production in China will focus on fine phosphorus chemical products. In 2012, Hubei Xingfa Chemicals Group Co., Ltd., announced a plan to invest in a project that would produce 30,000 tons (66.1 million pounds) of potassium phosphate per year. In 2013 by the reopening of the AsiaPhos phosphate plant in Mianzhu, which had been destroyed in an earthquake in 2008, was announced with “enhanced production capacity.”⁵³ At the same time, China continues to maintain and operate substantial phosphate salts capacity, with an estimated DKP capacity of *** pounds and an estimated TKPP capacity of *** pounds as of July 1, 2015.⁵⁴

With respect to subject foreign industry data, The Commission accessed publicly and nonpublicly available information regarding producers of potassium phosphate salts for the period of current five-year review. Publicly available Global Trade Atlas (“GTA”) export volume data were accessed as the principal source of exports of potassium phosphate salts for the current five-year review encompassing calendar years 2010-2014. GTA data are available at the 6-digit HS level for DKP (HS 2835.24) and TKPP (HS 2835.39), both of which HS classifications include potassium phosphate salts outside the scope of the review. Tables I-10 and I-11 present GTA data for exports of potassium phosphate salts from China.

⁵⁰ *Investigation Nos. 701-TA-473 and 731-TA-1173 (Final): Certain Potassium Phosphate Salts from China—Revisions to the Staff Report*, INV-HH-066, June 21, 2010, pp. VII-5.

⁵¹ *Domestic Interested Parties Response to the Commission’s Notice of Institution*, July 1, 2015, exh. 9.

⁵² *Ibid.*, exhs. 6, 7, and 8.

⁵³ *Ibid.*, pp. 18-19 and exhs. 7 and 8.

⁵⁴ *Revisions to Domestic Interested Parties Response to the Commission’s Notice of Institution*, July 30, 2015, p. 12 and exh. 5.

Table I-10
Ortho potassium phosphate chemicals: Exports from China, 2010-14

Item	Calendar year				
	2010	2011	2012	2013	2014
	Quantity (1,000 pounds)				
India	10,510	10,648	12,362	15,246	16,889
United States	3,902	2,015	3,117	3,008	3,645
Thailand	397	309	485	1,111	661
Turkey	751	881	830	706	542
Spain	221	0	265	362	397
South Africa	2	2	89	266	310
Mexico	46	89	265	2	201
Japan	89	221	133	0	45
All other sources	111,756	191,834	135,880	147,066	211,386
Total	127,673	206,000	153,427	167,766	234,076

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

Source: Global Trade Atlas, HS classification 2835.24, accessed July 28, 2015.

Table I-11
Potassium polyphosphate salts: Exports from China, 2010-14

Item	Calendar year				
	2010	2011	2012	2013	2014
	Quantity (1,000 pounds)				
Thailand	18,882	17,315	16,854	16,949	19,784
Brazil	24,566	22,031	23,038	17,061	16,799
Korea South	11,215	12,372	11,808	12,000	14,544
Malaysia	9,985	7,125	10,620	10,240	14,052
Spain	8,133	8,254	9,877	10,939	14,008
Russia	7,983	9,050	12,150	14,387	13,444
Egypt	5,002	6,649	11,277	7,652	12,714
Australia	10,974	12,046	10,635	11,759	10,459
All other sources	133,001	143,273	173,672	153,546	171,754
Total	229,741	238,114	279,929	254,534	287,557

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

Source: Global Trade Atlas, HS classification 2835.39, accessed July 28, 2015.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

During the original investigation, none of the parties reported dumping findings or antidumping remedies imposed on potassium phosphate salts in third-country markets.⁵⁵ There were no known potassium phosphate third-country market import relief investigations or existing antidumping duty orders on potassium phosphate salts from China during the period of current five-year review.

THE GLOBAL MARKET

With respect to nonsubject foreign industry data, The Commission accessed publicly and nonpublicly available information regarding nonsubject foreign producers of saccharin for the period of current five-year review. Data for global potassium phosphate production capacity and production by country for the period of review are not available. Publicly available Global Trade Atlas (“GTA”) trade volume data were the principal source for the current five-year review encompassing calendar years 2010-2014. GTA data available at the 6-digit HS level include DKP (HS 2835.24) and TKPP (HS 2835.39) and also include potassium phosphate salts outside the scope of the review. Export and import data for the leading nonsubject global exporters of potassium phosphates (Belgium, Germany, and Mexico) were extracted from the GTA database, each of which shipped saccharin to the United States during the period of five-year review.⁵⁶ Individual country trade balances (trade surpluses and deficits) were subsequently calculated and are presented in Table I-12 and Table I-13.

⁵⁵ *Certain Potassium Phosphate Salts from China, Investigation Nos. 701-TA-473 and 731-TA-1173 (Final)*, USITC Publication 4171, July 2010, p. VII-7.

⁵⁶ Israel is also a large exporter of potassium phosphates to the United States; however, Israel does not report statistics to the Global Trade Atlas.

Table I-12

Ortho potassium phosphate chemicals: Global imports, exports, and trade balances by major sources, 2010-14

Item	Calendar year				
	2010	2011	2012	2013	2014
	Quantity (1,000 pounds)				
Reported imports:					
United States	43,932	53,354	54,933	65,244	71,840
China	1,393	811	1,321	4,425	3,779
Belgium	32,381	27,267	7,099	5,593	5,604
Mexico	10,970	16,674	13,497	12,745	15,397
Germany	9,769	8,704	9,328	11,369	14,996
Thailand	20,357	18,481	18,958	14,996	17,174
Malaysia	13,944	14,013	14,833	17,796	21,740
Netherlands	27,223	29,513	20,355	21,369	30,217
Singapore	3,600	2,524	2,593	2,458	2,374
All other countries	174,031	191,820	164,981	187,699	209,560
Total	337,600	363,161	307,895	343,694	392,681
Reported exports:					
United States	8,133	7,871	11,136	8,347	10,778
China	127,718	205,605	153,484	167,831	234,078
Belgium	56,035	51,846	40,843	46,910	48,863
Mexico	16,358	15,210	18,292	21,407	22,869
Germany	18,325	19,429	18,931	19,077	17,957
Thailand	399	529	4,921	5,584	10,730
Malaysia	2,773	4,874	6,336	4,861	2,061
Netherlands	8,627	8,040	8,351	5,410	1,761
Singapore	5,646	4,859	6,175	5,448	1,755
All other countries	100,449	50,682	120,397	61,496	10,285
Total	344,463	368,946	388,865	346,370	361,137
Trade balance:					
United States	(35,799)	(45,484)	(43,797)	(56,897)	(61,061)
China	126,325	204,794	152,163	163,407	230,299
Belgium	23,653	24,579	33,744	41,317	43,259
Mexico	5,388	(1,464)	4,795	8,662	7,471
Germany	8,556	10,725	9,603	7,707	2,961
Thailand	(19,958)	(17,952)	(14,037)	(9,412)	(6,444)
Malaysia	(11,171)	(9,138)	(8,497)	(12,935)	(19,678)
Netherlands	(18,596)	(21,473)	(12,004)	(15,959)	(28,455)
Singapore	2,046	2,335	3,583	2,989	(619)
All other countries	(73,581)	(141,138)	(44,584)	(126,204)	(199,276)
Total	6,863	5,785	80,969	2,676	(31,544)

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

Source: Global Trade Atlas, HS classification 2835.24, accessed July 28, 2015.

Table I-13
Potassium polyphosphate salts: Global imports, exports, and trade balances by major sources,
2010-14

Item	Calendar year				
	2010	2011	2012	2013	2014
	Quantity (1,000 pounds)				
Reported imports:					
United States	131,071	200,724	184,959	174,666	189,044
China	12,289	14,328	8,891	9,182	7,646
Germany	41,132	35,927	37,344	39,185	48,623
Canada	25,373	36,839	34,180	37,648	37,393
Thailand	22,551	21,808	19,085	19,906	23,023
Belgium	27,595	30,433	24,434	28,658	32,747
Spain	31,354	32,503	27,915	27,946	28,746
Mexico	11,817	12,150	19,537	28,422	25,214
Netherlands	47,968	47,640	44,249	47,569	39,240
All other countries	528,803	504,323	488,192	559,740	531,508
Total	879,953	936,674	888,787	972,922	963,184
Reported exports:					
United States	46,714	55,867	56,954	73,083	70,149
China	230,196	238,997	279,870	254,497	287,505
Germany	157,600	175,600	169,269	161,709	147,331
Canada	81,756	138,982	119,224	117,517	119,764
Thailand	46,493	53,610	52,355	67,715	78,886
Belgium	62,488	48,308	63,782	33,360	46,134
Spain	9,423	9,641	15,188	14,958	13,336
Mexico	10,044	10,975	6,415	7,606	10,882
Netherlands	16,036	22,637	22,855	16,369	10,406
All other countries	107,766	92,136	87,184	84,926	47,313
Total	768,516	846,751	873,097	831,742	831,705
Trade balance:					
United States	(84,358)	(144,857)	(128,005)	(101,582)	(118,895)
China	217,907	224,669	270,979	245,315	279,859
Germany	116,468	139,674	131,925	122,524	98,708
Canada	56,383	102,142	85,043	79,869	82,371
Thailand	23,942	31,802	33,270	47,809	55,863
Belgium	34,893	17,875	39,348	4,702	13,386
Spain	(21,932)	(22,862)	(12,727)	(12,987)	(15,410)
Mexico	(1,773)	(1,175)	(13,122)	(20,816)	(14,332)
Netherlands	(31,932)	(25,003)	(21,394)	(31,200)	(28,834)
All other countries	(421,037)	(412,187)	(401,008)	(474,814)	(484,195)
Total	(111,437)	(89,922)	(15,690)	(141,180)	(131,479)

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

Source: Global Trade Atlas, HS classification 2835.39, accessed July 28, 2015.

Belgium

As discussed in the U.S. producers section of this report, Prayon SA is the parent company of U.S. producer Prayon, Inc. Prayon SA is the sole potassium phosphate producer in Belgium and produces ***.⁵⁷

France

Prayon SA produces DKP and TKPP in ***.⁵⁸

Germany

***.⁵⁹

Israel

As discussed in the U.S. producers section of this report, U.S. producer ICL is a subsidiary of Israel Chemical Limited of Israel, which is a primary producer of MKP and a large supplier to the United States of MKP; however, Israel does not report statistics to the Global Trade Atlas.

Mexico

***.⁶⁰

⁵⁷ ***.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ ***.

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
80 FR 31068 June 1, 2015	<i>Certain Potassium Phosphate Salts from China: Institution of Five-Year Reviews</i>	http://www.gpo.gov/fdsys/pkg/FR-2015-06-01/pdf/2015-12876.pdf
80 FR 31012 June 1, 2015	<i>Initiation of Five-Year ("Sunset") Review</i>	http://www.gpo.gov/fdsys/pkg/FR-2015-06-01/pdf/2015-13111.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Item	ICL		Prayon		Total	
	DKP	TKPP	DKP	TKPP	DKP	TKPP
	Quantity=1,000 pounds; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per pound					
Nature of operation	✓	✓	✓	✓	✓	✓
Statement of intent to participate	✓	✓	✓	✓	✓	✓
Statement of likely effects of revoking the order	✓	✓	✓	✓	✓	✓
U.S. producer list	✓	✓	✓	✓	✓	✓
U.S. importer/foreign producer list	✓	✓	✓	✓	✓	✓
List of 3-5 leading purchasers	✓	✓	✓	✓	✓	✓
List of sources for national/regional prices	✓	✓	✓	✓	✓	✓
Production:						
Quantity	***	***	***	***	***	***
Percent of total reported	***	***	***	***	***	***
Capacity	***	***	***	***	***	***
Commercial shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Internal consumption:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Net sales	***	***	***	***	***	***
COGS	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses (loss)	***	***	***	***	***	***
Operating income/(loss)	***	***	***	***	***	***
Changes in supply/demand	✓	✓	✓	✓	✓	✓
<p>Note.—The production, capacity, and shipment data presented are for calendar year 2014. The financial data are for fiscal years ending ***.</p> <p>✓ = response provided; * = response not provided; NA = not applicable; ? = indicated that the information was not known.</p>						

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1
DKP: Summary data concerning the U.S. market, 2007-09

(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		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
China:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
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 (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/sales (1)	***	***	***	***	***	***

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

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. 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.

Table C-2
MKP: Summary data concerning the U.S. market, 2007-09

(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		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
China:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	37,461	42,042	34,054	-9.1	12.2	-19.0
Value	17,990	38,940	31,949	77.6	116.5	-18.0
Unit value	\$0.48	\$0.93	\$0.94	95.4	92.9	1.3
Ending inventory quantity	9,866	8,154	8,783	-11.0	-17.4	7.7
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 (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

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

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. 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.

Table C-3
TKPP: Summary data concerning the U.S. market, 2007-09

(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		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	43,263	37,356	28,750	-33.5	-13.7	-23.0
Producers' share (1)	90.5	87.7	81.7	-8.8	-2.8	-6.0
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	9.5	12.3	18.3	8.8	2.8	6.0
U.S. consumption value:						
Amount	26,222	37,161	33,114	26.3	41.7	-10.9
Producers' share (1)	89.8	85.6	82.6	-7.1	-4.2	-2.9
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	10.2	14.4	17.4	7.1	4.2	2.9
U.S. shipments of imports from:						
China:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	4,101	4,593	5,261	28.3	12.0	14.5
Value	2,684	5,368	5,749	114.2	100.0	7.1
Unit value	\$0.65	\$1.17	\$1.09	67.0	78.6	-6.5
Ending inventory quantity	1,058	1,396	2,167	104.8	31.9	55.3
U.S. producers:						
Average capacity quantity	72,176	62,072	60,453	-16.2	-14.0	-2.6
Production quantity	41,076	36,211	23,553	-42.7	-11.8	-35.0
Capacity utilization (1)	56.9	58.3	39.0	-18.0	1.4	-19.4
U.S. shipments:						
Quantity	39,162	32,763	23,489	-40.0	-16.3	-28.3
Value	23,538	31,793	27,365	16.3	35.1	-13.9
Unit value	\$0.60	\$0.97	\$1.17	93.8	61.5	20.1
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	60	52	46	-23.3	-13.3	-11.5
Hours worked (1,000s)	117	98	94	-19.8	-16.6	-3.9
Wages paid (\$1,000s)	4,205	3,656	3,637	-13.5	-13.0	-0.5
Hourly wages	\$35.95	\$37.48	\$38.79	7.9	4.3	3.5
Productivity (pounds per hour)	351.2	371.2	251.2	-28.5	5.7	-32.3
Unit labor costs	\$0.10	\$0.10	\$0.15	50.8	-1.4	52.9
Net sales:						
Quantity	41,876	34,353	24,867	-40.6	-18.0	-27.6
Value	25,390	33,314	29,109	14.6	31.2	-12.6
Unit value	\$0.61	\$0.97	\$1.17	93.1	59.9	20.7
Cost of goods sold (COGS)	22,577	26,226	28,085	24.4	16.2	7.1
Gross profit or (loss)	2,813	7,088	1,024	-63.6	152.0	-85.6
SG&A expenses	2,675	3,139	2,997	12.0	17.3	-4.5
Operating income or (loss)	138	3,949	(1,973)	(2)	2,761.6	(2)
Capital expenditures	***	***	***	***	***	***
Unit COGS	\$0.54	\$0.76	\$1.13	109.5	41.6	47.9
Unit SG&A expenses	\$0.06	\$0.09	\$0.12	88.7	43.0	31.9
Unit operating income or (loss)	\$0.003	\$0.11	(\$0.08)	(2)	3,388.3	(2)
COGS/sales (1)	88.9	78.7	96.5	7.6	-10.2	17.8
Operating income or (loss)/ sales (1)	0.5	11.9	(6.8)	-7.3	11.3	-18.6

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

(2) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Note.--Revenue, cost, and income related to PCS' tolling operations appear separately in table VI-9.

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

Table C-4
DKP, MKP, and TKPP: Summary data concerning the U.S. market, 2007-09

(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		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
China:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
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 (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

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

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Note.--Revenue, cost, and income related to PCS' tolling operations appear separately in table VI-9.

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

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following five firms as the top purchasers of potassium phosphate salts: ***. Purchaser questionnaires were sent to these five firms and three firms (***) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce potassium phosphate salts that affected the availability of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China since initial year of review (2010)?

b.) Do you anticipate any changes in technology; production methods; or development efforts to produce potassium phosphate salts that will affect the availability of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. Not to my knowledge.	No. I do not know this.
***	No.	No.

2. a.) Have any changes occurred in the ability to increase production of potassium phosphate salts (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China since 2010?

b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. I do not know this.	No. I do not know this.
***	No.	No.

3. a.) Have any changes occurred in factors related to the ability to shift supply of potassium phosphate salts among different national markets (including barriers to importation in foreign

markets or changes in market demand abroad) that affected the availability of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China since 2010?

b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. Not to my knowledge.	No. I do not know this.
***	No.	No.

4. a.) Have there been any changes in the end uses and applications of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China since 2010?

b.) Do you anticipate any changes in the end uses and applications of potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. I do not know this.	No. I do not know this.
***	No.	No.

5. a.) Have there been any changes in the existence and availability of substitute potassium phosphate salts for potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China since 2010?

b.) Do you anticipate any changes in the existence and availability of substitute products for potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. I do not know this.	I do not know this.
***	No.	No.

6. a.) Have there been any changes in the level of competition between potassium phosphate salts produced in the United States, potassium phosphate salts produced in China, and such merchandise from other countries in the U.S. market or in the market for potassium phosphate salts in China since 2010?

b.) Do you anticipate any changes in the level of competition between potassium phosphate salts produced in the United States, potassium phosphate salts produced in China, and such

merchandise from other countries in the U.S. market or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. I do not know this. We do not purchase Chinese material.	I do not know this.
***	No.	No.

7. a.) Have there been any changes in the business cycle for potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China since 2010?

b.) Do you anticipate any changes in the business cycle for potassium phosphate salts in the U.S. market or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	Not to my knowledge.	No. I do not know this.
***	No.	No.

