

**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**(Directorate General of Anti-Dumping & Allied Duties)**  
**Udyog Bhawan**

**Notification**

**Final Findings (MTR)**

New Delhi 26<sup>th</sup> August 2010.

**Subject: Mid-Term Review investigation regarding anti-dumping duty imposed on imports of 'Bias Tyres for Bus and Lorries/Trucks' originating in or exported from China PR and Thailand – Final Findings.**

**No. 15/1/2009 -DGAD** – Whereas the Designated authority, having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, (hereinafter referred to as the AD Rules); recommended imposition of Anti Dumping duty on the imports of "new/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks" (hereinafter also referred to as the subject goods) originating in or exported from China PR and Thailand (hereinafter also referred to as the subject countries) falling under Sub-heading 40112090, 40131020 and 40129049 respectively. The final findings were notified vide Notification No 14/9/2005-DGAD dated 19<sup>th</sup> June 2007 and definitive anti dumping duty was imposed vide Notification No. 88/2007-Customs dated 24<sup>th</sup> July 2007.

2. The Authority received a duly substantiated application from Automotive Tyre Manufacturers Association (ATMA) for review and enhancement of anti-dumping duty in force and modification in the form of duty, *inter alia*, based on the grounds that the existing duty is not sufficient to address the injury to the domestic industry. The Applicant submitted prima facie evidence in this regard, requesting for review and enhancement of the anti dumping duty in force.

3. Having satisfied itself that the applicant has produced sufficient positive information substantiating the need for a review, the Authority initiated the mid-term review investigation of anti-dumping duty imposed on imports of the subject goods originating in or exported from the subject countries vide Notification No. 15/1/2009-DGAD dated 27<sup>th</sup> February, 2009 in accordance with Section 9A (5) of the Act, read with Rule 23 of the AD Rules.

**B. PROCEDURE**

4. In these proceedings the procedure described below has been followed:

- i. The Embassies of the subject countries in India were informed about the initiation of the investigation, in accordance with Rule 6(2) of the AD Rules.

- ii. The Designated Authority sent copies of initiation notification dated 27<sup>th</sup> February 2009 to the Embassies of the subject countries in India, known exporters from the subject countries, known importers and other interested parties, and the domestic industry, as per the information available with it. Parties to this investigation were requested to file the questionnaires' responses and make their views known in writing within the prescribed time limit. Copies of the letter and questionnaires sent to the exporters were also sent to the Embassies of the subject countries along with a list of known exporters / producers with a request to advise the exporters/ producers from the subject countries to respond to the questionnaires within the prescribed time.
- iii. Copy of the non-confidential version of the application filed on behalf of the domestic industry was made available to the known exporters and the Embassies of the subject countries in accordance with Rule 6(3) of the AD Rules.
- iv. Questionnaires were sent to the following known exporters from the subject countries in accordance with Rule 6(4) of the AD Rules to elicit relevant information:

S.N.	Company's Name
1.	<i>Qingdao Zhongce Rubber Co., China PR</i>
2.	<i>Shanghai Tyre &amp; Rubber Co., China PR</i>
3.	<i>Aeolus Tyre Co.Ltd., China PR</i>
4.	<i>Quingdao Monolith OTR Tire Co.Ltd., China PR</i>
5.	Yokohama Tire manufacturing (Thailand) Company, Ltd., Thailand
6.	Thai Bridgestone Co. Ltd., Thailand
7.	Otani Tire Co. Ltd., Thailand
8.	Michelin Siam Co. Ltd., Thailand

M/s Thai Bridgestone Co. Ltd. in its communication stated that they do not export the subject goods to India and do not also intend to export the same in future. M/S Yokohama Tire Manufacturing (Thailand) Co., Ltd. stated that they did not export the subject goods to India during the year 2005 to 2009. Barring these two companies, no other exporter has responded to the questionnaires in response to the above notification.

- v. Questionnaires were sent to the following known importers and users of the subject goods in India for necessary information in accordance with Rule 6(4) of the AD Rules:

S.N.	Company's Name
1.	Radials International, New Delhi
2.	Kartar Tyre House, New Delhi
3.	Kaks & Bills Pvt. Ltd., New Delhi
4.	Rana Tyres, New Delhi
5.	Sunny International, Mumbai
6.	Aman International, Mumbai
7.	Vikas Road Carriers Ltd, Bharuch, Gujarat

In response to the above notification, only All India Tyre Dealers Federation, an association, claiming to be an association of tyre dealers of the subject goods, responded in the instant matter. No user or importer has filed response to the questionnaire.

- vi. The imports data for the period of investigation and preceding three years was called from Directorate General of Commercial Intelligence and Statistics (DGCI&S).
- vii. The Authority made available non-confidential version of the evidence presented by the interested parties in the form of a public file kept open for inspection by the interested parties.
- viii. As stated, the application for mid-term review was filed by ATMA. There are six members of ATMA engaged in the manufacturing of the subject goods, namely M/s Apollo Tyres Ltd., M/s Ceat Ltd., M/s Birla Tyres (A unit of Kesoram Industries Ltd.), M/s MRF Ltd., M/s JK Tyre & Industries Ltd. and M/s Goodyear India Ltd. M/s Apollo Tyres Ltd., M/s Ceat Ltd., M/s Birla Tyres (A unit of Kesoram Industries Ltd.) and M/s JK Tyre & Industries Ltd. have submitted the information/data for undertaking injury analysis, whereas M/s MRF Ltd. has expressly supported the application. The Authority examined the information furnished by the domestic industry to the extent possible on the basis of Generally Accepted Accounting Principles (GAAP) to analyze the injury suffered and to work out the cost of production, cost to make and sell the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- ix. In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 5<sup>th</sup> August 2009. The parties, which presented their views in the public hearing, were requested to file written submissions of the views expressed orally. The arguments made in the written submissions/rejoinders received from the interested parties have been considered, wherever found relevant, in this finding
- x. The period of investigation for the purpose of the present review is 1<sup>st</sup> Oct 2007 to 30<sup>th</sup> September 2008 (POI). However, injury analysis covered the periods April 2005-March 2006, April 2006-March 2007, April 2007-March 2008 and the POI.
- xi. In accordance with the Rule 16 of the AD Rules, the essential facts under consideration before the Authority in the instant matter were disclosed to the known interested parties. The comments received on the disclosure statement have been duly considered in these findings.
- xii. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties.

Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

- xiii. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded these findings on the basis of the 'facts available'.
- xiv. \*\*\* In this statement represents information furnished by the interested parties on confidential basis and so considered by the Authority under the AD Rules.

**5. Submissions made by the interested parties in response to the Disclosure statement and examination thereof by the Authority**

The following submissions have been made by the interested parties in response to the Disclosure statement:

**Submissions made by the domestic industry**

- a) None of the interested parties have co-operated with the Authority
- b) The volume of imports has significantly increased despite current duties.
- c) Domestic industry is continuously suffering injury despite current duties.
- d) One unit of measurement and one customs classification needs to be specified
- e) The anti dumping duty may be recommended in terms of fixed quantum of anti dumping duty (fixed form of duty), expressed as duty per tyre. The duty may be recommended in terms of US\$.

**Submissions made by M/s. Asian Rubbers**

- a) The normal value of China PR should be on the basis of the consumption norms and other cost of producer who had responded in the original investigation.
- b) It is unclear from the disclosure statement that whether the antidumping duties imposed on various raw materials used to produce the subject goods has been adjusted or not.
- c) Since the export price is based on DGCI&S data, the same should not be kept confidential from the interested parties.
- d) The disclosure statement is silent about the methodology used for calculating injury margin and actual figure.
- e) if at all the anti dumping duty is to be levied on the subject goods, the same should be in the earlier pattern.

**Examination by the Authority**

The Authority has examined the issues raised by the interested parties in response to the Disclosure statement as follows:

- (a) As regards the issue of Customs classification and unit of measurement is concerned, the Authority is of the view that implementation of anti dumping duties is not required to be addressed in the present findings. It is, however, clarified that anti dumping duty shall apply on imports of the product under consideration irrespective of classification.

- (b) As regards the issue of determination of Normal value of China PR is concerned, the Authority is of the view that considering the fact that the Chinese producers have chosen not to co-operate with the Authority, it would not be appropriate to adopt the consumption norms of the exporters who had cooperated in the previous proceedings.
- (c) As regards the issue of the antidumping duties imposed on various raw materials used to produce the subject goods has been adjusted or not; the Authority has considered international price of input raw materials and therefore, the same in any case is unaffected by the anti dumping duties imposed by India. As regards injury to the domestic industry, the Authority is required to consider actual costs of the domestic industry. This is without prejudice to the fundamental question that merely because anti dumping duties have been imposed by India, the same does not imply that the cost of that input in India is higher than the exporting country.
- (d) As regards the issue of disclosure of actual figures; the export price based on DGCI&S data has been disclosed. However, the Authority notes that confidential data cannot be disclosed as Rule 7 of the AD Rules clearly proscribe disclosure of any information wherein confidentiality has been claimed by an interested party and treated so by the Authority.
- (e) As regards the issue of pattern of duty; it is noted that the scope of investigation includes such non-radial bias tyres, tubes and flaps used in buses and lorries (including trucks) whether imported individually and/or in any combination thereof. M/s. Asian Rubber (India) has also contended the tyres imported from China PR are not comparable to the once manufactured and sold by the domestic industry on account of differences in size and dimension of the tyres, sectional width, overall diameter, thread, depth etc. Besides, considering that the PUC could be imported either as a set of tyres, tubes, and flaps or could as well be imported separately as tyres / tubes or flaps; the Authority considers that it would be more prudent to undertake the analysis on weight basis. Thus, considering the nature of PUC and the nature of imports of the PUC effected during the POI, and also considering the fact that no exporter/producer from the subject countries has co-operated in this mid-term review investigation it is deemed appropriate to undertake the analysis on weight basis.

6. **Submissions of Interested parties in respect of the methodology to be adopted**

M/s Asian Rubber (India) has, *inter alia*, contended that:

- All the information was provided on tyre per set basis in the original investigation for determination of all relevant parameters whereas there is an arbitrarily change in the unit of the product under consideration by the domestic industry in present review application on weight basis. As the Product under consideration is merchandisable and sold in piece/ tyre set basis, and in order to have a fair comparison with the original case and to avoid any manipulation, the use of similar parameters is very important. The Authority should reject the arbitrary choice of the petitioners to provide the same on weight basis, which is entirely illegal and devoid of merits in the facts and circumstances of the case.

- The duty structure in the original investigation on tyres was considered, analyzed and adopted on the tyre per set basis and not on weight basis. In the present review case therefore, duty should be calculated on the basis on tyre per set or piece basis and not on per kg basis.

### **Submissions of the domestic industry**

The domestic industry has made the following submissions as to why the Authority should undertake the entire examination on weight basis as against the numbers/pieces. It has, *inter alia*, contended that:

- Tyres are produced and sold in a large number of sizes. (It enclosed a statement showing size-wise production in number and weight). It would be seen that there are significant differences in the associated costs and prices of different size of tyres.
- None of the Chinese companies have responded to the Authority. In a situation where interested parties refuse access to or otherwise does not cooperate with the Authority, the Designated Authority is fully justified to proceed with best available information in terms of Rule 6(8) of the AD Rules.
- Even when a large number of different sizes of tyres are involved and even when one size may have different costs and prices, costs and prices of tyres of different sizes are to a very significant extent proportional to the weight of the tyres.
- Production process of making tyres may kindly be referred. It would be seen that the cost of production of tyres varies in proportion to the weight of tyre. While it is appreciated that the eventual selling prices are based on consideration of a complex parameters; undisputedly cost of production of the tyres is one of the governing factors for the prices. Further, cost of production and consequential prices move in the same direction as the weight. In other words, it can be concluded that cost of production and selling price of tyres move in tandem with tyre weight.
- Product under consideration includes tyres, tubes, and flaps within the scope of the product under consideration. Further, these may be sold in a variety of combinations, such as (a) tyre, (b) tube, (c) flap, (d) tyre & tube, (e) tyre and flap, (f) tube and flap, and (g) tyre, tubes and flaps.
- At the time of previous investigations, interested parties strongly argued that determination of dumping margin on the basis of average price per tyre was incorrect in view of inclusion of different sizes of tyres.
- Imports information earlier provided by the Applicant and the imports information made available by the DGCI&S may kindly be referred. It would be seen that tyre size has not been mentioned in a large number of transactions. Further, even when tyre size is mentioned, given a number of different types of tyres involved in particular size, weight is more appropriate basis as compared to number.

- The Designated Authority is required to determine export price and eventually dumping margin after considering weighted average import price of all transactions. It would not be appropriate to exclude some transactions merely because full description is not mentioned.
- The Designated Authority had recommended one benchmark for different sizes of types. Given significant difference in the cost and price of different sizes of tyres, one benchmark price for different sizes of tyres in any case is highly inappropriate. Situation is leading to collection of higher quantum of duty in case of lower size and lower duty in case of higher sizes.
- The present investigation is a mid-term review investigation. Such being the case, it is not obligatory for the Authority to consider the same unit of measures as was adopted at the time of previous investigation.
- Considering the weight of tyres in any case is much more scientific, fair to all parties and will lead to objective determination of dumping margin as compared to determination of dumping margin in terms of numbers, particularly in view of non-cooperation by the Chinese producers.
- In the investigations relating to truck & bus radial tyres, the Designated Authority has adopted weight as the unit of measurement. While it is appreciated that the investigations in that case relate to radial tyres, nevertheless, it must be noted that otherwise the two products are quite comparable.
- Present investigation is a mid-term review investigation. The Designated Authority has conducted full review. Therefore, the Designated Authority would be fully justified to adopt different unit of measurement, as compared to original investigation.

#### **Examination by the Authority**

- The Authority notes that Interested Parties including the Applicant have made detailed submissions regarding the methodology to be adopted in this mid-term review investigation. The Authority notes that Product under consideration is "new/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks" and further notes that the scope of investigation includes such non-radial bias tyres, tubes and flaps used in buses and lorries (including trucks) whether imported individually and/or in any combination thereof.
- As regards assessments/claims made by the domestic industry on weight basis, the Authority notes that the same does not in any way vitiate the rights of interested parties to defend their interests. The Authority notes that M/s. Asian Rubber (India) has contended that there should not be any arbitrary and unwarranted change in the methodology adopted in the mid-term review investigation vis-à-vis the original investigation. It has been contended by them

that the PUC is merchandisable product and sold on Pieces/ per set basis and not on weight basis. However, it has been further submitted by them that the tyres imported from China PR are not comparable to the once manufactured and sold by the domestic industry on account of differences in size and dimension of the tyres, sectional width, overall diameter, thread, depth etc.

- Taking cognizance of the views of the interested parties including that of the Applicant and considering that there could be differences in terms of sizes and other physical characteristics of the PUC and further considering that the PUC could be imported either as a set of tyres, tubes, and flaps or could as well be imported separately as tyres / tubes or flaps; the Authority considers that it would be more prudent to undertake the analysis on weight basis. Thus, considering the nature of PUC and the nature of imports of the PUC effected during the POI, and also considering the fact that no exporter/producer from the subject countries has co-operated in this mid-term review investigation it is deemed appropriate to undertake the analysis on weight basis. Therefore, all import transactions have been analysed and import volumes have been expressed on weight basis for undertaking a meaningful analysis. However, to the extent feasible the injury analysis has been done on number/piece basis as well.

## **C. PRODUCT UNDER CONSIDERATION AND DOMESTIC ‘LIKE ARTICLE’**

### **C.1 VIEWS OF THE APPLICANT**

7. Present review investigation being a mid-term review investigation, product under consideration remains the same as has been defined in the previous investigations.
  - (i) The product under consideration in the previous investigations and the present review is "new/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks" originating in or exported from China and Thailand. The scope of the product includes only non-radial or bias tyres used in buses and lorries (including trucks), classified in Chapter 40 under customs subheading no. 40112090 and tubes and flaps are under 40131020 and 40129049 respectively.
  - (ii) There is no material change or development in the product characteristics between the original investigation and product being produced and sold world-over at present.
  - (iii) The goods produced by the domestic industry are like article to the imported product. There is no known difference in tyres produced by the Indian industry and tyre exported from subject countries. The issue of product under consideration and like article was examined in detail by the Designated Authority in the original investigations and it has been held that the imported and domestic products are like article.

### **C.2 Views of the importers, consumers, exporters and other interested parties**

8. The submissions have been filed by All India Tyre Dealers Federation and Asian Rubber (India). No other interested party has filed any submissions. None of the interest parties have made any submission in respect of “domestic industry”.

### **C.3 EXAMINATION BY THE AUTHORITY**

9. Even though the applicant has challenged veracity of the association and claimed that its submissions should not be accepted on the grounds that the said association is not an association of importers or consumers, the Authority has considered it appropriate to address the concerns of the association.

The product under consideration in the previous investigation that is being reviewed in the present review is "new/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks" originating in or exported from China PR and Thailand. The scope of investigation includes such non-radial bias tyres, tubes and flaps used in buses and lorries (including trucks) whether imported individually and/or in any combination thereof.

10. Tyres are broadly produced in two types, namely radial and non-radial. Radial Tyres used in buses and lorries with or without tubes and flaps are beyond the scope of the present investigation. The tyres, the tubes and the flaps are produced separately; however, they are invariably used together in automotive applications. The tyres are classified in Chapter 40 under Customs sub-heading no. 40112090 and the tubes and the flaps are classified under sub-heading nos. 40131020 and 40129049 respectively. However, Customs classifications are indicative only and are in no way binding on the scope of investigation. The claim of the Applicant that there is no material change or development in the product characteristics between the original investigation and product being produced and sold world-over at present, has not been disputed by any interested party. The goods produced by the domestic industry are being considered as like articles to the imported subject goods. The claim of the Applicant that there is no known difference in the goods produced by the Indian industry and the subject goods exported from subject countries to India has also not been disputed by any interested party.
11. On the basis of information available on record, it is noted that there is no significant difference in the goods produced by the Indian industry and subject goods exported from China PR and Thailand. The goods produced by the Indian industry and the subject goods imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used the two interchangeably. Thus, the goods produced by the domestic industry and the subject goods imported from China PR and Thailand are being treated as like articles in accordance with the AD Rules.

#### **D. Scope of the Domestic Industry**

##### **D.1 Views of the domestic industry**

12. The submissions of the Applicant with respect to its claim of domestic industry are as under:
  - (i) There are approximately 43 companies in India who created capacity for the production of various kinds of Tyres. However, the subject goods are produced by the six ATMA member companies and some small non-member companies. Therefore, having regard to the legal provisions and facts & circumstances of the present case, the production by the participating companies command more than

- 97.71% of Indian production with the support of M/s MRF Ltd., and 76.93% of Indian production without the support of M/s MRF Ltd.
- (ii) Apollo, Birla, Ceat, JK Tyres, MRF have certified that they have not imported the subject goods from the subject countries during the POI. They have also certified that they are not related to a company who is a importer/exporter of the subject goods. None of the interested parties have either alleged or provided any evidence to the contrary.
  - (iii) The domestic producers expressly supporting the application account for more than 50 percent of total production of the like articles produced by the domestic producers; and hence the application has been made by or on behalf of the domestic industry.
  - (iv) Domestic industry therefore submits that the Participating companies constitute “domestic industry” within the meaning of the AD Rules.

## **D.2 Views of the importers, consumers, exporters and other interested parties**

13. The submissions have been filed by All India Tyre Dealers Federation and Asian Rubber (India). No other interested party has filed any submissions. None of the interest parties have made any submission in respect of “domestic industry”.

M/s Asian Rubber (India) has, *inter alia*, contended that the participating companies have imported tyres from the subject goods in commercial volumes and they do not explain what constitutes commercial volume.

## **D.3 Examination by the authority**

14. At the time of the initiation of this investigation, Rule 2(b) of the AD Rules read as follows:-

*“domestic (b) industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in which case such producers may be deemed not to form part of domestic industry”.*

However, post initiation, this Rule has been amended as follows:

*“domestic (b) industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term ‘domestic industry’ may be construed as referring to the rest of the producers only”*

15. The Application for review and enhancement of anti-dumping duty has been filed by ATMA on behalf of its members engaged in the manufacturing of the subject goods. M/s Apollo Tyres Ltd., M/s Ceat Ltd., M/s Birla Tyres (A unit of Kesoram Industries Ltd.), M/s MRF Ltd., M/s JK Tyre & Industries Ltd., M/s Goodyear India Ltd. are the members of ATMA engaged in the manufacturing of the subject goods. Among these

six members, M/s Apollo Tyres Ltd., M/s Ceat Ltd., M/s Birla Tyres (A unit of Kesoram Industries Ltd.), M/s JK Tyre & Industries Ltd. have submitted the requisite information/data; whereas M/s MRF Ltd. has expressly supported the application. The participating members have provided the relevant information in respect of changed circumstances with regard to dumping and consequent injury to the domestic industry.

16. As the participating members of ATMA hold 76.93% share of domestic production of subject product in India, which is more than 50% share in Indian production, these companies constitute the 'domestic industry' for the purpose of the present investigation within the meaning of the AD Rules. The Authority further notes that the Applicant M/s Apollo Tyres Ltd., M/s Ceat Ltd., M/s Birla Tyres (A unit of Kesoram Industries Ltd.), M/s MRF Ltd., M/s JK Tyre & Industries Ltd, have filed letters with the Authority , inter alia, stating that they have not imported the subject goods during the POI.

## **E. DUMPING MARGIN**

### **E.1 Views of the domestic industry on Market Economy Treatment - China PR**

17. Since in this mid-term review investigation, none of the exporters/producers from China PR has responded and filed any submission with regard to their claim of market economy treatment, the normal value may be determined for all exporters/producers from China PR as per Rules applicable for non-market economy country.
18. Based on various pronouncements relating to examination of market economy status by India and other investigating authorities, following jurisprudence clearly emerge with regard to non-market economy status. It is submitted that market economy status cannot be granted unless the responding exporters satisfy each & every of the following conditions:
- Market economy status cannot be given in a situation where one of the major shareholders is a State owned/controlled entity,
  - Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values,
  - Market economy status cannot be given unless the responding exporter establish that their books are audited in line with international accounting standards,
  - Market economy status cannot be granted even if one of the parameters laid down in the Rules is not satisfied.
  - Onus/obligations - it is for the responding Chinese exporters to establish that they are operating under market economy conditions.
  - Market economy status cannot be granted unless the responding company and its group as a whole make the claim.
  - Market economy status cannot be granted unless the process of transformation has been completely established through documentary evidence.

19. The normal value in China PR can thus be determined on the basis of (a) price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit. The normal value has been determined accordingly on the basis of cost of production in India, duly adjusted.

**E.2. Views of exporter/importers and other interested parties**

20. The submissions have been filed by All India Tyre Dealers Federation and M/s Asian Rubber (India). No other interested party has filed any submissions. M/s Asian Rubber (India), in its submissions has, *inter alia*, suggested adopting Sri Lanka as the surrogate country for determining the Normal value for the Chinese exporters/producers.

**E.3. Examination by the Authority**

21. As regards the consideration of the import prices from Sri Lanka is concerned, the Authority notes that the imports from Sri Lanka are being made by CEAT Ltd and therefore the import prices itself cannot be considered, unless it is established that the same is reliable. As regards the consideration of Sri Lanka as an appropriate surrogate country, the Authority notes that the Authority did not adopt Sri Lanka as an appropriate surrogate country at the time of original investigation as the adoption of Sri Lanka as an appropriate surrogate country was found to be disadvantageous to the consumers and exporters. Thus, the Authority had adopted cost of production in India duly adjusted to determine the Normal value. Moreover, the Authority does not have any evidence/data that could be deemed be sufficient to determine the normal value on the basis of Sri Lankan data.

22. Under Section 9A (1)(c) of the Act, normal value in relation to an article means:

- (i) the comparable price, in the ordinary course of trade, for the like article, when meant for the consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or
- (ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either –
  - (a) comparable representative price of the like article when exported from the exporting country or territory to an appropriate third country as determined in accordance with the rules made under sub-section (6); or
  - (b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

23. The Authority sent questionnaire to the known exporters from China PR, advising them to provide information in the form and manner prescribed. However, no response has been received to the questionnaires from any of the Chinese producer/exporter.

24. Para 7 of Annexure I of the AD Rules provides that

In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

25. The Authority notes that in the past three years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the AD Rules.

26. As per Paragraph 8 of Annexure I of the AD Rules, the presumption of a non-market economy can be rebutted, if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) of Paragraph 8 and establish the facts to the contrary. The cooperating exporters/producers of the subject goods from People's Republic of China are required to furnish necessary information / sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Authority to consider the following criteria as to whether:-

a) the decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;

b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;

c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and

d) the exchange rate conversions are carried out at the market rate.

27. The Authority notes that consequent upon the initiation notice issued by the Authority; none of the Chinese producers/exporters have submitted any response including the market economy questionnaire response and sought to rebut the non-market economy presumption. Further, none of the exporter/producer from China PR or other interested parties have responded and made any submissions with sufficient evidence / data with regard to appropriate market economy third country. Thus, it is not possible to determine the Normal value on the basis of prices or value in the market economy third country. The Applicant has provided evidence of normal value, considering the price actually payable in India, adjusted to include a reasonable profit margin. Having regard to the information on record and considering that the Chinese producers have not rebutted the claim of non-market economy, nor suggested any other appropriate market economy third country; the importers, consumers and other interested parties have also not provided any evidence in this regard, the Authority has considered it appropriate to determine normal value on the basis of “any other reasonable basis”. The Authority has therefore proposed to determine normal value on the basis of best estimates of cost of production, considering the information made available by the domestic industry. The cost of production so determined has been adjusted for selling, general & administrative expenses and a reasonable profit margin. Thus, the raw materials for manufacturing the subject goods at the international price, the consumption norms of the domestic industry, conversion costs of the domestic industry and reasonable profit have been considered for constructing the normal value for all exporters/producers of China PR.

### **E.3. Views of Domestic Industry on Normal value in case of Thailand**

28. It has been contended by the Applicant that the producers from Thailand are dumping subject goods in India. Efforts were made by them to obtain information about the prices of tyres prevailing in the domestic market in Thailand; but no reasonable, authentic and accurate information could be obtained by them about the actual transaction-wise selling price of tyres (between a producer and wholesaler dealer/distributor) in their domestic market. In view of the same, the applicant has considered estimates of the cost of production to determine normal value in Thailand.

### **E.4. Normal Value in respect of exporters/ producers from Thailand**

#### **Examination by the Authority**

29. The Authority has noted that Applicant’s claim that efforts were made by them to obtain information about the prices of subject goods prevailing in the domestic market of Thailand and that no reasonable, authentic and accurate information could be obtained by them about the actual transaction-selling price of subject goods in their domestic market. None of the Thai exporters/producer filed the questionnaire’ response, nor any other information has been made available to the Authority with regard to costs or prices in Thailand. Under such circumstances, the Authority is not able to determine normal value in accordance with Section 9A (1) (c) (i) of the Act, which requires sufficient information with regard to the price of the product in the domestic market in the ordinary course of trade. Besides, the Authority cannot also determine normal value in accordance with Section 9A (1)(c)(ii)(a) of the Act, which requires sufficient information on exports to third country. Under these circumstances, the Authority has determined normal value in Thailand on the basis of estimates of cost of production, duly adjusted to include a profit margin. Thus, the Normal values in

respect of exporters/ producers from China PR and Thailand have been determined as follows:

US\$/kg	China PR	Thailand
Raw materials costs	****	****
Conversion cost	****	****
Selling, general & administrative costs	****	****
Interest	****	****
Full cost of production	****	****
Reasonable profit	****	****
<b>Normal value</b>	<b>3.25</b>	<b>3.29</b>

#### **E. 5. Export price**

30. The Authority notes that except for the Applicant, All India Tyre Dealers Federation and Asian Rubber (India), no other interested party has made any submission in this investigation. However, none of interested parties has provided any information with regard to the export price of the product under consideration from the subject countries to India. The Authority, on the basis of import statistics provided by DGCI&S, has determined the import volumes and export price of the subject goods from the subject countries.
31. The Price adjustments claimed by the domestic industry with regard to inland freight, handling, insurance, overseas freight and commission have been considered to arrive at ex-factory export price to India. The Authority has determined the ex-factory export price of subject goods for all exporters or producers from China PR and Thailand as follows:

		China PR	Thailand
Import volume	MT	28,653	32
Import value	Rs. Lacs	18,898.37	36.67
CIF import price	Rs./kg.	65.96	114.04
Exchange rate	Rs./US\$	41.08	41.08
CIF export price in US\$	US\$/kg	1.60	2.77
Price adjustments (total)	US\$/kg	0.10	0.13
Ex-factory export price	US\$/kg	1.50	2.64

## E 6. Dumping margin

### E.6.1 Views of the Domestic industry:

32. The dumping margin is not only more than de-minimis, but also significantly high, causing material injury to the Indian industry.
33. Continued dumping and likelihood of continued dumping:

The present investigation is a mid-term review investigation and the Designated Authority is required to examine whether quantum of anti-dumping duty is required to be modified (enhanced). The Designated Authority is required to examine the need for continued imposition of anti-dumping duty and whether the quantum of anti dumping duty is required to be modified. Though the Designated Authority is not required to examine the likelihood or continuation of recurrence of dumping, nevertheless, the Applicant has provided information to show that dumping is likely to continue and cause injury to the domestic industry in case the present anti dumping duties are not enhanced appropriately. Followings are relevant in this regard-

- (a) Volume of exports have remained significant vis-a-vis original investigations as would be seen from the table below-

Year	Imports From Subject Countries (in numbers)	Increased as a % to the POI of Original investigation	Source
2001-02	3,589		As per Final findings of the original investigation
2002-03	16,735		
2003-04	77,538		
April 04-June,05 (POI)	2,16,851		
POI Annualized	1,73,481		
2005-06	3,24,997	87.33	DGCI&S Published data
2006-07	5,35,717	208.8	
2007-08	6,29,239	262.71	
Oct 07- Sept 08 (POI)	5,42,380	212.65	

It has been contended by the Applicant that the dumping margin determined in the original investigation and current investigation are significant.

- (b) Continued exports even after the imposition of duty at significantly dumping levels clearly show the need for enhancement in the benchmark.

**E.10.1 Views of the other interested parties:**

34. None of interested party has forwarded any information substantiating their claims in respect of dumping and continuation thereof.

**E.11. Examination By the Authority**

35. The Authority notes that the comparison of Normal value and Export price must be a fair comparison at the same level of trade; therefore the Authority has determined both the Normal value and Export price at ex-factory level. It is noted that the product is imported as set of tyre, tube & flap (TTF), or as a set of tyre & tube (TT), or only as tyre/tube or a flap. For the reasons already recorded above, the Authority has determined weighted average Normal value and weighted average Export price in respect of the product under consideration, by converting all imports on weight basis. There are no known differences in the conditions and terms of sale. No response has been filed by any exporter/producer from the subject countries in the instant matter. None of the interested parties have pointed out any possible factor, which could affect the comparability. Thus, the Authority considers that the comparison made constitutes a fair comparison. Considering the Normal value and Export price determined as detailed above, dumping margin has been determined, which comes as under:-

Particulars	Units	China PR	Thailand
Normal Value	US\$/KG	3.25	3.29
Export Price	US\$/KG	1.50	2.64
Dumping Margin	US\$/KG	1.75	0.65
Dumping Margin	%	116.67	24.62

The Authority notes that the dumping margins in respect of both the countries are above the de-minimis thresholds.

**F. INJURY AND CAUSAL LINK DETERMINATION**

**F.1 Submissions of the domestic industry**

36. The submissions made by the domestic industry with regard to injury and causal link, in brief, are as follows:

- Product under consideration continues to be exported to India from the subject countries at dumped prices;
- Dumping has continued inspite of existing anti-dumping duties;
- Domestic industry has suffered continued injury;
- Domestic industry has not been able to improve its performance to the extent it could have;

- The current level of anti-dumping duties are grossly inadequate to prevent injurious dumping;
- Quantum of anti-dumping duties is required to be enhanced, considering the dumping margin and injury margin in the present investigation.

## **F.2 Submissions of other interested parties**

37. The submissions have been filed by All India Tyre Dealers Federation and Asian Rubber (India). No other interested party has filed any submissions. There is no response from any producer/exporter from subject countries. Nor has any arguments been advanced on any aspect of the present investigations, including on injury & causal link from any exporters.

**M/s Asian Rubber (India)** has, *inter alia*, contended that:

- the petition filed by the domestic industry is incomplete and is half-baked.
- the selection of the present POI is the deliberate attempt of the domestic industry to seek the higher anti dumping duties on the basis of higher raw-material prices in the past, which no longer exists.
- the petitioner has failed to furnish information regarding injury or to establish that the benchmark prices are not sufficient to protect the industry from the dumping.
- despite requests, domestic industry did not provide the non-confidential version of the correspondences between the Designated Authority apart from other submissions. The company sought directions to the domestic industry to file the information relating to its performance from original investigation till current period of investigation in prescribed format.
- domestic industry has tried to hand pick and choose its opponents or respondent parties as against the known principles of jurisprudence. Any person getting affected by any such proposed action has a right to participate and furnish his views and contradict the claims of the domestic industry. This is the reason as to why the importers and other trade bodies could not make their representations earlier.
- the methodology of the petitioner to project increase in the raw material prices including that of rubber, crude oil prices for the determination of normal value is erroneous as the same is compared with the level of prices existing during the period 2001-02 whereas the definitive duty came into effect in the year 2007. The raw material price statement for the year 2007-08 shows prices at the high level which have now plunged significantly to a much lower level.
- reduction of excise duty by 4% across the board has improved the profitability of the domestic industry. Apart from this the reduction in raw material prices has also reduced the cost of production of the domestic industry.
- domestic industry has even failed to establish that the performance of the domestic industry has been impacted by such changed circumstances to warrant the enhancement of benchmark duty.

- the existing duty in dollar terms has provided more than adequate protection to the domestic industry than actually required. Due to fluctuation in US \$ and depreciation of Rupee by over 25-30 % which continues to remain depressed vis-a-vis US \$, domestic industry is over protected.
- The tyres imported from China PR are not comparable to one manufactured and sold by the domestic industry in terms of formulation as well as physical characteristics. The tyres imported from China PR are of lower quality with lesser size in dimension as compared to highly engineered tyres beefed with extra rubber and designed to carry much higher load.
- apart from the non-confidential version of the petition, no other document has been provided to the importers barring them to make effective representations. The questionnaire response filed by domestic industry, the injury information, dumping margin, export price, normal value on per set basis should be made available to the importer.
- the authority in its findings considered it appropriate to include size of tyres also within the scope of the investigation. It is requested that the scope of the product should be restricted to the scope of product as determined under the original investigations including size of tyres.
- evaluation and examination of economic parameters of the domestic industry should be done on the per set basis. The Authority should maintain consistency in adopting methodology for considering the net sales realizations, production, capacity and capacity utilization of the domestic industry.
- in the original investigation the opposing parties have raised the issue that some Indian manufacturers participating in the investigation are related to Chinese Exporters. Proof was also submitted with the Authority. Companies have entered in strategic tie-up with Chinese producers/exporters for the purpose of getting tyre manufactured under their own brand with strict quality control and supervision of Indian technical expert based in China. Not only Apollo, but other Indian producers such as CEAT and J.K Industries have also entered into such ventures in order to reap rich benefits of cost effective Chinese production technology.
- an appeal has been filed by the opposing interested parties including exporter, which is pending in CESTAT. The standing of the domestic industry should be determined only after the consideration of its relation with the Chinese exporters/exporters.
- the rubber and raw material used for the production comes in various grades and their costs differs significantly on grade to grade basis. The use of particular grade of raw material decides the ultimate price of the tyre. Domestic industry is producing super specialty tyres while those exported from the subject countries are of poor quality and are designed where performance is not a critical factor. Thus there is cost undercutting which most of Indian producers do not bother to look into. This is the reason for higher domestic prices and lower prices of Chinese tyres.
- it is claimed by the domestic industry that the imports have increased after imposition for which contrary figures are provided by the domestic industry.
- it is submitted that the imposition of antidumping duty does not mean banning of imports but to make the importation of the same at the fair price.

Therefore, to argue that the imports are taking place from subject countries despite imposition of anti dumping duty lacks any merit and should be dismissed.

- contrary to the allegation of the domestic industry, the imports from subject countries declined significantly during period of investigation and import price has also increased, which shows that duty at its present form and level is more adequate to ensure the imports at un-dumped prices.
- with the decrease in raw material prices and due to depreciation in Rupee value by 25% the existing benchmark duty is more on a higher side. Further, the price hike by the petitioner even when there was no duty in place clearly suggests that the price rise by the petitioners have not been hindered by the importation of the subject goods
- the Annual reports of various companies comprising domestic industry shows profit in the subject product market.
- both the cost of production and sales realization increased during POI. The decline in profits cannot be attributed to the imports of subject goods as the difference between the same and yet domestic industry continued to hold significant market share even after increasing its prices.
- the demand of the product under consideration has increased. Capacity, production, sales and market share of the domestic industry have increased with decline in capacity utilization. Also, employment, wages and productivity have increased. The inventories have grown but it cannot be treated as injury since it includes export sales also. This does not show any injury to domestic industry due to imports from the subject countries.
- both price undercutting and price underselling are identical and in the range of 40-50% making it evident that sales realization and non-injurious price of the domestic industry are same. This shows that domestic industry is selling at non-injurious price and not suffering any injury.
- there is no increase in imports from China PR. Domestic industry has sufficiently maintained the market share with increase in sales and production. Even consumers did not switch over to Chinese imports making it evident that there is no causal link from the imports from China PR and injury.

**All India Tyre Dealers' Federation** in its submissions has, *inter alia*, stated the following:

- Since imposition of anti-dumping duty and fixation of reference price from September / October 2007 on the import of these tyres there has been several price hikes by the domestic tyre majors as there has been increase in raw material prices (both Natural Rubber and petro product based inputs). But later when the raw material prices crashed to last five year low, the tyre prices have not been accordingly rolled back by the oligopoly of domestic tyre makers.
- In the meanwhile, the Indian Rupee has depreciated in comparison to US dollar, thereby leading to imports becoming costlier by 25% - 30% in last two years. Thus, under these circumstances domestic industry should not be allowed to have the protection from import of these nylon fabric truck/bus tyres by way of continuing with anti-dumping duty.

- It is high time that designated authority should withdraw ongoing anti-dumping duty on import of tyres from China and Thailand and help the domestic road transport industry and tyre trade to benefit from free play of market forces. This will further put some restraint on indiscriminate pricing policies of domestic tyre cartel and help the customers and reduce the transportation cost for essential commodities.

### **F.3. Examination by the Authority**

- With regard to alleged deficiencies/incompleteness in the application, the Authority observes that investigations are required to be initiated in case the application shows sufficient evidence of changed circumstances necessitating a review. The Authority does not require complete information as is necessary for final determination at the stage of initiation.
- With regard to selection of the POI, the Authority notes that changes in prices of raw materials justify the review of anti-dumping duties in case the anti-dumping duties are in the form as recommended in the present case. At the time of original investigations, the domestic industry had pleaded upwards revision in the benchmark on the grounds of increase in the input prices after the period of investigation taken by the Authority. However, the Authority consistently considers the prices of the major raw materials as prevailing during the period of investigation.
- As regards the sufficiency of the benchmark duty, the investigation establishes that the dumping margin, price undercutting and injury margin are at significant level.
- As regards the communications received from the domestic industry and various parties before initiating the investigations, the application filed by the domestic industry which formed the basis of initiation and all subsequent submissions made by the interested parties have been disclosed to interested parties through public file maintained in terms of Rule 6(7) of the AD Rules.
- As regards the participation by the parties, the Authority notes that the interested parties participate in the investigations before the Designated Authority. The domestic industry cannot decide who should be the interested parties and who should respond. Interested parties have been defined under the Rules and Authority has provided all reasonable opportunities to all the interested parties. It is, however, noted that none of the importers or consumers or foreign producers have filed questionnaire response. M/s Asian Rubbers also has not filed the questionnaire' response. The Authority has, however, taken note of submissions made by interested parties.
- As regards incorrect claim of increase in raw material prices by the domestic industry, the Authority notes that it has re-determined all parameters in the present investigations. Further, the Applicant has provided information over the injury period and for the POI in order to justify its claim of changed circumstances. However, the same does not imply that the price increase has been considered between the current POI and that of the base year of the original investigation.
- As regards improvement in profitability due to reduction in Excise Duty, the Authority notes that actual profitability of the domestic industry in the period

under reference has been considered which includes alleged impact of Excise Duty as well. If the argument of the interested parties were to be accepted, it implies that the profitability of the domestic industry would have been more adverse than what has been found in the present investigation, were the excise duty not been reduced by the Govt. of India.

- The Authority notes that even the prescribed proforma for Mid-term review available on the Website of DGAD clearly lists some of the factors which constitutes changed circumstances and includes changes in non-injurious price, normal value, landed price of imports, etc., necessitating a review. The Authority considers that changes in any of these parameters alone could be sufficient in establishing the need for a review. In the instant matter, the Applicant has provided sufficient information to establish the need for the review.
- As regards changes in Exchange Rate, the Authority notes that actual Exchange Rate prevailing in the POI has been considered in the present investigations.
- As regards alleged claim of incomparability of the imported tyre and tyres supplied by the domestic industry, the Authority notes that the argument has not been substantiated. The Authority has made available all relevant evidence through public file.
- So far as this mid-term review investigation is concerned, the Authority notes that it is required to undertake examination of various parameters during the period of investigation. In any case, it has not been established by the interested parties opposing the Applicant's claims that current situation does not justify either change in the quantum or extension of anti-dumping duties.
- As regards the scope of PUC of this investigation, the Authority is of the view that since the product under consideration in the previous investigation that is being reviewed was "new/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks" originating in or exported from China PR and Thailand; the scope of this investigation remains the same.
- As regards relationship of Indian producers with the Chinese producers or the imports by the Indian producers, the Authority notes that the Applicant has clarified the matter and as per the letters filed by the Applicant, M/s Apollo Tyres Ltd., M/s Ceat Ltd., M/s Birla Tyres (A unit of Kesoram Industries Ltd.), M/s MRF Ltd., M/s JK Tyre & Industries Ltd. have, *inter alia*, stated that they are not related to either to a producer-exporter of the product in China PR and Thailand or an importer in India.
- As regards the claim of the domestic industry that imports have increased after imposition of duty, the Authority notes that the domestic industry in their written submissions claimed that the import price got so re-aligned that the quantum of anti-dumping duties paid gradually declined to nil. The domestic industry claimed that after re-aligning the import price, significant imports of the product have continued to be made in the Country. Further, the domestic industry has contended that the imports of the product were at continued dumped prices; thereby undercutting the prices of the domestic industry. Besides, these were as well at prices much below the non injurious price of the domestic industry.

- Regarding current imports, the Authority agrees with the interested parties that the purpose of imposition of anti-dumping duties is not to prohibit imports. However, the argument of the domestic industry is that imports reported are at dumped prices and are significantly undercutting the domestic prices. Besides, and also the injury margin is also significant.
- As regards the domestic industry data does not shown losses, the Authority notes that the claim of the domestic industry in this mid-term investigation is that the current duty is not sufficient to address the injury earlier established. The domestic industry has asked for modification in the form and enhancement in the quantum of duty.
- Regarding the Annual reports showing profits, the Authority notes that the information does not show financial losses. However, existence of financial losses is not a pre-requisite for modification of duties. In fact, while undertaking the injury analysis it is to be appreciated that the list of factors enumerated under the law are neither exhaustive, nor can one or several of these factors necessarily give decisive guidance. Further, the domestic industry has filed the present application for change in the form and enhancement in the quantum of anti dumping duties on the grounds that the situation was leading to continued dumping and was not adequately addressing injury caused thereof to the domestic industry.
- As regards the costs & prices, it is noted that both cost of production and sales realization have increased; however, while the increase in the cost of production was less than the increase in the sales realization till 2007-08, the increase in the sales realization in the POI was less than increase in the cost of production.
- The Authority has examined the injury parameters and the determination is based on the performance of the domestic industry. Given that the present investigation is in the nature of a mid-term review investigation, improvements in one or more parameters since imposition of anti dumping duties could be a result of the imposition of anti dumping duties. However, the present application is for change in the form and increase in the quantum of duty on the grounds that the present duty is insufficient and is leading to continued dumping of the product.
- The Authority further notes that increase in the volume of imports is not a pre-requisite in a mid-term review. Continued imports of the product after imposition of anti dumping duties at dumped prices, which undercuts the prices of the domestic industry after addition of anti dumping duties and positive injury margin etc are sufficient to take a view that present duties are required to be modified.
- The Authority also notes that though M/s Asia Rubber (India) stated that they are providing the dimensional comparison between the Chinese and Indian tyres but the same was not received.
- The Authority has taken note of the contention that the Indian Rupee has depreciated in comparison to US dollar, thereby leading to imports becoming costlier by 25% - 30% in last two years. The Authority reiterates that so far as this mid-term review investigation is concerned, it would duly consider all factors prevalent during the period of investigation.

38. Article 3.1 of the WTO Agreement and Annexure-II of the AD Rules provide for an objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in the domestic market for the like articles; and (b) the consequent impact of these imports on domestic producers of such articles. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like article in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
39. As regards the impact of the dumped imports on the domestic industry para (iv) of Annexure-II of the AD Rules states as follows.

*“The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the Industry, including natural and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of margin of dumping actual and potential negative effects on cash flow, inventories, employment wages growth, ability to raise capital investments.”*

40. The Authority has taken note of the arguments on injury examination and addressed the issues raised at appropriate places. The Authority has examined the injury parameters objectively taking into account the facts and the arguments of the interested parties.
41. For the purpose of current injury analysis the Authority has examined the volume and prices effects of dumped imports of the subject goods from the subject countries on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal link between dumping and injury, if any. Accordingly the volume and price effects of dumped imports have been examined as follows.

A. **Volume Effect**

a) **Assessment of Demand**

42. For the purpose of assessment of the domestic consumption/demand of the subject goods, the sales volume of the domestic industry and other Indian producers have been added to the total imports into India, which has been summarized as under:

In terms of weight

	Unit	2005-06	2006-07	2007-08	POI
Imports from Subject countries	MT	18,224	29,481	36,419	28,685
Imports from other countries	MT	5,977	2,814	1,110	422

Total imports	MT	24,201	32,295	37,529	29,107
Sale of domestic industry	MT	387,561	419,173	434,772	460,038
Sales of other Indian Industry	MT	128,262	134,222	142,252	135,121
Demand	MT	540,024	585,690	614,553	624,266

In terms of numbers/pieces

	Unit	2005-06	2006-07	2007-08	POI
Imports from Subject countries	Nos	306,122	452,028	471,394	504,169
Imports from other countries	Nos	113,738	48,476	20,632	6,607
Total imports	Nos	419,860	500,504	492,026	510,776
Sale of domestic industry	Nos	6,743,169	7,249,446	7,710,366	8,188,490
Sales of other Indian Industry	Nos	2,420,029	2,532,485	2,683,995	2,549,444
Demand	Nos	9,583,058	10,282,435	10,886,387	11,248,710

The Authority notes that the demand has shown a positive trend and grew over the injury period both in terms of weight and numbers/pieces. The growth in demand during period of investigation over base year was about 15.60 % in terms of weight and in terms of numbers/pieces about 17.38%.

b) Import volumes and market share

43. Annexure-II (ii) of the AD Rules provides that “while examining the volume of dumped imports, the said authority shall consider whether there has been a significant increase in the dumped imports, either in absolute term or relative to production or consumption in India .....”. Thus, with regard to the volume of the dumped imports, it has been examined whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India.

The volumes of imports from the two countries were as follows:

In terms of weight

	Unit	2005-06	2006-07	2007-08	POI

➤ China PR	<b>MT</b>	17,455	29,265	36,406	28,653
➤ Thailand	MT	769	216	13	32
Imports from Subject countries	MT	18,224	29,481	36,419	28,685
Imports from other countries	MT	5,977	2,814	1,110	422
Total imports	MT	24,201	32,295	37,529	29,107
Share of Imports					
➤ China PR	%	72.12	90.62	97.01	98.44
➤ Thailand	%	3.18	0.67	0.03	0.11
Imports from Subject countries	%	75.30	91.29	97.04	98.55
Imports from other countries	%	24.70	8.71	2.96	1.45
Imports in relation to Production in India					
➤ China PR	%	2.84	4.64	5.42	4.26
➤ Thailand	%	0.125	0.034	0.002	0.005
Consumption in India					
➤ China PR	%	3.23	5.00	5.92	4.59
➤ Thailand	%	0.142	0.037	0.002	0.005

In terms of numbers/pieces

	Unit	2005-06	2006-07	2007-08	POI
➤ China PR	Nos	292,922	448,113	471,331	503,723
➤ Thailand	Nos	13,200	3,915	63	446
Imports from Subject countries	Nos	306,122	452,028	471,394	504,169
Imports from other countries	Nos	113,738	48,476	20,632	6,607
Total imports	Nos	419,860	500,504	492,026	510,776
Share of Imports					

➤ China PR	%	69.77%	89.53%	95.79%	98.62%
➤ Thailand	%	3.14%	0.78%	0.01%	0.09%
Imports from Subject countries	%	72.91%	90.31%	95.81%	98.71%
Imports from other countries	%	27.09%	9.69%	4.19%	1.29%
Imports in relation to Production in India					
➤ China PR	%	2.53%	3.77%	3.72%	3.97%
➤ Thailand	%	0.114%	0.033%	0.000%	0.004%
Consumption in India					
➤ China PR	%	3.06%	4.36%	4.33%	4.48%
➤ Thailand	%	0.138%	0.038%	0.001%	0.004%

From the above, the Authority notes that:

- a) Chinese imports of the product have increased significantly as compared to the base year, though in terms of weight there has been a dip in imports during the POI as compared to 2007-08 period.
- b) Imports from Thailand have declined significantly as compared to the base year both in terms of weight and numbers/pieces. Even though the volumes increased in POI as compared to 2007-08 period, the same is still quite low.
- c) Even when the subject imports are attracting anti dumping duties, the imports from China PR have increased in relation to production and consumption in India when compared with the base year both in terms of weight and numbers/pieces.

## **B. Price effect of the dumped imports on the Domestic Industry**

44. In order to ascertain the price effect of the imports of the subject goods from the subject countries on the domestic industry, the Authority has examined whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. In order to assess the extent of price undercutting, the Authority has compared net sales realization of the domestic industry with the landed price of imports. The net sales realization was arrived, after deducting all rebates and taxes. The landed value of imports was compared with net sales realization of the domestic industry, even after considering the anti-dumping measure in force. Landed price from subject countries including applicable customs duty is significantly below the net sales realization and non-injurious price of the domestic industry. Apparently, the Chinese exporters have continued to export the subject goods at dumped prices, which is reflected in the price undercutting and price underselling, particularly in the context that the anti dumping measures are already in force.

In terms of weight

Particulars	Unit	China PR	Thailand	Subject Countries
CIF Price	Rs/KG	65.96	114.04	66.01
Landing Charges	Rs/KG	0.66	1.14	0.67
Assessable Value	Rs/KG	66.62	115.18	66.68
Custom Duty	%	10.00	10.00	10.00
Basic Customs Duty	Rs/KG	6.66	11.52	6.67
Cess on Custom Duty	Rs/KG	0.20	0.35	0.20
Cess on CVD	Rs/KG	0.33	0.57	0.33
Landed Price	Rs/KG	73.15	126.47	73.21
ADD Benchmark	Rs/KG	100.91	100.91	100.91
ADD Payable	Rs/KG	27.76	-	27.70
Landed Price with ADD	Rs/KG	100.91	126.47	100.91
Net sales realization	Rs/KG	****	****	****
Price Undercutting	Rs/KG	****	****	****
Price Undercutting	%	85-90	5-10	85-90
Price Undercutting with ADD	Rs/KG	****	****	****
Price Undercutting with ADD	%	32-37	5-10	32-37

**Price suppression/depression**

45. In order to assess whether the imports from the subject countries were suppressing/depressing the prices of the domestic industry, the Authority has made comparison of cost of production and selling price of the domestic industry along with the landed price of imports, which is given in the following table:

In terms of weight

	Unit	2005-06	2006-07	2007-08	POI (Oct'07-Sep'08)

Cost of Production	Rs./kg	100.00	111.30	115.81	128.63
Selling Price	Rs./kg	100.00	111.96	119.65	125.60
Landed price of imports	Rs./kg	46.26	68.66	65.51	73.21
<input type="checkbox"/> China PR	Rs./kg	46.25	68.73	65.44	73.15
<input type="checkbox"/> Thailand	Rs./kg	46.53	59.33	282.06	126.47
Changes in					
Cost of Production	Rs./kg		11.30	4.50	12.83
Selling price	Rs./kg		11.96	7.69	5.95
Landed price of imports	Rs./kg		22.40	(3.15)	7.69
<input type="checkbox"/> China PR	Rs./kg		22.48	(3.29)	7.71
<input type="checkbox"/> Thailand	Rs./kg		12.80	222.74	(155.60)

#### **Economic Parameters relating to the Domestic Industry**

46. Annexure II to the Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the AD Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow inventories, employment, wages, growth, ability to raise capital investments.

#### **Production, sales, capacity and capacity utilization**

47. Production, sales, capacity & capacity utilization of the domestic industry moved as shown below.

In terms of weight

	Unit	2005-06	2006-07	2007-08	POI
Capacity	<b>MT</b>	443,613	477,177	501,548	506,341
Production	<b>MT</b>	447,512	468,842	487,353	482,887

Capacity Utilization	%	100.88	98.25	97.17	95.37
Sales	MT	387,561	419,173	434,772	460,038
Demand	MT	540,024	585,690	614,553	624,266

In terms of numbers/pieces

	Unit	2005-06	2006-07	2007-08	POI
Capacity	Nos	8,612,867	9,147,251	9,894,774	10,020,180
Production	Nos	8,688,566	8,987,470	9,598,703	9,556,049
Capacity Utilization	%	100.88	98.25	97.01	95.37
Sales	Nos	6,743,169	7,249,446	7,710,366	8,188,490
Demand	Nos	9,583,058	10,282,435	10,886,387	11,248,710

It is noted that:

- a) The domestic industry has added capacity over the injury period. It is noted that with the increase in demand by about 15.60% (in terms of weight), the domestic industry has added additional capacity by about 14.14%. In terms of numbers, the demand increased by about 17.38% as compared to the addition in capacity of about 16.34%.
- b) Production of the domestic industry increased till 2007-08 as compared to the base year both in terms of weight and numbers/pieces. However, whereas the demand increased by about 15.60% (in terms of weight) and by about 17.38% (in terms of numbers/pieces); the production increased only by 7.90% (in terms of weight) and 9.98 % (in terms of numbers/pieces). It is thus noted that the domestic industry has not been able to improve its production to the extent of enhanced capacity or the increase in demand.
- c) Sales of the domestic industry increased both in terms of weight and numbers/pieces. Thus, the domestic industry has been able to improve its sales volumes after imposition of anti dumping duties. The domestic industry has, *inter alia*, contended that the sales could have increased further, but for continued dumping and that increase in imports prevented growth in production, capacity utilisation and sales volumes.

Profit, Return on Capital employed and Cash flow

48. Profits, Return on Capital employed and Cash flow moved as shown below:

In terms of weight

	Unit	2005-06	2006-07	2007-08	POI
Profit/Loss before tax	Rs./Kg	100.00	125.19	197.01	64.55
Profit/loss before interest	Rs./Kg	100.00	119.82	170.89	79.92
Return on Investment	%	100.00	120.46	163.21	73.67
Cash Profit	Rs./Kg	100.00	120.72	179.86	86.91

In terms of numbers/pieces

	Unit	2005-06	2006-07	2007-08	POI
Profit/Loss before tax	Rs./Set	100.00	126.95	195.68	60.86
Profit/loss before interest	Rs./Set	100.00	118.18	173.90	80.54
Return on Investment	%	100.00	120.46	163.21	73.67
Cash Profit	Rs./Set	100.00	119.14	183.18	87.57

49. The Authority notes that the profitability of the domestic industry improved till 2007-08 after imposition of anti dumping duties both in terms of weight and numbers/pieces. However, profitability declined sharply in the POI even below the levels registered in the base year. Further, both profit before tax and profit before interest shows the same trend. Return on Capital employed and Cash profit show the same trend as that of profits. Return on capital employed and Cash profit improved till 2007-08, but declined sharply in the POI. All the domestic producers are multi-product companies and cash flow situation of the company would not be indicative of the situations in the subject product. Hence the Authority has examined cash profits over the years and the same is shown as above.
50. The Authority examined profitability by considering the trends in the cost of production and selling prices over the injury period. It is found that both the cost of production and the selling prices increased throughout the injury period. However, whereas the increase in the selling prices was more than the increase in the cost of production till 2007-08, the increase in the cost of production was far higher than the increase in the selling prices during the POI. Consequently, profitability of the domestic industry suffered during the POI.

In terms of weight (indexed)

	Unit	2005-06	2006-07	2007-08	POI
Cost of Production	Rs./kg	100.00	111.30	115.81	128.63
Selling price	Rs./kg	100.00	111.96	119.65	125.60
Profit/loss	Rs./kg	100.00	125.19	197.01	64.55

Increase in					
Cost of production	Rs./kg		100.00	39.85	113.56
Selling price	Rs./kg		100.00	64.35	49.78

In terms of numbers/pieces

	Unit	2005-06	2006-07	2007-08	POI
Cost of Production	Rs./Set	100.00	111.59	113.52	126.77
Selling price	Rs./Set	100.00	112.31	117.40	123.66
Profit/loss	Rs./Set	100.00	126.95	195.68	60.86
Increase in					
Cost of production	Rs./Set		100.00	16.70	114.30
Selling price	Rs./Set		100.00	41.32	50.82

Market share

51. Comparison of the sales of the domestic producers and imports from subject countries shows that although the market share of the participating domestic industry has marginally increased, the market share of Indian Industry as a whole declined marginally with the increase in the share of subject imports from subject countries during the POI as compared to the base year.

In terms of weight

Market share	Unit	2005-06	2006-07	2007-08	POI
Domestic Industry	%	71.77	71.57	70.75	73.69
Other Indian producers	%	23.75	22.92	23.15	21.64
Total Indian Industry	%	95.52	94.49	93.89	95.34
Imports from subject countries	%	3.37	5.03	5.93	4.60
Imports from other countries	%	1.11	0.48	0.18	0.07

In terms of numbers/pieces

Market share	Unit	2005-06	2006-07	2007-08	POI
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Domestic Industry	%	70.37	70.50	70.83	72.79
Other Indian Industry	%	25.25	24.63	24.65	22.66
Total Indian Industry	%	95.62	95.13	95.48	95.46
Imports from subject countries	%	3.19	4.40	4.33	4.48
Imports from other countries	%	1.19	0.47	0.19	0.06

### Employment, wages and productivity

Position with regard to employment, wages & productivity shows as follows

#### In terms of weight

	Unit	2005-06	2006-07	2007-08	POI
No. of employees	Nos.	100	104	112	112
Wages	Rs.Lac	100	111	121	131
Wages Per Unit	Rs./KG	100	105	111	121
Productivity per Employee	MT	100	100	95	95

#### In terms of numbers/pieces

	Unit	2005-06	2006-07	2007-08	POI
No. of employees	Nos.	100	104	112	112
Wages	Rs.Lac	100	111	121	131
Wages Per Unit	Rs./Set	100	105	194	156
Productivity per Employee	Nos	100	99	97	92

52. However, the Authority notes that all the domestic producers are multi-product companies and hence the employment by the domestic industry and wages paid may not be a correct parameter to evaluate injury in the instant matter.

### Inventories

53. Inventories of the domestic industry have shown a rising trend.

	Unit	2005-06	2006-07	2007-08	POI
Average Inventories	MT	100	122	140	189

Stock as a no. of days sales	Days	100	108	125	158
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The Authority notes that though the inventories of the domestic industry were expected to decline with the imposition of anti dumping duties but the inventories have increased. This apparently shows that domestic industry has not been able to sell the increased production in the market.

#### Growth

54. The Authority notes that the growth of the domestic industry was positive till 2007-08. However, growth became negative in the POI in terms of profits, cash profits, return on investment and inventories show adverse trend during the POI, even though this was positive in respect of production and sales volumes.

#### 55. Likelihood of continued dumping & injury

a. The Authority notes that at the current level of benchmark, the landed price of imports is below the net selling price and non-injurious price of the domestic industry.

b. Imports of the product from China PR have increased significantly over the injury period. Even though there was some decline in the import volumes during the POI, still the volume of imports in the POI were at higher levels as compared to the base year. The imports have dipped as compared to 2007-08 period, but this could also be on account of the anti-dumping measure in force.

c. Although the production, capacity and sales of the domestic industry have increased over the injury period; the capacity utilization, profitability, return on investment and cash profits have declined during the POI vis-à-vis the base year. The imports at dumped prices are resulting in price undercutting, price suppression and there is a case of price underselling as well. The situation of domestic industry continues to be vulnerable and dumped imports from the subject countries continue to cause material injury to the domestic industry.

#### Conclusions on injury

56. Thus, the Authority notes that the various parameters relating to domestic industry collectively and cumulatively establish that the domestic industry has suffered material injury. While volume parameters like capacity, production and sales have increased in absolute terms, but the same have not increased corresponding to the increase in consumption of the subject goods in India. Further, profitability of the domestic industry has deteriorated in the POI, apparently because of the continued dumped imports.

#### Causal Link

#### 57. Views of the Domestic Industry

- a. Material injury has been caused to domestic industry from dumped imports from China and Thailand. Imports from other countries are de-minimis. The petitioner companies are producing the subject goods for the past several years. The technology adopted by domestic industry is comparable to the technology adopted by other players in the world-market. There is no significant difference in the manufacturing process. In fact technology for production is fairly matured, established and standardized, with little technological innovations and developments. There are no other factors for this injury but for the dumping.
- b. Landed price of imports from the subject countries were significantly below the selling price and cost of production of domestic industry causing significant price undercutting. The increase in imports is because of positive price undercutting in spite of existence of anti dumping duties;
- c. As a result of positive price undercutting, the domestic industry has been prevented from increasing its prices to the extent of non-injurious price. Continued dumped imports are therefore resulting in continued price undercutting;
- d. Volume of imports increased in terms of numbers because of positive price undercutting. Consequently market share of imports remained significant (in fact increased) in spite of existing anti dumping duties and that of Indian producers declined. Increase in volume of imports as a result of significant price difference prevented the domestic industry from increasing its production and sales to the extent of imports.
- e. Duty paid import price from subject countries vis-à-vis prices of the domestic industry shows that the imports are undercutting the prices of the domestic industry even after addition of current level of anti dumping duties.
- f. Price suppression & depression effect which the subject imports have had on the domestic industry has lead to decline in profitability over the injury period and consequent deterioration in return on investment and cash flow.
- g. In a situation where the exporters continue to export significant volumes to India in spite of existence of anti dumping duties, it follows that the volumes would at best increase with the revocation of anti dumping duties.
- h. The landed value from the subject countries has been below the net sales realization of the domestic industry. In fact, the price undercutting would at best intensify in the event of revocation of anti dumping duties. Thus, possible revocation would thus result in significant price undercutting and underselling.
- i. The imports continued to cause price undercutting. Resultantly, the volume and market share of imports increased. As a direct consequence, market share of the domestic industry declined.
- j. Increase in imports and market share and consequent prices offered by the domestic industry directly resulted in further deterioration of profit/loss situation, ROI and cash flow suggests that the situation of the domestic industry would remain adverse in the situation of continued subject imports.

### **Examination by the Authority**

58. The Authority has examined whether other parameters could have contributed to injury to the domestic industry. Following parameters were analyzed.
- a) Imports from Third Countries: - Imports of subject goods from other countries are negligible or below the de-minimis thresholds. Thus, the imports from other countries do not appear to have caused injury to the domestic industry.
  - b) Contraction in Demand:- It is noted that the demand for the subject goods has increased; thus possible contraction in demand cannot be the cause of injury to the domestic industry.
  - c) Pattern of consumption:- No significant change in the pattern of consumption has been noticed. The product supplied by the domestic industry is directly competing with that of imported material from the subject countries. The demand for the subject goods has shown an increase and it does not appear that the pattern of consumption has caused injury to the domestic industry.
  - d) Conditions of competition:- As per facts available on record, there is no evidence that conditions of competition or trade restrictive practices have caused injury to the domestic industry.
  - e) Developments in technology:- As per facts available on record, there appears to be no change in technology over the injury period which could have caused injury to the domestic industry.
  - f) Export performance of the domestic industry: - The performance of the domestic industry has been segregated for domestic sales and exports sales; and only domestic performance of the domestic producers have been considered while assessing the injury to the domestic industry.
  - g) Productivity: - It is noted that the productivity of the domestic industry has declined.
59. Thus, the Authority holds that the performance of the domestic industry over the injury period has deteriorated due to dumped imports from subject countries. This is apparently established by the following:
- i. Landed price of imports from the subject countries are significantly below the net selling price and the non-injurious price of the domestic industry, thereby causing significant price undercutting and price underselling. As a direct consequence thereof, the domestic industry was not able to achieve a higher sales realization to the extent of the increase in costs.
  - ii. The above situation has also caused price suppression, resulting in deterioration in profits and return on investments.
  - iii. Price undercutting and price suppression being caused by the dumped imports is preventing the domestic industry from realizing non injurious price.

60. Thus, the Authority concludes that the dumped imports originating in or exported from the subject countries have caused material injury to the domestic industry within the meaning of Rule 11 read along with Annexure II of the AD Rules.

#### **D. Likelihood of recurrence of dumping and injury**

61. The Authority notes that dumping is continuing from China PR and Thailand in spite of the antidumping duty in force and the domestic industry continues to suffer material injury due to such dumped imports. Therefore, further examination of the likelihood of recurrence of dumping and injury is not required.

#### **H. CONCLUSIONS**

62. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority through the submission of interested parties or otherwise as recorded in the above findings and on the basis of the above analysis of the state of current dumping and injury and likelihood of continuation or recurrence of dumping and injury, the Authority concludes that:

- i. The subject goods are entering the Indian market at dumped prices and dumping margins of the subject goods imported from subject countries is significant and above de-minimis limits prescribed. The subject goods continue to be exported to India at dumped prices inspite of existing anti dumping duties.
- ii. Considering the facts available on record, the subject goods are likely to enter Indian market at dumped prices, should the present measures be withdrawn.
- iii. The situation of domestic industry deteriorated further in spite of existing anti dumping duties. Further, should the present anti dumping duties be revoked, injury to the domestic industry is likely to continue and intensify.
- iv. The deterioration in the performance of the domestic industry is because of dumped imports from the subject countries.
- v. The current level of anti dumping duty is insufficient to address continued dumping and consequent injury to the domestic industry and thus the anti-dumping duty is required to be modified.

#### **I. RECOMMENDATIONS**

63. Having concluded that the product continues to be exported at dumped prices, the current dumping margin and injury margin establishes the need for revision in the anti-dumping duty in force, the situation of the domestic industry continues to be vulnerable and there is likelihood of continuation of dumping and injury on account of imports from subject countries, if the duties are revoked, the Authority is of the opinion that the measure is required to be extended and the quantum of Anti-dumping duty is required to be modified in respect of imports from subject countries as specified in the duty table below. For the purpose of determining injury, the landed value of imports is compared

with the non-injurious price of the domestic industry determined for the period of investigation.

64. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Accordingly, the antidumping duty equal to the difference between the amount indicated in Col 8 of the table below and the landed value is recommended to be imposed on all imports of subject goods originating in or exported from the subject countries.

**Duty Table**

Sl. No	Heading / Subheadings	Description of goods	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	40112090 , 40131020 and 40129049	New/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16	Thailand	Thailand	Any	Any	0.37	Kg	US \$
2.	40112090 , 40131020 and 40129049	New/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16	Thailand	Any country other than Thailand	Any	Any	0.37	Kg	US \$
3	40112090 , 40131020 and 40129049	New/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia	Any country other than countries attracting Anti-dumping	Thailand	Any	Any	0.37	Kg	US \$

		code above 16	duty						
4.	40112090 , 40131020 and 40129049	New/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16	China PR	China PR	Any	Any	1.64	Kg	US \$
5.	40112090 , 40131020 and 40129049	New/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16	China PR	Any country other than China PR	Any	Any	1.64	Kg	US \$
6.	40112090 , 40131020 and 40129049	New/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16	Any country other than countries attracting Anti- dumping duty	China PR	Any	Any	1.64	Kg	US \$

65. Landed value of imports for the purpose shall be the assessable value as determined by the Customs under the Customs Act, 1962 and all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.
66. An appeal against this order shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

**P.K. Chaudhery**  
**The Designated Authority**