



Japan Chemical Industry Association

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November 21, 2007

Mr. David M. Spooner
Assistant Secretary for Import Administration
U.S. Department of Commerce
Central Records Unit, Room 1870
14th Street & Constitution Ave., NW
Washington, DC 20230

Dear Sir;

It is a great pleasure for us to be given an opportunity to submit our comments on the so called "Targeted Dumping" in antidumping investigations, as filed in Federal Register/Vol. 72, No. 206/Thursday, October 25, 2007/Notice.

On behalf of the Japan Chemical Industry Association (JCIA), the leading trade organization of the chemical industry in Japan, I, as a Director of JCIA's International Affairs Office in charge of trade matters, would like to make the following comments.

Needless to mention, a petition for antidumping investigation is a legitimate right to exercise as stipulated in the WTO agreements for the party who claims to have suffered from the unfair trade practice of dumping. However, for the party to be investigated it is a tremendous burden not only economically but also in terms of human resources to be involved once the petition is granted. Thus, the abuse of the right should be strictly avoided by stipulating the conditions for the petition as clear and transparent as possible.

With regard to the zeroing procedure in targeted dumping, it is extremely difficult to clearly define such conditions as periods, regions, and purchasers for the purpose of this procedure, especially as far as the chemical sector is concerned. For example, prices of chemicals are very volatile depending on market conditions, oil prices, and the like, it easily increases twice as much or decreases in half in a short period. In addition, the transaction prices of chemicals are usually lower than those of other processed goods such as autos and electric/electronic goods so that a freight cost accounts for a significant part of the transaction price for chemicals. For this reason, the price of a chemical product in the west coast of the U.S. may be significantly lower than that in the east coast when imported from Japan. Furthermore, it is a general marketing practice worldwide that a big and regular customer can buy merchandises under more favorable conditions than a small customer, which is also true for chemical goods.

As a conclusion, since the targeted dumping is very difficult to clearly define and lacks legal predictability, there always exists a chance of abuse of filing of the antidumping investigation, which may incur unreasonably huge burden to the party which is investigated.





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It is our sincere hope that the targeted dumping procedure should not be pursued as a practice of AD measure unless clearly defined, which we believe will be very difficult to do on its nature at least in the chemical sector.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Kiyotaka Oyama', is written over a horizontal line.

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