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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)
Jeevan Tara Building, 4th Floor
5, Parliament Street, New Delhi-110001

Date: 22nd September, 2016

Final Finding

Subject: Second Sunset Review of the antidumping duty in force on imports of Narrow Woven Fabric originating in or exported from China PR and Chinese Taipei.

F. No. 15/14/2015/DGAD: Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also 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 also referred to as the Rules) thereof;

A. Background of the Case

1. Whereas having regard to the above Rules the Designated Authority (hereinafter referred to as the Authority) initiated an antidumping investigation against import of Narrow Woven Fabric originating in or exported from China PR and Chinese Taipei on 9th June, 2004 and preliminary findings were issued by the Authority on 10th January, 2005. Provisional duties were imposed on 14th February, 2005. The Authority issued its final findings on 7th June, 2005 recommending imposition of definitive duties and duties were imposed vide Customs Notification dated 25th July, 2005.
2. Thereafter, the Authority initiated a sunset review investigation on 20th August, 2009 to examine whether cessation of anti-dumping duty was likely to lead to continuation or recurrence of dumping and consequent injury to the domestic industry and whether the anti-dumping duties were required to be extended further. The Designated Authority issued its Final Findings vide Notification No 15/9/2009-DGAD dated 19th August, 2010 and definitive anti-dumping duties were extended by the Central Government vide Customs Notification No 108/2010 dated 6th October, 2010 for a further period of five years. The duties were valid till 5th October, 2015.

3. Before expiry of the above duty M/s. Ishi Industries Limited filed an application before the Designated Authority for initiating a sunset review of the antidumping duties on import of the above goods from the above countries, imposed vide Customs Notification No 108/2010 dated 6th October, 2010. The petitioners alleged likelihood of continuation or recurrence of dumping of the above goods, originating in or exported from the People's Republic of China and Chinese Taipei (herein after referred to as the subject countries) and consequent continuation or recurrence of injury to the domestic industry and requested for review for continuation and enhancement of the anti-dumping duties.
4. In accordance with section 9A (5) of the Act, read with Rule 23 of the Anti-Dumping Rules, the Authority initiated a sunset review investigation, vide Notification No. 15/14/2015-DGAD dated 1st October 2015 to examine whether the expiry of the said duties on the import of the above goods originating or exported from the above countries is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. The duty was extended by the Department of Revenue till 5th October, 2016, vide Notification No.52/2015-Customs (ADD), dated 28th October, 2015.

B. Procedure

5. The procedure described below has been followed with regard to the subject investigation:
 - i. The Embassies of the subject countries in New Delhi were informed about the initiation of the sunset review investigations in accordance with Rule 6(2).
 - ii. The Authority provided copies of the non-confidential version of the application to the known exporters and the Embassies of the subject countries in accordance with Rules 6(3) supra. A copy of the non- confidential version of the application was also made available in the public file and provided to other interested parties, wherever requested.
 - iii. The Authority forwarded copies of the public notice to the following known manufacturers/exporters in the subject countries (whose names and addresses were made available to the Authority by the petitioner) and provided opportunity to make its views known in writing within forty days from the date of the letter in accordance with the Rules 6(2) & 6(4).

CHINA

1. Taiwan Jianxin Weaving Company Ltd.
2. Zhejiang Hongming Weaving Ribbon Co Ltd.
3. Baihe Holding Co Ltd.
4. Hangzhou Sanxin Textile Co., Ltd.
5. Yiwu Huali Weaving Company

6. F &T Narrow Fabric Co. Ltd.
7. Shenzhen Dongsanxin Textile Co. Ltd.

TAIWAN

1. Taiwan Paiho Ltd.
 2. Taiwan Special Tape Company
 3. Lovetex Industrial Corporation
 4. Taiwan Joca Corp
 5. Chico Textile Industries Co. Ltd.
 6. Nam Liong Enterprise Co. Ltd.
 7. Hua Tai Special Webbing Co., Ltd.
- iv. China being a Non-Market Economy country, a Market Economy Treatment (MET) questionnaire was also forwarded to all the known producers/exporters in China PR and the Embassy of China PR with the request to provide relevant information to the Authority within the prescribed time limit. While for the purpose of initiation the normal value in China was considered based on the cost of production of the subject goods in India, duly adjusted, the Authority informed the known producers/exporters from China PR that it proposes to examine the claim of the applicant in the light of Para 7 and Para 8 of Annexure I of Antidumping Rules, as amended. The exporters/producers of the subject goods from China PR were, therefore, requested to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 of Annexure I referred above to enable the Authority to consider whether market economy treatment can be granted to the cooperative exporters/producers in that country.
- v. None of the producers/exporters of the subject goods in the subject countries have filed any questionnaire responses:
- vi. The Authority forwarded copies of the public notice to the following known importers/consumers of subject goods in India (whose names and addresses were made available to the authority by the applicants) and advised them to make their views known in writing within forty days from the date of issue of the letter, in accordance with the Rule 6(4):
- i. Ambattur Clothing Ltd.
 - ii. Autoliv IFB India Ltd.
 - iii. Hindutch Overseas Ltd.
 - iv. Jai Expo
 - v. S M Apparels Pvt. Ltd.
 - vi. Sun & Ski Exports Pvt. Ltd.
 - vii. Aasar Global
 - viii. Jawahar Lal Phool Chand
 - ix. Bhavan Garments Ltd.
 - x. Shridi Exports
 - xi. Continental Pens
 - xii. S R S Suits
 - xiii. Giria Enterprises Pvt. Ltd.

- xiv. International Textiles
- xv. Balu Expo
- xvi. D. G. Enterprises
- xvii. Paramount Garments Exports Pvt. Ltd.
- xviii. Parma International
- xix. Fashion Creations
- xx. Shiv Shakti Impex
- xxi. Country Craft
- xxii. Gagan International Associates
- xxiii. Shikhar Enterprises
- xxiv. Niyaz Apparels
- xxv. Dewanchand & Co.
- xxvi. Rajdhani Sales Corporation
- xxvii. Sky Industries
- xxviii. Carbon Labs

- vii. The Authority also wrote to the other known producers of the subject goods in India, as per the information provided by the petitioner, to provide information relevant to this investigation. The following producers have provided their domestic production and sales data:
 - a. M/s Sky Industries Ltd.
 - b. M/s Sidhartha Filaments Pvt. Ltd.
 - c. M/s Magic Fasteners Ltd.
 - d. M/s Gajanand Elastic Lace Works
- viii. M/s Magic fasteners have supported the petition. M/s Sky Industries Ltd., was the petitioner in original and first sunset review investigations. However, they have intimated the Authority that they are no longer in production of the subject goods because of certain labour issues but they have supported to the present investigation.
- ix. One of the other producers of the subject goods i.e., M/s Samraj Global has filed certain submissions supporting the sunset review but opposing the demand of the petitioner for extension of the anti-dumping duty to unprocessed Narrow Woven Fabrics at intermediate stage used in manufacturing of finished goods i.e., Velcro Tapes, which is the subject matter of the present investigation.
- x. None of the importers of the subject goods has filed any questionnaire response in this matter.
- xi. The Period of Investigation (POI) for the purpose of the present review investigation is April 2014 to March 2015 (12 months). The examination of trends in the context of injury analysis covered the periods 2011-12, 2012-13, 2013-14 and the POI. Further, the Authority has also examined the Post-POI data (April – September 2015), to the extent possible, to analyze the trends for the purpose of likelihood assessment.

- xii. Transaction-wise imports data for the period of investigation and preceding three years was procured from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and has been relied upon for the analysis in this investigation. The domestic industry has submitted transaction-wise import data obtained by them which has been placed in the public folder.
- xiii. Exporters, producers, importers and other parties concerned with the subject goods, who have neither responded to the Authority, nor supplied information relevant to this investigation, have not been treated as interested parties in this investigation.
- xiv. The Authority made available non-confidential version of the evidence presented by interested parties, in the form of a public file kept open for inspection by the other interested parties as per Rule 6(7).
- xv. The Authority has examined the information furnished by the domestic producers to the extent possible on the basis of guidelines laid down in Annexure III of the Rules to work out the cost of production and the non-injurious price of 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.
- xvi. The Authority provided opportunity to all interested parties to present their views orally in public hearings held on 29th July, 2016. All the interested parties attending the hearings were requested to file written submissions/rejoinders of the views expressed orally.
- xvii. The submissions made by the interested parties during the course of this investigation have been examined and addressed in this finding.
- xviii. The Authority, during the course of investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of these findings to the extent possible and conducted on-the-spot verification at the premises of the domestic industry to the extent considered relevant and necessary.
- xix. Information provided by the interested parties on confidential basis were examined with regard to sufficiency of the confidentiality claims. 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.
- xx. In accordance with the Rules the Authority issued a disclosure statement

containing all essential facts of the case on 12th September, 2016 for the comments of the interested parties. The comments of the interested parties, to the extent they are relevant, have been addressed in this finding in appropriate places.

- xxi. *** in this finding represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xxii. The exchange rate for the POI has been taken by the Authority as Rs.61.69 = 1US\$.

C. Scope of Product under consideration and like article

- 6. The product under consideration in the Final Findings of the original investigation dated 7th June, 2005 was described as follows:

“The Product under consideration in the present investigations is “narrow woven fabric having pile weave, made up of manmade fibers, used as a fastening tape” (henceforth also referred to as subject goods). In market parlance, the subject goods are known by various synonyms such as “Hook & Loop Tape Fasteners”, “Velcro Tapes”, “Fastening Tapes”, “Fasteners” etc. The distinguishing feature of the product is “pile weave”. The subject goods are described in terms of Peel Strength, Shear Strength and Light Fastness. Hook and Loop fasteners are generally made from manmade fibers (yarns) nylon (Nylon 6 and Nylon 6,6), polyester etc. The product under consideration is produced in sizes typically varying between 12mm to 125mm of width. Further, while the product is sold in the market place in terms of length of the product (measured in meters) and the associated costs and prices of various product types vary with width, the same becomes almost homogenous when converted into weight. The major uses of the subject goods are in industries such as garment industries, surgical & orthopedic apparatus manufacturing, shoes & footwear manufacturing, luggage/bags manufacturing, toys, automobile upholstery and various other industrial segments. Narrow Woven fabric is classified under customs Sub heading 580610 of the Customs Tariff Act 1975. After the provisional findings, M/s Country Craft, importer, asked the Authority to clarify whether the investigation has been performed only on hook and look tape, whereas the notification mentions the entire chapter. The Authority confirms that Anti-dumping investigations have been conducted with regard to the product under consideration only as mentioned above (also referred to as subject goods) and as stated in the initiation notification, as well as in the preliminary findings, and the customs classification is indicative in nature and is in no way binding on the scope of the investigation.”

- 7. Present investigation being a sunset review investigation, the product under consideration would remain the same as has been defined in the original investigation. However, the petitioning domestic industry has raised certain issues regarding the scope of the product under consideration which has been examined as follows:

C.1 Views of the domestic industry

8. The petitioning domestic industry has submitted that after imposition of antidumping duties significant volumes of the subject goods in uncut/unfinished form are being exported from the subject countries. The petitioner has *inter alia* argued
- That the product under consideration is “narrow woven fabric having pile weave, made up of man-made fibers, used as a fastening tape”. In market parlance, the subject goods are known by various synonyms such as “Hook & Loop Tape Fasteners”, “Velcro Tapes”, “Fastening Tapes”, and “Fasteners” etc. The distinguishing feature of the product is “pile weave”.
 - That uncut Hook & Loop Tapes are nothing but an incomplete/unfinished hook & loop with only the finishing operations of cutting the hook left un-done and therefore, they are part of product under consideration. Significant imports of Hook & Loop tapes are being reported in India at present without undertaking cutting operations in exporting countries. Given the level of activity involved in this, antidumping duty should be charged on these imports.
 - That there are imports of the product where the operation of cutting the Hook has not been carried out in China and has been left to be carried out in India. The tape is passed through machining known as hook cutting and slitting machine. The cost involved in these operations requires a small investment only for the slitting machine. The process of cutting Hook is almost no production process.
 - That reports issued by (i) The Bombay Textile Research Association, (ii) Sasmira (The Synthetic & Art Silk Mills’ Research Association), (iii) Northern India Textile Research Association and (iv) Laboratories Textiles Committee, Ministry of Textiles clarify that uncut hook & loop tape is nothing but hook & loop tape fastener.
 - That uncut Hook was not excluded from the scope of product under consideration. The Customs Authorities have interpreted that antidumping duty does not apply on such uncut hook and therefore, dumping has significantly shifted to uncut hooks.
 - That there were no imports of the PUC in uncut form at the time of original investigations and even at the time of sunset review investigation. Imports of PUC in uncut form have been made only in the recent period.
 - That if uncut Hook & Loop tape *de-facto* constitutes Hook & Loop tape fastener, it is evident that the same shall constitute the PUC. The PUC has not been defined as "ready to use" Hook & Loop tape fastener. Since uncut hooks are

nothing but an incomplete /unfinished hook and loop with only finishing operation of cutting the hook left undone. Therefore, it is the product under consideration and the Authority should clarify the same in its finding.

- That clarification of the product under consideration is different from enlargement of the scope of the product under consideration.

9. In the post disclosure submissions, the petitioner has mostly reiterated its arguments regarding the scope of the product under consideration and has inter alia argued as under:

- That while product under consideration is used as a fastening tape, the description of the product under consideration cannot be limited to ready to use tape only. The scope of the product under consideration should not be given a narrow explanation, which might permit evasion of anti-dumping duty. The scope of the product under consideration should be given a widest possible explanation to avoid evasion of anti-dumping duty. Evasion of anti-dumping duty is neither in the interests of the Govt. of India nor in the interest of domestic industry, nor in the interests of public at large;
- That clarifying the scope of the product under consideration is different from expanding the scope of the product under consideration. While the Designated Authority cannot expand the scope of the product under consideration it can clarify the scope of the product under consideration. Petitioner has however, requested clarifying the scope of the product under consideration only;
- That the Authority has considered that there is substantial processing from the stage of unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics to the finished ready to use fabric. There appears no factual basis for the same;
- Price difference between the import price of different types cannot be used a parameter for the present purpose. The price might be affected by varying degree of dumping of different product type. The relevant parameter is difference in cost of production;
- That when the petitioner is undertaking full-fledged production process, and when the major conversion costs involved are in fabric making, it is impossible that the other producer would incur so significant costs.
- That the US has considered certain tests for holding whether a new product type sought to be imported constitute a product type within the scope of PUC or it constitutes a different product type beyond the scope of PUC. When applied on the above touch stone, it would be seen that this so called unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics form is nothing but a form

of product under consideration and it would be appropriate to clarify the scope of product under consideration to include this form.

C.2 Views of other interested parties

10. M/s Samraj Global, one of the manufactures of Velcro Tapes from the fabrics stage, in its submissions, has opposed the demand of the petitioner for extension of the antidumping duty to unprocessed narrow woven fabrics, in its intermediate stage, used in production of finished Velcro Tapes. They have submitted that they import narrow woven fabrics which is at intermediate stage, i.e., woven and dyed only, which is further processed to produce Velcro Tapes or Hook and Loop Fasteners after various processes. It has been argued that at least 10 processes are involved in making Velcro Tapes or Hook and Loop Fasteners from Woven and Dyed fabrics and that involves about 40% Value Addition.

C.3 Examination by the Authority

11. The above claims and counterclaims have been examined during the verification of the production units of the petitioning domestic industry located near Mumbai as well as that of M/s Samraj Global located near Viwadi.

12. It has been noted that the petitioner produces the goods from the yarn stage. Polyester and Nylon Yarns are woven into the narrow woven fabrics with pile and mushroom weave (for loop and hook formation) of different widths. The woven fabrics are then dyed, straightened and rolled, and then treated with chemicals (glue bonding and thermosetting) to achieve required toughness. Piled and processed narrow woven fabrics are then passed through the brushing and raising machines to raise the piles to required height to convert to female tape. Mushroomed fabrics are passed through the hook cutting machines to form the Hooks or male tapes. Both the hook and loop fabrics are then slit into tapes of required width and length and packed and sold as Velcro Tapes as a set of hook and loop tapes.

13. On the other hand, the other producer, i.e., M/s Samraj Global starts its production from unprocessed narrow woven fabrics, untreated and without glue bonding, which they import. Raw narrow woven fabrics go through the same processing as followed by the petitioning domestic industry and this company has same processing line. The company has claimed that these processing steps involve substantial value addition. The domestic industry has disputed the claim of value addition through this process. It has been argued that their own cost as a manufacturer would establish that the value addition at this stage would not support the claim of this producer having substantial processing/value addition. The Authority notes that this is not an anti-circumvention proceeding. Therefore, the examination of this aspect is beyond the scope of this investigation.

14. The above clearly indicates that the petitioning domestic industry is a producer of hook and loop fastener or velcro tapes and sells hook and loop fasteners only. Though it weaves narrow woven fabrics with pile weave as an intermediate product, it does not sell narrow woven fabrics as such in the market. The description of PUC as defined in the original investigation and followed in the subsequent reviews clearly indicates that the product originally investigated and on which the duties are in force cover only the finished products and not the raw unprocessed narrow woven fabrics as such. The arguments of the domestic industry as above also clearly indicates that the product on which the duty is in force is hook and loop fasteners / velcro tapes and not unfinished narrow woven fabrics.
15. In its post disclosure submissions, the domestic industry has argued that while product under consideration is used as a fastening tape, the description of the product under consideration cannot be limited to ready to use tape only. However, they have not disputed the fact that they are the producers of hook and loop fasteners only and therefore, they could not have asked for investigation for an intermediate product which is used for producing hook and loop fasteners. Therefore, this argument of the domestic industry that the scope of the product under consideration covers the intermediate product is not valid.
16. The price difference between the finished goods and uncut/unfinished goods, as per the import data, does not appear to support the argument of the domestic industry that the alleged import of semi-finished products, (as indicated in the transaction descriptions) are just uncut subject goods and only cutting operation is required to be carried out to convert it into the finished good. However, during the public hearing the petitioning domestic industry produced some samples of alleged imported goods which appeared to be uncut loop and hook fabrics. They were actually fully processed, glue bonded and piles brushed and raised with only hook cutting left. Petitioner has submitted certificates issued by several testing authorities in support of its claim that these uncut Hook & Loop Tapes are nothing but part of product under consideration.
17. Examination of the above arguments and certificates of testing agencies indicate that fully processed but uncut Hook & Loop Tape Fasteners have all the properties of the finished velcro tapes except the hook cutting. These uncut hook and loops appear to have no other use except being used as hook and loop fasteners. Therefore, the Authority is of the view that these fully processed but uncut hook and loop tapes are covered under the scope of the product under consideration being alike in all essential characteristics.
18. As far as unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics, which is an intermediate stage of manufacturing the hook and loop velcro tapes, after substantial processing do not clearly fall within the scope of the product under consideration. Therefore, inclusion of this intermediate product would amount to expanding the scope of the production. The Authority has consistently held that in a

sunset review the product under consideration cannot be expanded to cover products or product types and/or variants thereof, not covered in the original investigation, in spite of clear evidence of shift in import patterns.

19. The Authority further notes that any import of products of a prior stage or a value added stage, apparently to circumvent the duties against the product under consideration in an investigation, is the subject matter of a separate investigation under a separate set of provisions under the Rules and cannot be addressed in a review of this nature. Therefore, if the petitioning domestic industry is affected by import of narrow woven fabrics in any other form or stages of processing, which has the effects of circumvention of the duties, it is open to the petitioning domestic industry to initiate appropriate anti-circumvention proceedings under the relevant provisions of the Law. In view of the above the contentions of the petitioning domestic industry that all forms of uncut narrow woven fabrics should be covered under the scope of product under consideration by way of a clarification by the Authority has not been accepted. However, fully processed and finished hook and loop tapes left uncut has been held to be covered under the scope of the product under consideration in view of the reasons recorded above.
20. No relevant submission has been made by any other producers/exporters/importers/other interested parties with regard to the scope of the product under consideration (PUC) and like article. This being the sunset review investigation, the Authority holds that the scope of the PUC in the present investigation remains the same as that of the original investigation, subject to the above clarification on the issues.
21. Applicant has submitted that narrow woven hook and loop velcro tapes produced by them is like article to narrow woven hook and loop velcro tapes imported from the subject countries in terms of physical and technical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing, and tariff classification of the goods. The imported product and the domestically produced goods are technically and commercially substitutable, and consumers use them interchangeably. However, the Authority notes that while almost entire imports from Taiwan are nylon narrow woven hook and loop fasteners the petitioning domestic industry produces a very small quantity of nylon narrow woven hook and loop tapes. Production and consumption of nylon narrow woven hook and loop fasteners in the country is very limited.
22. The product under consideration is classified under Chapter 58 of the Custom Tariff Act under the subheadings 580610. However, the customs classification is indicative in nature and is in no way binding on the scope of the investigation.

D. Domestic Industry and Standing

23. The petition for the sunset review has been filed by M/s. Ishi Industries Limited.

Apart from the applicant, the subject goods are produced by M/s. Magic Fasteners Pvt. Ltd., M/s. Sky Industries Ltd., M/s. Sidhartha Filaments Private Limited, M/s. Gajanand Elastic Lace Works and M/s. Riya Texfeb Pvt. Ltd. M/s. Magic Fasteners Pvt. Ltd. and M/s. Sky Industries Ltd. have supported the petition. M/s Samraj Global, who produces the subject goods from fabric stage, has also supported the application but has opposed the argument of the petitioner to extend the duties to intermediate stage. It is noted that the production of the applicant and the supporters constitutes a major proportion of total domestic production of subject goods in India. It is also noted that the applicant has not imported the subject goods nor are they related to any importer or exporter from the subject countries.

24. No relevant submission has been made by any other producers/exporters/importers/other interested parties with regard to the standing of the applicants and the scope of the domestic industry. The Authority notes that the domestic industry in the original and first sunset review case constituted M/s. Sky Industries Ltd. However, it has been submitted by the applicant that subsequent to the previous review investigations, M/s. Sky Industries has largely become an importer of the subject goods. A letter from Sky Industries enclosed with the petition supporting the petition also states that Sky Industries is at present not producing the product under consideration, because of some labor issues in their plant. In the meantime, the present applicant has set up manufacturing facilities in India and is engaged in production of the product. The Authority has, therefore, considered the applicant as eligible domestic industry for the purpose of this investigation.

E. Interested Parties to this investigation

25. Since none of the producers/exporters of the subject goods in the subject countries and importers in India has filed any questionnaire response only the petitioner and the supporting producers, as listed in para 5 (vii) above, and M/s Samraj Global alongwith the Governments of the responding countries have been treated as interested parties to this investigation.

F. Other Issues raised by the domestic industry and other interested parties

26. Apart from the above issues the petitioner has submitted that after imposition of antidumping duties on the subject countries a significant volumes of the subject goods originating in China are allegedly being transhipped through other countries i.e., Indonesia, Malaysia and UAE, to circumvent the duties. It has been argued that there are no known production facilities for manufacturer of the subject goods in these countries. Therefore, significant increase in imports from these countries is an indication of transshipment of goods originating in the countries attracting duties, particularly, China. In support of this argument the petitioner has submitted copies of correspondence made to the Embassies of the subject countries in India to provide the details of the producers of the subject goods in those countries. While UAE has confirmed that there are no producers of the subject goods in that country, Malaysia and Indonesia have not responded to the communication. The petitioner

has argued that silence of these countries on the issues is an indication of admission of transshipment through these countries as they have not refuted the allegation of transshipment made in the petition. Domestic industry therefore, argues that while assessing the volume of import from the subject countries, the volume of imports from Indonesia, Malaysia and UAE should be added for volume and price impact analysis.

27. The domestic industry has also argued that a significant volume of uncut velcro tapes are also being imported after imposition of duties on the subject goods allegedly to circumvent the duties and therefore, these imports should also be considered for volume impact analysis.

28. The issues have been examined on the basis of DGCI&S import data as follows:

Import Quantity in MT				
Countries	2011-12	2012-13	2013-14	2014-15 (POI)
China PR	1,105	860	261	436
Uncut hook and loop	151	330	144	311
Finished Goods	955	530	117	124
Alleged Transshipment				
Indonesia	166	352	397	641
Malaysia	187	288	157	163
U A E	-	52	59	53

29. The data indicates a significant drop in imports from China. While there has been a significant increase in volume of imports from Indonesia, there is decrease in import from Malaysia and imports from UAE remain almost constant. No information has been provided by the Govt. of Indonesia regarding the manufacturing facilities in Indonesia or alleged transshipment. UAE has already confirmed that there is no production of the subject goods in that country. In the absence of any other information from any interested parties, including the Govt.s, of the responding countries, there appears to be some strength in the arguments of the domestic industry that the subject goods imported from Malaysia, Indonesia and UAE are likely to be of Chinese origin. However, this also appears to be a matter of examination under anti-circumvention provisions to extend the duties to those countries through which the goods are allegedly being shipped to circumvent the duty on China rather than under this review.

30. The representative from Taipei Economic and Cultural Centre, representing the Govt. of Chinese Taipei argued in the public hearing that the performance of the domestic industry has improved and the imports from Taiwan have declined as per IBIS data submitted by the petitioners. There is no injury to the domestic industry and, therefore, there is no need to continue the antidumping duty against this country. It was also argued that protective measures should not be misused to

cause barriers to imports. It was further argued that Domestic industry has selectively used Taiwan Customs data to show high volume of exports of the product from Taiwan, whereas IBIS shows low volume of imports and petitioner has not provided evidence of excess capacity in Taiwan.

31. The above issues raised by Taipei Economic and Culture Centre and other relevant issues raised by the parties to the investigation have been addressed in the respective sections in this finding to the extent they are relevant and supported by evidence.

G. Methodology of Determination of current Dumping

G.1 Legal Positions

32. Section 9A (5) of Customs Tariff Act, 1975 provides that: -

“The anti-dumping duty imposed under this Section shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition:

Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension;

Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the Anti-dumping duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.”

33. Accordingly, in a sunset review investigation the Authority is required to examine:

- Whether dumping continues after imposition of the antidumping duty and if so, whether it is likely to continue;
- In cases where dumping did not continue, whether the dumping would recur in the event of revocation of anti-dumping duties;
- Whether the domestic industry continued to suffer material injury and if so, whether injury to the domestic industry is likely to continue if the duties are removed;
- In cases where the domestic industry has not suffered continued injury, whether injury to the domestic industry is likely to recur in the event of revocation of anti-dumping duties.

34. Therefore, the Authority has first proceeded with the examination as to whether dumping of the subject goods continues from the subject countries and whether dumping is likely to continue or recur if the duties are revoked, before examining whether the domestic industry continues to suffer material injury on account of such dumped imports and injury is likely to continue or recur in such a situation.

G.2. Examination of Continuation of Dumping: Determination of Normal Values, Export Prices and Dumping Margins.

35. The Authority notes that none of the producers and exporters from the subject countries has submitted any questionnaire response. In the absence of any credible information from the producers and exporters the current dumping and likelihood of continuation or recurrence of dumping of the subject goods from these two countries have been examined based on best facts available with the Authority as follows:

(a) China PR

36. As per DGCI&S import data relied upon 436 MT of Narrow Woven Fabrics (both Velcro and other than Velcro) was imported from China PR during the POI. Out of this quantity only 124 MT was finished goods and rest (311MT) being "Narrow Woven Fabrics other than Velcro". The price difference between the finished goods, which is the PUC and Narrow Woven Fabrics other than Velcro is quite significant. Therefore, as deliberated in detail in the earlier section, for the purpose of fair comparison and determination of the degree and extent of dumping the export price of the PUC alone has been considered.

Normal Value

37. The domestic industry has argued that China being a Non Market Economy and having been treated so by the Authority in various investigations normal value should be determine in terms of Para 7 of Annexure 1 of the Rules. The Authority notes that the petitioner initially suggested determination of normal value for exporters in China on the basis of the price or constructed values in the Market Economy Third Country. Accordingly, the petitioner suggested that Sri Lanka should be adopted as surrogate country and a consent letter from one of the producers from Sri Lanka (M/s S. N. Industries Pvt. Ltd.) offering to co-operate in the investigation for the purpose of surrogate determination was produced. However, subsequently the said producer in Sri Lanka did not produce any information/data for determination of normal value under this provision. Therefore, in the absence of any credible and verifiable information the Authority has proceeded to construct the normal value under the second proviso of Para 7 of the Annexure 1 of the Rules on the basis of price actually paid or payable in India for the like product, duly adjusted to include a reasonable profit margin. The imports from China are Narrow Woven Fabrics of mixed fibres. Accordingly, the constructed normal value for China PR has been determined based on the cost of production of like product of the domestic industry, duly adjusted with a reasonable profit which works out as **US\$***/ Kg.**

Export Price

38. Net ex-works export price of the subject goods exported from China during the period of investigation has been determined on the basis of DGCI&S Import data duly adjusted for domestic and international freight and insurance, commission, bank charges and port handling expenses on facts available basis as follows:

Particulars	UOM	PUC
Import Volume	MT	124
Assessable Value	Rs Lacs	270
CIF Export Value	US\$ Lacs	4.37
Export Price	US\$/Kg	3.51
Ocean Freight	US\$/Kg	0.05
Marine Insurance	US\$/Kg	0.02
FOB Export Price	US\$/Kg	3.44
Commission - 3%	US\$/Kg	0.10
Port Expenses-0.5%	US\$/Kg	0.02
Inland Freight - 0.5%	US\$/Kg	0.02
Bank Charges-0.5%	US\$/Kg	0.02
Net Export Price	US\$/Kg	3.29

Dumping Margin:

39. The normal value determined at ex-works level have been compared with the net ex-works export price to arrive at the dumping margin for all exporters in China as follows:

NV US\$/Kg	EP US\$/Kg	DM US\$/Kg	DM %
***	3.29	***	70-80%

(b) Chinese Taipei

40. The DGCI&S data relied upon indicates that only 32 MTs of the subject goods have been imported from Chinese Taipei during the POI and the prices are significantly high compared to the other countries. The domestic industry has contended that the imports from Chinese Taipei are of Nylon Narrow Woven Fabrics which are generally high priced. The petitioner produces mostly narrow woven fabrics of mixed fibres. But small quantity of Narrow Woven Fabrics made out of Nylon is also produced. None of the producers or exporters of the subject goods in Chinese Taipei has filed any questionnaire response for determination of the normal value in that country. Therefore, for the purpose of fair like to like comparison normal value in Chinese Taipei has been constructed based on cost of production of the domestic industry for the Narrow woven fabrics made out of Nylon, duly adjusted and with a reasonable margin of profit. The normal value for Taiwan has been constructed cost by adopting international price of nylon, all other conversion and utility cost as per domestic industry duly adjusted for selling, distribution and finance cost and after allowing a reasonable return of 5% as per practice of the Authority as **US\$***/Kg**.

Export Price

41. Net ex-works export price of the subject goods exported from Chinese Taipei during the period of investigation has been determined on the basis of DGCI&S Import data duly adjusted for domestic and international freight and insurance, commission, bank charges and port handling expenses on facts available basis as follows:

Particulars	UOM	Taiwan
Import Volume	MT	32
Assessable Value	Rs Lacs	293
CIF Export Value	US\$ Lacs	4.75
Export Price	US\$/Kg	14.74
Ocean Freight	US\$/Kg	0.05
Marine Insurance	US\$/Kg	0.07
FOB Export Price	US\$/Kg	14.62
Commission - 3%	US\$/Kg	0.44
Port Expenses-0.5%	US\$/Kg	0.07
Inland Freight - 0.5%	US\$/Kg	0.07
Bank Charges-0.5%	US\$/Kg	0.07
Net Export Price	US\$/Kg	13.96

Dumping margin:

42. The normal value determined at ex-works level have been compared with the net ex-works export price to arrive at the dumping margin for all exporters in Chinese Taipei as follows:

NV US\$/Kg	EP US\$/Kg	DM US\$/Kg	DM %
***	13.96	(***)	(***)%

43. The Authority notes that the dumping margin during the period of investigation determined for China is significantly above de minimis level and the dumping margin for Chinese Taipei is negative.

H. Likelihood of continuation or recurrence of dumping

H.1 Views of the domestic industry

44. The domestic industry, in its submissions has *inter alia* argued

- i. That there is a history of dumping of the subject goods from the subject countries. After imposition of definitive duty on the subject goods, imports from Chinese Taipei have declined. However, imports from China continue to enter in significant volumes. The dumping has continued in case of China PR and the volume of imports is significant enough.

- ii. That Dumping Margins determined in previous investigations were significant and clearly shows likelihood of dumping and consequent injury in the event of cessation of anti-dumping duty. Even the dumping margins in the present investigation are high.

Dumping Margin

Investigation	China	Taiwan
Original	355 %	298 %
SSR-1	40-45 %	25-27 %

- iii. In the event of cessation of anti-dumping duty, these exporters will get a greater opportunity to dump the product under consideration into India, taking away the market share of the domestic industry. The remaining market opportunity for the domestic industry, if taken away by the dumped imports, the Indian producers would be left with no options but to suffer heavy losses to sustain in the market or to close their plants.
- iv. That Chinese product is being transhipped through Malaysia, Indonesia and UAE and if the duties are revoked these goods will start coming directly from China at dumped prices.
- v. That in case of Chinese Taipei, although there is very low import during the injury investigation period dumping is likely to recur in case of cessation of anti-dumping duty. It has been argued that Designated Authority has in previous sunset reviews, initiated investigations and continued anti-dumping duty despite the fact that imports were nil or low in volume on the ground that there was likelihood of recurrence of dumping. Therefore, despite low imports from Chinese Taipei, the duty should be continued.
- vi. That data collected from Taiwan customs showing exports of product under consideration under the Customs classification relevant for the present purposes shows consistent and rising exports of the product under consideration at a price much lower than the price reflected in Indian customs, as would be seen from the table below:

Year	Volume – MT		Value - Rs. Lacs		Rate - Rs./Kg	
	IBIS	Taiwan Customs	IBIS	Taiwan Customs	IBIS	Taiwan Customs
2011-12	19	15	78	112	418	738
2012-13	8	71	43	321	541	451
2013-14	13	164	73	697	574	425
POI	15	163	112	621	753	382

- vii. That it is evident from the above that the import price from Taiwan is much lower than the import price reported by the Indian Customs. In view of significant imports, petitioner made further enquiries in the market and found that the goods being imported from Taiwan are 100% nylon made fabric.
- viii. That in view of the above the Authority should consider of Taiwan Customs data for the purpose of injury analysis and calculation of dumping margin for imports from Taiwan.
- ix. That the producers in the subject countries have significant surplus production capacities, and in case of cessation of the present duty, dumping from subject countries would definitely increase and ultimately cause injury to the domestic industry.
- x. Without providing the source the petitioners have provided the following information regarding the capacities and production of some of the major producers of the subject goods in the subject countries in support of their claim. None of the interested parties has contested this claim.

Name of Company	Capacity/MT per annum
Baihe Holding Co Ltd, Zhejiang, China	3,713
Zhejiang Hongming Weaving Ribbon Co. Ltd., China	3,750
Hangzhou Sanxin Textile Co., Ltd., China	900
Chico Textile Industries Co. Ltd., Taiwan	188
Shenzhen Dongsanxin Textile Co Ltd., China	312
Total estimated Production Capacity	8,862

- xi. That the exports were at dumping prices despite existing anti-dumping duty, it is clearly established that in case of cessation of the present duty, exports from the subject countries at dumped prices would definitely increase and ultimately cause injury to the domestic industry.
- xii. That export sale of the product under consideration from subject countries to world is significant. Majority of the producers in the subject countries have been exporting the product under consideration rather than selling in their respective domestic markets; which clearly establishes export orientation of the manufacturers in the subject countries. In the event of revocation of duty, these exporters are likely to increase their exports to India at dumped prices. In support of this claim the petitioners have provided the following information without quoting any source. However, this information also has not been contested by any other interested party. It has been argued that foreign producers are intensely focused on exports and in the event of cessation of

duty, these exporters are likely to increase their exports to India at dumped prices.

SN	Name of known foreign producer/exporter	Export Orientation
1	Zhejiang Hongming Weaving Ribbon Co. Ltd., China	30%
2	Baihe Holding Co. Ltd., Zhejiang, China	30%
3	F & T Narrow Fabric Co. Ltd., China	40%
4	Shenzhen Dongsanxin Textile Co. Ltd., China	10%
5	Chico Textile Industries Co. Ltd., Taiwan	30%
6	Taiwan Paiho Limited, Taiwan	80%
7	Hua Tai Special Webbing Co., Ltd., Taiwan	30%

- xiii. That the prices at which subject goods are being imported are substantially lower than the price at which the goods are being sold in the domestic market. Therefore, in case of expiry of duty, exporters would further channelize their output in the Indian market as they are already holding excessive capacities and are in fact selling subject goods to third countries at substantially lower prices. All such circumstances would result in likelihood of injury to the Domestic Industry.

H.2 Views of other interested parties

45. None of the other interested parties have made any submission with regard to the likelihood of continuation or recurrence of dumping.

H.3 Examination by the Authority

46. It was noted in the previous section that there were no dumped imports from Chinese Taipei during the POI. The dumping margin of the imports from China PR is significant. In view of the above, what is required to be examined in this review is whether the dumping would continue from China PR and recur from Chinese Taipei if the duties are revoked. In the absence of any information from the producers and exporters in the subject countries the Authority has examined the information provided by the domestic industry as follows:

47. As far as China PR is concerned, the Authority notes that significant import of the subject goods is taking place from China PR at dumped prices. Apart from the finished goods, there is also a significantly increased import of uncut hook and loop Velcro tapes which appear to have the characteristics of the finished goods. It also

appears that there is a significant import of basic narrow woven fabrics which goes into production of hook and loop Velcro after various processes. If the duties are revoked there is a clear likelihood of the imports shifting back to the finished goods which are currently at dumped prices thereby affecting both the finished good industry both from basic yarn stage as well as from fabric stage.

48. Further there is an allegation of transshipment of significant quantities of the subject goods, originating in China PR, through certain countries. This allegation has not been refuted by any interested party. The prices, at which these goods are entering the Indian market indicate that the imports are at dumped prices. Once the duties are revoked it is likely that these goods would be directly get exported from China PR.

49. Further, the capacities and export intensity of the known producers in China PR indicates these producers would be in a position to continue and intensify their exports to India at similar price levels if the duties are revoked.

50. The post POI data indicates imports are continuing from China PR and at similar price levels.

Countries	Qty in MT		Price in Rs/Kg	
	2015-16 - H1	2015-16 - H2 Upto Jan	2015-16 - H1	2015-16 - H2 Upto Jan
	CHINA P RP	161	156	160
Uncut hook and loop	142	140	144	115
Finished Goods	19	16	281	326

51. Therefore, overall analysis of these factors indicates that there is a likelihood of continued dumping from China PR if the duties are revoked.

52. However, as far as Chinese Taipei is concerned, there is practically no import of the subject goods from this country during the injury investigation period. Only a small quantity has been imported during the POI and post POI period but at significantly at high prices in spite of the fact that duties are in force. The goods are of higher quality (Nylon Velcro) and these exports have been found to be at un-dumped prices. This product type is not produced in India in significant volumes.

53. Quoting the Chinese Taipei Customs data, the petitioner has argued that prices, as reported by customs authorities in that country, indicate significantly low prices and if the duties are removed there will be recurrence of dumping at that price. The Govt. of Chinese Taipei has disputed the use of this data. However, this data has not been corroborated with any other evidence. Therefore, this argument of the domestic industry has not been accepted.

54. The current volume of import from Chinese Taipei is miniscule for any meaningful assessment of dumping. However, information on the capacities and export intensity of major producers in this country, as provided by the petitioners, indicates that there is a possibility of increased imports from this country if the duties are revoked as these producers have higher capacities. However, the price levels do not support the argument that there would be a recurrence of dumping from this country.

I. Methodology and Determination of Injury and Causal Link

55. As noted earlier, in a sunset review investigation, with regard to injury examination, the Authority is required to examine:

- Whether the domestic industry continued to suffer injury and if so, whether injury to the domestic industry is likely to continue;
- In cases where the domestic industry has not suffered continued injury, whether injury to the domestic industry is likely to recur in the event of revocation of anti-dumping duties.

56. Therefore, the Authority has first examined whether the domestic industry continues to suffer material injury on account of dumped imports from the subject countries before proceeding to examine the likelihood of continuation or recurrence of injury to the domestic industry in the event of revocation of the duties from the subject countries. Examination of material injury to the domestic industry is in accordance with the Article 3 of the AD Agreement and Annexure II to the AD Rules, 1995.

J. Determination of Injury and Causal Link

J.1 Submissions by the domestic industry

57. The domestic industry has submitted that though domestic industry has not suffered material injury during the injury investigation period withdrawal of anti-dumping duty shall lead to injury to the domestic industry.

58. It has been argued that the Designated Authority is required to examine the probable consequence of the expiry of the duty in force. There might be a situation where improvement in the present performance of the Domestic Industry post imposition of anti-dumping duty is due to anti-dumping duty in force. In such a case, the Designated Authority is required to examine likelihood of recurrence of injury to the Domestic Industry apart from examination regarding improvements in the performance of the Domestic Industry as discussed in the preceding paragraphs of this Section. Further, in a case where the Domestic Industry might already be suffering injury, the Authority is required to examine whether likely dumping from the subject country is likely to continue to cause injury to the Domestic Industry.

J.2 Submissions by other interested parties

59. Authority notes that no submission has been made by any producer/exporter/importer regarding injury and causal link except the submissions on behalf of the Govt. of Chinese Taipei as recorded earlier.

J.3 Examination by the Authority

60. The Authority has taken note of various submissions of the interested parties and the domestic industry on the injury and causal links and all the averments made have been examined taking into account the facts available on record and applicable law. Accordingly, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood of continuation or recurrence injury on account of imports from the subject countries in the event of cessation of the duties.
61. The Authority notes that though the review is being conducted against two countries the margin of dumping with respect to Chinese Taipei is negative and the product imported from Chinese Taipei during the period of review being significantly different the conditions of competition is not satisfied. Therefore, the current injury to the domestic industry, if any, by dumped imports from these countries has been examined separately.
62. Rule 11 of Antidumping Rules read with Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...” In considering the effect of the dumped imports on prices, it is considered necessary to examine 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.
63. For the purpose of current injury analysis, the Authority is required to examine the volume and price 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 links between the dumping and injury, if any.
64. The Authority notes that the application for continuation of antidumping duty was initially filed by M/s Ishi Industries and they have been treated as the domestic industry for the purpose of injury investigation in this review.

65. The volume and price impacts of the dumped imports on the physical parameters of the domestic industry have been examined before proceeding to examine the likelihood of continuation or recurrence of injury to the domestic industry in the event of revocation of the duties.

a. Volume impact of dumped imports

(i) Import Volumes & share in Imports

66. The import data obtained from DGCI&S has been examined to analyse the trend in import volumes and prices and their impact on the domestic industry. The Authority notes the arguments of the domestic industry that there has been significant import of uncut narrow woven fabrics from China, which is nothing but the subject goods and therefore, those imports should also be counted for injury examination. In the previous section the Authority examined the issue and concluded that the subject goods as defined in the previous investigations and which is subject matter of review in the present investigation has been described in such manner that it makes it abundantly clear that the duty is intended to be imposed on the finished narrow woven fabrics which is capable of being used as Velcro Tapes. Therefore, import of unfinished or uncut fabrics as alleged is not within the scope of this investigation. If those unfinished or uncut fabrics are being exported to circumvent the duty the domestic industry is free to petition for initiation of an anti-circumvention investigation as per the relevant provisions of the law. Therefore, for the purpose of the present review only the finished goods, as defined as the product under consideration has been considered for volume and price impact analysis.

67. Further, as noted earlier, the domestic industry has argued that there are significant transshipment of the subject goods originating in China PR through certain countries in order to avoid the duties. The allegation of transshipment has not been refuted by the interested parties and the Governments of the countries concerned. However, this being a subject matter of anti-circumvention investigation this issue has not been addressed here. But for the purpose of likelihood examination both the uncut and transhipped volumes have been considered as these goods are likely to enter the Indian market as subject goods directly in the event of revocation of the duties as a result of this review.

68. The Authority further notes that while imports from China during the POI are at dumped prices, imports from Chinese Taipei are un-dumped imports. However, this being a sunset review for the purpose of likelihood examination all imports from both the countries have been examined for volume and price impact analysis. The DGCI&S import data of the subject goods during the injury investigation period is as under:

Imports Volume	UOM	2011-12	2012-13	2013-14	2014-15	2015-16 H1
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China	MT	1,105	860	261	436	161
Uncut/unfinished	MT	151	330	144	311	142
Subject goods	MT	955	530	117	124	19
Alleged Transshipment						
INDONESIA	MT	166	352	397	641	261
MALAYSIA	MT	187	288	157	163	54
U A E	MT	-	52	59	53	-
Total China + Transshipment	MT	1,458	1,553	873	1,293	476
Taiwan	MT	14	5	6	32	30
Other Countries	MT	413	894	618	1,121	589
Total Imports	MT	1,885	2,452	1,497	2,447	1,095

69. The data indicates that subject goods imports from China PR has substantially declined over the injury investigation period and uncut/unfinished goods import does not show any definite trend. Alleged transhipped goods of likely Chinese origin through Indonesia shows significant increase. There is no definite trend as far as import through Malaysia and UAE is concerned. The imports from these two countries remain more or less flat. Imports from Chinese Taipei is very low during the entire injury investigation period. The domestic industry has admitted that the imports from Taiwan are of high priced Nylon Tapes. The production and demand of this product in India is also significantly low. Imports from other countries in fact shows significant increase.

Share in Imports	UOM	2011-12	2012-13	2013-14	2014-15	2015-16 H1
Subject Countries	%	78%	64%	59%	54%	46%
China	%	59%	35%	17%	18%	15%
Uncut/unfinished	%	8%	13%	10%	13%	13%
Subject goods	%	51%	22%	8%	5%	2%
Alleged Transshipment						
INDONESIA	%	9%	14%	26%	26%	24%
MALAYSIA	%	10%	12%	10%	7%	5%
U A E	%	0%	2%	4%	2%	0%
Total China + Transshipment	%	77%	63%	58%	53%	44%
Taiwan	%	1%	0%	0%	1%	3%
Other Countries	%	22%	36%	41%	46%	54%
Total	%	100%	100%	100%	100%	100%

70. The above data indicates that assuming that the uncut/unfinished narrow woven fabrics get converted into finished goods and get shipped directly to India, the percentage share of goods originating in or exported from China PR shows a significant decline throughout the injury investigation period from about 77% to 53% in POI and further to 44% in the post POI period. The imports from Chinese Taipei accounts for less than 1% of the total imports. Imports from other countries show

significant rise and account for about 46% of the imports in the POI.

ii) Assessment of Demand and Market Shares

71. Assuming that the uncut/unfinished goods imported to India gets converted to finished goods and consumed in India the demand has been worked out taking into account the uncut/unfinished goods from China as well as imports of finished subject goods from all sources alongwith domestic production of all known producers as per the information available. The demand and market shares estimated are as follows:

Demand	UOM	2011-12	2012-13	2013-14	2014-15	2015-16 H1
Total China + Transshipment	MT	1,458	1,553	873	1,293	476
Trend	Index	100	107	60	89	33
Taiwan	MT	14	5	6	32	30
Trend	Index	100	36	43	229	214
Other Countries	MT	413	894	618	1,121	589
Trend	Index	100	216	150	271	143
DI domestic Sales	MT	***	***	***	***	***
Trend	Index	100	129	151	173	85
Other Indian Producers	MT	***	***	***	***	***
Trend	Index	100	74	73	73	38
Total Demand	MT	2,994	3,478	2,593	3,624	1,694
Trend	Index	100	116	87	121	57
Market Share						
Subject Countries	%	49%	45%	34%	37%	30%
Total China + Transshipment	%	49%	45%	34%	36%	28%
Taiwan	%	0%	0%	0%	1%	2%
Other Countries	%	14%	26%	24%	31%	35%
DI domestic Sales	%	***%	***%	***%	***%	***%
Trend	Index	100	117	183	150	158
Other Indian Producers	%	***%	***%	***%	***%	***%
Trend	Index	100	64	84	60	68
Total	%	100%	100%	100%	100%	100%

72. The above data indicates that demand does not show a definite trend. It increased in 2012-13 and then declined to increase again in POI. Market share of the subject countries has declined significantly from about 50% to about 30% whereas the market shares of the other countries and petitioning domestic industry has increased substantially during this period. In fact, the market share of the other domestic producers has fallen from about ***% to ***% while share of the petitioner

has gone up from ***% to ***%. The Authority notes that the major producer of the subject goods earlier, i.e., M/s Sky Industries, has gone out of production because of other reasons.

b. Price impact of dumped imports

i) Trend of Import Prices

73. The import prices of the subject goods imported from various countries during the POI as per DGCIS data is as follows:

Imports Price	UOM	2011-12	2012-13	2013-14	2014-15	2015-16 H1
Subject Countries	Rs/KG	119	137	156	207	206
China	Rs/KG	85	99	108	152	160
Uncut/unfinished	Rs/KG	54	64	70	126	144
Subject goods	Rs/KG	89	120	154	217	281
Alleged Transshipment						
Indonesia	Rs/KG	299	254	198	207	191
Malaysia	Rs/KG	139	111	128	206	204
U A E	Rs/KG	-	82	92	254	-
Total China + Transshipment	Rs/KG	116	135	151	190	182
Taiwan	Rs/KG	414	665	795	910	579
Other Countries	Rs/KG	422	454	450	453	418
Total	Rs/KG	185	253	278	320	320

74. The data above indicates that the CIF prices of imports from China shows a significant increase during the injury investigation. Only in case of alleged transshipments through Indonesia there is a significant drop in prices. Imports from Chinese Taipei are at very high prices and the prices have increased. Imports from other countries are higher than the prices from China PR and have moved in a very narrow band during the injury investigation period.

ii) Price undercutting effect of dumped imports

75. To examine the price undercutting effects of the dumped imports from China PR the landed values of the imports of the finished goods have been compared with the net sales realisations of the domestic industry. In case of Chinese Taipei, the imports are of Nylon Tapes. Therefore, for the purpose of undercutting analysis the selling price of domestic industry for Nylon tapes have been compared with the landed value of imports from this country.

	Unit	2011-12	2012-13	2013-14	2014-15 (POI)	Post POI
China PR						

Landed price of imports	Rs./KG	99.53	133.62	171.65	241.27	312.63
Net Sales Realisation	Rs./KG	***	***	***	***	***
Price Undercutting without ADD	Rs./KG	***	***	***	***	***
Price Undercutting without ADD (%)	%	65-75%	50-60%	45-55%	25-35%	5-15%
Landed price of imports (With ADD)	Rs./KG	237.70	290.48	346.29	418.33	501.79
Price Undercutting with ADD	Rs./KG	***	***	(***)	(***)	(***)
Price Undercutting with ADD (%)	%	30-40%	5-1%	(0-10)%	(10-20)%	(25-35)%
Chinese Taipei						
Landed price of imports	Rs./KG	460.72	740.61	885.75	1,013.29	644.64
Net Sales Realisation	Rs./KG	***	***	***	***	***
Price Undercutting without ADD	Rs./KG	***	(***)	(***)	(***)	(***)
Price Undercutting without ADD (%)	%	0-10%	(55-65)%	(105-115)%	(125-135)%	(40-50)%
Landed price of imports (With ADD)	Rs./KG	544.96	836.25	992.24	1,121.26	759.98
Price Undercutting with ADD	Rs./KG	(***)	(***)	(***)	(***)	(***)
Price Undercutting with ADD (%)	%	(10-20)%	(40-50)%	(50-60)%	(55-65)%	(35-45)%

76. The data indicates that the dumped imports from China PR did significantly undercut the prices of the domestic industry. But since antidumping duties were in force the duty paid imports did not have any impact on the prices of the domestic industry as it had a negative undercutting margin. The imports from Chinese Taipei did not have any undercutting effect on the selling prices of the domestic industry.

(iii) Price underselling effects of dumped imports

77. The landed value of the dumped imports has also been compared with the Non-injurious price determined for the domestic industry taking into account the cost of production of the domestic industry to see if the dumped imports had significant price underselling effect on the domestic prices.

Particulars	UOM	China PR	Chinese Taipei
Non Injurious Price	Rs/Kg	***	***
Non Injurious Price	US\$Kg	***	***
Landed Price of dumped imports Without ADD	US\$Kg	3.91	16.43
Landed Price of dumped imports With ADD	US\$Kg	6.78	18.18
Price Underselling without ADD	US\$Kg	***	***
	%	40-50%	(50-60)%
Price Underselling with ADD	US\$Kg	(***)	(***)
	%	(10-20)%	(50-60)%

78. The above data indicates that the dumped imports from China PR had significant

underselling effect on the domestic industry's prices. However, duty paid landed values have negative price underselling effects. Imports from Chinese Taipei did not have any underselling effect on the domestic industry.

(iv) Price suppression or depression

79. The trends in cost and prices of the domestic industry and the landed values of imports from China as tabulated below shows that the prices of the domestic industry were not suppressed or depressed due to the price impact of imports from China PR. Imports from Chinese Taipei are at significantly higher prices.

Particulars	Unit	2011-12	2012-13	2013-14	2014-15 POI	Post POI
Cost of sales	Rs./KG	***	***	***	***	***
Trend	Index	100	99	106	109	110
Selling price	Rs./KG	***	***	***	***	***
Trend	Index	100	99	106	108	111
Landed price of imports	Rs./KG	99.53	133.62	171.65	241.27	312.63
Trend	Index	100	134	172	242	314

c. Economic Parameters indicating injury to the Domestic Industry

80. The various physical performance parameters relating to the domestic industry are as follows:

(i) Actual and potential impact on Capacity, Production, Capacity Utilization and Sales

81. Performance of the domestic industry has been examined in respect of sales, capacity, production and capacity utilization are as under, to see if the performance of the producers was impacted by the imports from the subject countries.

Particulars	Unit	2011-12	2012-13	2013-14	POI 2014-15	Post POI H1
Capacity	MT	***	***	***	***	***
Trend	Index	100	156	178	200	122
Production	MT	***	***	***	***	***
Trend	Index	100	126	147	173	82
Capacity Utilization	%	84%	68%	69%	72%	56%
Trend	Index	100	81	82	86	67
Sales	MT	***	***	***	***	***
Trend	Index	100	129	151	173	85

82. The Authority notes that the petitioner Company came into production of the subject goods in 2010-11 with a capacity of *** MT per annum which has been consistently increased over the years to an annual capacity of *** MTs in POI. The production

and sales have also more than doubled during this period. The decline in capacity utilization is because of capacity addition almost every year. Therefore, the imports do not appear to have impacted the production and sale of the domestic industry.

(ii) Actual and potential impact on Profit/loss, return on investment and cash flow

83. The domestic industry does not have any export of the subject goods. Financial performance of the domestic industry during the injury investigation period for the subject goods are as shown in table below.

Profit /(Loss)	Unit	2011-12	2012-13	2013-14	POI	Post POI
Cost of Sales	Rs./KG	***	***	***	***	***
Trend	Index	100	99	106	109	110
Selling Price	Rs./KG	***	***	***	***	***
Trend	Index	100	99	106	108	111
Profit/(Loss)/Unit	Rs./KG	***	***	***	***	***
Trend	Index	100	71	67	83	137
Profit/(Loss) - total	Rs.Lacs	***	***	***	***	***
Trend	Index	100	92	102	143	117
Cash Profit						
Profit/Loss	Rs.Lacs	***	***	***	***	***
Trend	Index	100	92	102	143	117
Depreciation	Rs.Lacs	***	***	***	***	***
Trend	Index	100	97	100	100	54
Cash Profit	Rs.Lacs	***	***	***	***	***
Trend	Index	100	95	101	118	81
Interest	Rs.Lacs	***	***	***	***	***
Trend	Index	100	128	137	175	60
Profit before Interest and Tax	Rs.Lacs	***	***	***	***	***

84. The data indicates that the profitability of the domestic industry has improved over the injury investigation period indicating no impact of imports on the financial performance of the domestic industry.

(iii) Actual and potential impact on Inventories

85. Inventories with the domestic industry have increased over the injury period. The petitioner has submitted that the inventories would have increased further, but for the decision of the petitioner to regulate the production level according to sales.

Particulars	UOM	2011-12	2012-13	2013-14	2014-15
Opening stock	MT	***	***	***	***
Closing sock	MT	***	***	***	***
Average Stock	MT	***	***	***	***
Trend	Index	100	129	86	157

(iv) Employment, Productivity and Wages

86. Employment and wages of the petitioner have increased over the injury period as the capacities and production have also increased. Productivity in terms of productivity per day has also increased. However, productivity per employee has declined in the POI.

Particulars	UOM	2011-12	2012-13	2013-14	2014-15
Employees	No	***	***	***	***
Trend	Index	100	125	150	183
Salary & Wages	Rs Lacs	***	***	***	***
Trend	Index	100	123	134	149
Productivity per Day	MT	***	***	***	***
Trend	Index	100	126	147	172
Productivity per Employee	MT	***	***	***	***
Trend	Index	100	101	98	94

(v) Growth

87. Information with respect to growth of various parameters indicate that the domestic industry has registered positive growth in terms of both volume and price parameters.

Growth	UOM	2011-12	2012-13	2013-14	2014-15	Post POI
Production	%	-	26%	17%	17%	-6%
Domestic Sales Volume	%	-	29%	17%	14%	-1%
Capacity Utilization	%	-	-16%	2%	3%	-17%
Profit	%	-	-29%	-5%	23%	65%
Cash Profit	%	-	-5%	6%	18%	36%
Return on Capital Employed	%	-	0%	-2%	2%	-0.31%

(vi) Level of dumping & dumping margin

88. The dumping margin of the dumped imports from China PR is not only more *than de minimis*, but also very substantial. However, the imports from Chinese Taipei are at un-dumped prices.

K. Injury Margin

89. The landed value of the dumped imports from the subject countries have been compared with the Non-injurious price determined for the domestic industry, as per the principles laid down in the Rules, for assessing the current level of injury margin, if any.

Particulars	UOM	China PR	Chinese Taipei
Non Injurious Price	US\$Kg	***	***
Landed Price of dumped imports	US\$./Kg	3.91	16.43
Injury Margin	US\$/Kg	***	(***)
	%	40-50%	(50-60)%

90. The above data indicates that while the imports from China PR continued to have a positive injury margin, and the selling prices of the domestic industry is below the Non-injurious price, the imports from Chinese Taipei did not have any injury margin during the period under review.

L. Overall Assessment of Injury and Causal Link

91. Examination of the injury parameters as above indicates that the domestic industry did not suffer any material injury during the period under examination and this fact has also been admitted by the petitioner domestic industry in its submissions though the weighted average selling prices (NSR) was marginally below the non-injurious price determined for them in case mixed yarn products. The imports from the subject countries did not have any adverse impact on the domestic industry in terms of volume and prices. Therefore, the Authority does not find any reason to analyses the mandatory non-attribution factors and examination of causal link.

M. Likelihood of recurrence of injury

92. Though the examinations in the previous section indicate that the petitioning domestic Industry did not suffer material injury on account of dumped imports from the subject countries, this being a sunset review of the duties in force the Rule, the authority is required to examine the likelihood of recurrence of injury in the event of expiry of the duty. The domestic industry has argued that the current price undercutting and/or the potential undercutting would indicate that the goods will cause material injury to the domestic industry if the duties are revoked. It has been argued that in a situation where there is no continued injury to the domestic industry, the same does not imply that the anti-dumping duty in force should be allowed to cease. The Rules require the Designated Authority to examine likelihood of recurrence of injury to the Domestic Industry in the event of expiry of the anti-dumping duty in force.

93. The examination of the likelihood of continuation or recurrence of dumping indicated in the previous section that there is a clear likelihood of continuation of dumping from China PR. It was also noted that though there is a miniscule import from Chinese Taipei of a high-end product type during the period of investigation, there is a possibility of higher imports taking place from Chinese Taipei in view of the

capacities available in that country. In view of the above the likelihood of recurrence of injury to the domestic industry has been examined in that context.

M.1 Views of the Domestic Industry

94. The domestic industry has submitted that though the performance of the domestic industry has been stable or improved in respect of a number of economic parameters as a result of anti-dumping duty being in force, dumping has continued and has adversely affected the domestic industry in respect of parameters such as capacity utilization, stocks, market share, low profits, low return on investments and low cash flows from the operations as domestic industry has been forced to regulate production and is faced with rising inventories despite the same. It has been argued that despite the presence of anti-dumping duties, significant imports from China (direct as well as transshipped) are entering at dumped prices - both in cut and uncut form and volume of imports from Chinese Taipei as reported by Taiwan Customs has increased in the investigation period. The dumped imports from China are significantly undercutting the prices of the domestic industry. The landed price of imports is not only below the selling price of the domestic industry but also below cost of production and non-injurious price of the domestic industry.
95. Domestic industry further argues that both dumping margin and injury margin in the current POI are positive and significant. Therefore, dumped imports would suppress the prices of the domestic industry and prevent the price increases that would occur in the absence of antidumping duty. The performance of the domestic industry deteriorated in the post POI in respect of parameters such as production, sales volume and capacity utilization despite antidumping duty being in force. It has been submitted that in spite of demand in the country being significantly beyond the capacities within the country, the domestic industry is faced with decline in capacity utilization, low and minor market-share in the Country. If the duties are revoked the market share will drop further.
96. It has been submitted that significant price undercutting by the dumped imports from China during the POI without application of anti-dumping duty implies that the domestic industry shall be forced to reduce the prices significantly in the event of cessation of anti-dumping duty. Given low level of profitability of the domestic industry, any such price reduction shall imply that the domestic industry shall suffer financial losses, negative return on investment and negative cash profits.
97. The domestic industry further argues that WTO jurisprudence of the subject requires the Designated Authority to examine likelihood of injury to the domestic industry in the event of revocation of antidumping duties even if there were no imports during the review period or the domestic industry did not suffer material injury in that period. Reference has been made to the Panel Report of the WTO in the matter of US – Sunset Review of Anti-Dumping Duties on Oil Country Tubular Goods from Argentina wherein it was held that:

“The state of the domestic industry as on the date of the sunset review at issue was positive did not preclude it from nevertheless finding that the US Industry is likely to be affected by the increase in the volume and the negative effect of the prices of the likely dumped imports.”

98. It has been submitted that the above finding of the Panel was further upheld by the Appellate Body though there was not a single export of the subject goods from the subject country after the imposition of the antidumping duty. Therefore, the Designated Authority should examine the likelihood of recurrence of injury on the basis of these findings of the Panel and Appellate Body.

99. As far as Chinese Taipei is concerned, the domestic industry has argued that duty needs to be continued despite low import volumes from Chinese Taipei. It has been argued that even in the event of low volumes of imports reported during the POI of a sunset review investigation, anti-dumping duty can be continued. Domestic industry argues that there are a number of instances where foreign authorities have continued the duty in the first and subsequent sunset reviews in spite of no or low volume of imports during the review periods. It has been further argued that those decisions of different Authorities clearly show that investigating authorities globally consider only the question of likelihood of continuation or recurrence of dumping and injury at the time of sunset review and the duration for which antidumping duty have already been in force or the volume of imports during the review period is of little consequence/ relevance/ importance in sunset review investigations.

100. Domestic industry further argues that in the instant case, the producers and exporters in Chinese Taipei have sufficient surplus capacity to produce the subject goods and are highly export oriented. Further, export information collected from Taiwan Customs data establishes that there are significant exports of the product under consideration to third countries. Therefore, cessation of antidumping duty on imports from Chinese Taipei would result in increased importation of the product in India at dumped prices.

M.2 Views of other interested parties

101. No relevant submission has been made by any other interested party and the submissions of the domestic industry with regard to likelihood of recurrence of injury has been made.

M.3 Post Disclosure submissions of the interested parties

102. The domestic industry, in its post disclosure submissions has argued that the instant case being the sunset review investigation, the quantum of duty should remain same as has been recommended by the Designated Authority in the

previous sunset review investigation. It has been argued that the present case is a fit case where existing anti-dumping duty should be extended further instead of modification for the following reasons:

- In case of China, the investigation has clearly established that there is significant import of product under consideration in following three forms -(a) uncut fabric; (b) unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics and (c) transshipment from third countries. These three forms of imports have not been included for determination of the dumping margin and injury margin. Resultantly, the quantum of dumping margin and injury margin determined are not representative for the purpose of fixation of anti-dumping duties. Majority of the imports of product under consideration in China in the three of these forms. Only much smaller volume of the total imports from China (direct, and transshipment) constitutes imports of finished ready to use fabric and have been used for determination of dumping margin and injury margin. Majority of imports are either in the form of uncut fabric or unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics or transshipment from third countries. Such being the case, the quantum of dumping margin and injury margin determined by the Authority is not representative of the likely situation and therefore, it would not be appropriate to modify the quantum of ADD in the present case. Alternatively, the authority may kindly consider all these imports and then determine dumping margin, injury margin and quantum of anti-dumping duty.
- In case of Taiwan, the investigation has shown that the volume of exports reported in Taiwan Customs is significantly higher than the volume of exports reported in Indian customs. Further, the export price reported in Taiwan customs is materially lower than the Indian price reported in Indian customs. Such being the case, it would not be appropriate to modify the quantum of Anti-dumping duty and the existing anti-dumping duty in itself may kindly be extended.
- The volume of imports from the subject country has declined to low levels because of ADD. Cessation of anti-dumping duty based on such margins will lead to recurrence of dumping and consequent injury to the domestic industry. The purpose of the sunset review is to consider likely situation in the event of cessation of ADD and therefore, the present prices are not reflective of likely situation.
- Imposing anti-dumping duty, on the basis of the margins determined in the previous investigation, would be more appropriate and reflective to their actual price and would be able to curb dumping.
- The Rules provide for a determination of whether the anti-dumping duties should be extended further. This implies a decision on whether or not to extend the duties further. While the Designated Authority in practice has also utilized this opportunity to modify the quantum of anti-dumping duties, such opportunity is

not available where the case is based on likelihood of dumping and injury. In the present case, extension of ADD is based on the grounds of likelihood and therefore, in any case the volume and price of imports should not be benchmark for deciding on the quantum of ADD.

- The practice being followed by third countries such as Canada, US and Europe is to decide whether or not to extend the anti-dumping duties. These countries do not at all alter the quantum of anti-dumping duties even if there are significant imports in the POI and the dumping margin & injury margin is quite lower than existing anti-dumping duties.
- There is past precedence available wherein the Designated Authority has extended the same quantum of duty as has been recommended in their respective original/ previous investigations in spite of dumping margin in review cases being lower than what was been determined in the original/ previous investigations.

M.4 Examination by the Authority

103. The Authority notes that the domestic industry has not suffered deterioration in performance in respect of most of the physical and financial parameters apparently because of low volume of imports from the subject countries, particularly Chinese Taipei. The low imports are clearly because of the antidumping duty in force against these countries. The investigation also shows that imports from certain other countries have increased and these imports apparently originate from one of the subject countries i.e., China PR. This has not been refuted by any interested party, including the Government of China PR or the Govt.s of the Countries through which the goods are allegedly being transshipped. Further some quantity of uncut hook and loop tapes are also being imported from China PR. Post POI data indicates continuation of the same volume and price trend indicating that the trend is likely to continue. Therefore, once the duties are removed or expired it is likely that all such imports will start coming in directly from China PR and in finished form. Therefore, there is an imminent potential increase in volume of imports from China PR if the duties are removed or expired. At present the domestic industry and other domestic producer command less than 33% of the total domestic demand whereas the dumped imports from China PR (including alleged transshipments) accounts for over 37% of the domestic demand. If the duties are removed the share of imports from China is likely to significantly increase.

104. The price level of imports from China PR indicates that these prices, without application of antidumping duty, were undercutting and underselling the prices of the domestic industry though it did not affect the domestic industry significantly because of the antidumping duty as the duty paid landed value did not have any price undercutting or underselling effect. However, once the duties are removed the imports will have significant price undercutting and the domestic industry, which still

has a low market share, will be forced to benchmark its prices with the import price. At that prices the profitability and other financial parameters of the domestic industry is likely to be significantly affected. Therefore, there is a clear and imminent likelihood of recurrence of injury if the duties on imports of the subject goods originating in or exported from China PR are removed or expired.

105. However, as far as Chinese Taipei is concerned, the imports during the POI are negligible and at high prices. These imports did not have any price undercutting or underselling effect even if antidumping duties are not taken into account. The domestic industry has not provided any positive evidence to establish that there is clear and imminent likelihood of significant increase in imports from this country except that the Taipei Customs data shows higher exports and at lower price and some spare capacities in that country. Given the fact that some capacities exist in that country which will enable higher exports of these goods to India, there is a possibility of certain increase in imports from that country and that may also include some quantities of Velcro made of polyester. However, no positive evidence has been provided by the domestic industry to establish that these goods are likely to enter the Indian market at significantly dumped prices. Even going by the Chinese Taipei Customs data the prices are significantly higher compared to Chinese Prices and Indian Prices. The domestic industry has also not given any significant argument as to how these high priced imports of hook and loop velcro tapes made out of nylon, which has limited market in India, will significantly affect them if the duties are removed and increased imports take place. No allegation of exports through third countries (transshipment) or export of uncut hook and loop tapes have been made against this country. The post POI data in respect of Chinese Taipei do not show any significant change either in terms of volumes and prices. Therefore, the Authority is of the view that likelihood recurrence of injury on account of imports from Chinese Taipei, in the event of revocation of duty, is not clearly foreseen and imminent.

106. The domestic industry, in its post disclosure submissions, has argued that the duties imposed in the previous Sunset Review should be extended against both the countries without modification. It has been argued that in case of China, the investigation has clearly established that there is significant import of product under consideration in three forms, i.e., (a) uncut fabric; (b) unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics; and (c) transshipment from third countries.

107. The authority notes that while uncut hook and loop velcro has been treated as part of the product under consideration, unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics have not been considered as a part of the product under consideration. Further, though alleged transshipped goods have been considered for likelihood determination, this not being an anti-circumvention investigation, no determination could be made based on these transshipped goods.

However, a positive determination of current dumping and injury margins have been made against imports from China based on the imports of the product under consideration during the POI which was not insignificant. In such a situation the Authority has consistently modified the duty to be imposed for the next five years. Only when there are insignificant imports during the POI of a review, which does not permit a reasonable determination of dumping and injury margin but a likelihood of recurrence of dumping and injury is established based on other factors, the Authority recommends continuation of the previous duty. As far as Chinese Taipei is concerned, in the factual matrix of the case the Authority has concluded that there is no likelihood of injury on account of exports from this country. Therefore, Authority does not find any merit in the arguments of the domestic industry to continue the previous duty without modification.

N. Indian Industry's interest and other issues

108. The purpose of imposing anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian domestic market. In the instant case M/s Sky Industries, the original applicant in the previous cases, has gone out of production and has become an importer of the subject goods. The present applicant has established its plant in 2010-11 under antidumping duty protection and has increased its capacities. Some other units have also come up to produce the subject goods from intermediate stage. These efforts will be significantly affected if the dumped imports are allowed to continue in significant quantities which will not be in the interest of the domestic consumers as there is significant demand supply gap in the domestic market, the domestic capacities and production being less than 50% of domestic demand.

O. Conclusion and Recommendations

109. The Authority initiated and conducted this sunset review investigation in accordance with the Law and examined the current dumping, injury and causal links between dumping and injury to the domestic industry and likelihood of continuation or recurrence of dumping from the subject countries and consequent injury to the domestic industry in the event of withdrawal of duty.

110. Having completed the investigation as per the relevant provisions of the Rules after providing adequate opportunity to all interested parties to defend their interests the Authority concludes:

- (a) Dumping of the subject goods continued from China PR during the period of investigation. However, imports from Chinese Taipei was found to be not at dumped prices.

- (b) There was no volume or price impact of the dumped imports on the domestic industry and the domestic industry did not suffer material injury during the investigation period because of the antidumping duty protection available during this period, though there were marginal deterioration in few parameters.
- (c) There is a clear likelihood of continuation and intensification of dumping from China PR if the duties are removed and there is an imminent likelihood of recurrence of injury on account of such dumped imports, if the duties are removed.
- (d) Though there is likelihood of increased imports from Chinese Taipei, likelihood of recurrence of dumping from that country cannot be established in the factual matrix of the evidence presented before the Authority and therefore, there is no clear and imminent likelihood of recurrence of injury on account of such imports from Chinese Taipei in the event of revocation of the duty.

111. Therefore, in the factual matrix of the case as recorded in this finding the Authority is of the view that there is a need for continued imposition of duties on the import of the subject goods originating in or exported from China PR for a further period of 5 years. However, there is no need for continued imposition of duties on the import of the subject goods originating in or exported from Chinese Taipei.

112. Accordingly, the Authority recommends continued imposition of definitive anti-dumping duty on import of the subject goods originating in or exported from China PR equal to the lesser of the margins of dumping and injury determined in this investigation as indicated in Col No. 8 of the duty table given below for a further period of 5 years from the date of its imposition by the Central Govt. in terms of the Act and the Rules.

Duty Table

SN	Sub Heading or Tariff Item	Description of Goods	Countries/territories of Origin	Countries/Territories of Export	Producer	Exporter (s)	Duty Amount	Unit of Measure	Currency
1	2	3	4	5	6	7	8	9	10
1	580610	Narrow woven fabrics Hook and Loop Velcro Tapes **	China PR	Any	Any	Any	1.87	Kg	US\$
2	580610	Narrow woven fabrics Hook and Loop Velcro Tapes **	Any	China PR	Any	Any	1.87	Kg	US\$

** Including fully processed but uncut hook and loop tape fasteners. This will however, not include unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics.

113. Appeal against the orders of the Central Government that may arise out of the recommendations of the Designated Authority will lie before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) in accordance with the relevant provisions of the Act.

114. The Authority may review the need for continuation, modification or termination of the definitive measure as recommended herein from time to time as per the relevant provisions of the Act and the Rules, and Public Notices issued in this respect from time to time. No request for such a review shall be entertained by the Authority unless the same is filed by an interested party as per the time limit stipulated for this purpose.

A. K. Bhalla
Additional Secretary & Designated Authority