

MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING &
ALLIED DUTIES)

NOTIFICATION

NEW DELHI, the 23rd May 2003

PRELIMINARY FINDINGS

Sub: Anti-Dumping Investigation concerning imports of Green Veneer Tape into India originating in or exported from Chinese Taipei.

No.14/50/2002-DGAD - Having regard to the Customs Tariff Act 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, thereof:

A. PROCEDURE

1. The procedure described below has been followed with regard to the investigation:
 - i. The Designated Authority (hereinafter referred to as Authority), under the above Rules, received a petition filed by M/s Waterproof Corporation Pvt. Ltd., on behalf of the domestic industry, alleging dumping of Green Veneer Tape originating in or exported from Chinese Taipei (hereinafter referred to as subject country).
 - ii. Preliminary scrutiny of the application filed by the petitioner revealed certain deficiencies, which were subsequently rectified by the petitioner. The petition was, therefore, considered as properly documented.
 - iii. The Authority on the basis of sufficient evidence submitted by the petitioner decided to initiate the investigation against imports of subject goods from Chinese Taipei. The authority notified the Economic and Cultural Centre of Chinese Taipei in New Delhi about the receipt of dumping allegation before proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the Rules.
 - iv. The Authority issued a public notice dated 27.12.2002 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning

- imports of the subject goods classified under chapter 48 of Schedule I of the Customs Tariff Act, 1975 originating in or exported from Chinese Taipei.
- v. The Authority forwarded a copy of the public notice to the known exporter (whose details were made available by petitioner) and gave them an opportunity to make their views known in writing within forty days from the date of the letter in accordance with the Rule 6(2):
 - vi. The Authority forwarded a copy of the public notice to all the known importers (whose details were made available by petitioner) of subject goods in India 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(2).
 - vii. Requests were made to the Central Board of Excise and Customs (CBEC) and Director General of Commercial Intelligence and Statistics (DGCI&S), Kolkata to arrange details of imports of subject goods made in India during the past three years, including the period of investigation.
 - viii. The Authority provided a copy of the petition to the known exporter and the Embassies/High Commissions/Trade Organisations of the subject country in accordance with Rules 6(3) supra. A copy of the non-confidential petition was also provided to other interested parties, wherever requested.
 - ix. Economic and Cultural Centre of Chinese Taipei were informed about the initiation of investigation in accordance with Rules 6 (2) with a request to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time along with the copy of non confidential version of the petition, copy of the initiation notification and the exporters questionnaire.
 - x. The Authority sent a questionnaire to elicit relevant information to the following known exporters/producers, in accordance with the Rule 6(4):
 1. M/s. FU TA Physical & Chemical Co. Ltd, Taiwan
 2. M/s. Chung I Tape Co. Ltd.,
 - xi. A questionnaire was sent to the following known importers/user associations of the subject goods for necessary information in accordance with Rule 6(4):
 1. M/s. Gunny Commercial Co., Kolkata
 2. M/s. Kiran Trading Co., Kolkata
 3. M/s. Century Plyboards (India) Ltd., Kolkata
 4. M/s. Binicom Products Pvt. Ltd., Kolkata
 5. M/s. National Plywood Industries Ltd., Kolkata
 6. M/s. Kitply Industries Ltd., Kolkata
 7. M/s. United Timber Industries, Kolkata
 8. M/s. Malpani Veneers (Pvt.) Ltd., Kutch (Gujarat)
 9. M/s. Lucky Wood Products Pvt. Ltd., Thane

- 10.M/s. Tinsukhia Plywood Pvt. Ltd., Patiala
- 11.M/s. Compact Ply Board, New Delhi
- 12.M/s. Nitasha Veneer Industries Pvt. Ltd., Visakhapatnam
- 13.M/s. Evergreen Veneer Pvt. Ltd., Visakhapatnam
- 14.M/s. Andhra Wood Products Pvt. Ltd., Visakhapatnam
- 15.M/s. Tirmala Boards, R.R. District
- 16.M/s. Asia Timber Products Pvt. Ltd., Andaman
- 17.M/s. The Mysore Chipboards Ltd., Mysore
- 18.M/s. National Boards, Kerala
- 19.M/s. Kanachur Seasoning Industries, Mangalore
- 20.M/s. Deccan Veneer Pvt. Ltd., Visakhapatnam
- 21.M/s. Andhra Timber Products Ltd., Visakhapatnam

xii. Response/information to the questionnaire/notification was filed by the following exporters/producers by 17.3.2003,

1. M/s. Chiuer Jiuey Enterprise Co., Ltd.,

xiii. Response/information to the questionnaire/notification was filed by the following Importers/user/Associations 17.3.2003:-

1. M/s. Gunny Commercial Co., Kolkata
2. M/s. Kiran Trading Co., Kolkata
3. M/s. Choice Ply Pvt. Ltd., Visakhapatnam
4. M/s. Russaka Ply India Ltd., Gandhidham
5. M/s. Mayur Veneer & Plywood Industries, Kolkata
6. M/s. Kitply Industries Ltd.,
7. The All India Association of Industries, Mumbai
8. M/s. Aakash Veneers Pvt. Ltd., Mumbai
9. M/s. Binikom Products Pvt. Ltd., Kolkata
- 10.M/s. Tirupati Veneers Pvt. Ltd., Visakhapatnam
- 11.M/s. Supreme Wood Products Pvt. Ltd., Kolkata
- 12.M/s. Landmark Veneer Pvt. Ltd., Ghandhidham
- 13.M/s. Ratanwood Pvt. Ltd., Gandhidham
- 14.M/s. Century Plyboards (India) Ltd., Kolkata
- 15.M/s. Andhra Wood Products Pvt. Ltd., Visakhapatnam
- 16.M/s. Tirumala Boards, Hyderabad

xiv. Information regarding injury was sought from the petitioner(s), which was also furnished by the petitioner. The injury parameters of the following domestic producers were furnished:-

1. M/s Waterproof Corporation Pvt. Ltd., Mumbai

- xv. The Authority kept available non-confidential version of the evidence presented by various interested parties in the form of a public file maintained by the Authority and kept open for inspection by the interested parties as per Rule 6(7).
- xvi. Cost investigation was also conducted to work out optimum cost of production and cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles (GAAP) and the information furnished by the petitioner. The cost data of the following domestic producers was provided and analysed:--

1. M/s. Waterproof Corporation Pvt. Ltd., Mumbai

- xvii. Additional information regarding injury was sought from the petitioner, which were furnished;
- xviii. ****In this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xix. Investigation was carried out for the period starting from 1st April 2001 to 31st March 2002 i.e. the period of investigation (POI).
- xx. Copies of Initiation Notification were also sent to FICCI, CII, ASSOCHAM, etc for wider circulation

B . VIEWS OF EXPORTERS, IMPORTERS AND OTHER INTERESTED PARTIES

1. PETITIONER'S VIEWS

- i. The product under consideration is Green Veneer Tape (Also referred to as subject goods hereinafter). It is also known as gummed paper reels mainly imported in jumbo rolls. It is used as a production aid in the manufacture of veneer sheets from logs and also used for edge bending while peeling the logs.
- ii. The petition has been filed by M/s. Waterproof Corporation Pvt. Ltd., Mumbai on behalf of the domestic industry. This petitioner company represents 100% of the production of the subject goods under consideration.
- iii. Green Veneer Tape produced by the domestic industry and imports from subject country is comparable in terms of characteristic such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specification, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially substitutable and used interchangeably.

- iv. The petitioners have not been able to get any reasonable and authentic evidence with regard to the prices of the Green Veneer Tape in the subject country or price list of the exporters either for sale in their domestic market or for export to the countries other than India.
- v. The Normal Value has been constructed on the basis of estimated cost of production of the subject goods, duly adjusted to include selling, general and administrative expenses and a reasonable profit margin for Taiwan.
- vi. Market share of domestic industry in comparison to the total demand in the country have also decreased from 37.56% in 2000-2001 to 32.05% during the period of investigation.
- vii. The import from the subject country during the period of investigation in comparison to the previous year have increased substantially from -24.36% in 2000-2001 to 209.69% during the period of investigation.
- viii. Imports from the subject country in comparison to the total demand in the country have also increased from 62.44% in 2000-2001 to 67.95% during the period of investigation.
- ix. The fact that 2384640 Sq. Mt. of dumped imports arrived into India during period of investigation is adequate evidence that it lost potential customers.
- x. The production by the petitioners in quantitative terms went up during the period of investigation over the preceding financial year. But it may be observed that despite increased production in quantitative terms there has been more than 63% of production capacity which remained unutilized during the period of investigation.
- xi. The volume of sales by the petitioners went up during the period of investigation over the preceding financial year. It will be observed that the industry is not realizing the price in the period of investigation as against the price in 2000-2001. Because of the pressure on prices from imports from subject country, the domestic industry is not able to realize a fair price or a reasonable rate of return.
- xii. The inventories of the petitioners have increased from 41730Sq. Mt at the end of March 2001 to 64748 Sq. Mt. as on 31.03.2002, which is very high being about 5.64% of production of the petitioners.
- xiii. There has been no increase in the employment of the petitioner during the previous two years.
- xiv. No impact on wages as they are determined according to the provisions of Labour Laws. The wages cannot be changed according to the financial health of the petitioner companies.
- xv. To retain its market share, the domestic industry had no option but to reduce its price to unremunerative levels.
- xvi. The industry is operating at a loss and thus the domestic industry has not been able to earn any return on its investments.

- xvii. The landed value of the product under consideration from Taiwan is much lower than the prices the domestic industry ought to have realized on the sales of the subject goods. The injurious effect of this high level of price underselling had had a direct and deleterious effect on the financial performance of the domestic industry.
- xviii. The effect of the injury to the domestic industry due to dumped imports is further accentuated by the fact that not only the subject goods are being undersold, the exporters from the subject countries are also indulging in price undercutting. The landed value (i.e., the CIF price plus customs duty) of the dumped imports has been much below the selling price of the domestic industry during the period of investigation. Thus there is a constant pressure on the domestic industry to bring down their prices lower than even the current prices.
- xix. The negative returns in the industry due to continued dumped imports, the domestic industry is not in a position to grow in the national interest despite the fact that there is surplus available capacity to meet the domestic demand
- xx. In addition to the material injury, which is already inflicted on domestic industry, the imports are causing threat of injury to the domestic industry. This is evident from the very significant price undercutting to the extent of as high as 49.45%. Significant price cutting, coupled with very large disposable capacities with the producers in this country is a clear evident of threat of injury to the domestic industry from these dumped imports.

"A determination of a threat of material injury shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances, which would create a situation in which the dumping would cause injury, must be clearly foreseen and imminent. In making a determination regarding the existence of a threat of material injury, the Designated Authority shall consider, inter alia, such factors and;

- a. a significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.
 - b. Sufficiently freely disposable or an imminent, substantial increase in capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian market, taking into account the availability of other export markets to absorb any additional exports.
 - c. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports and,
 - d. Inventories of the article being investigated.
- xxi. In the instant case imports of Green Veneer Tape have suddenly shot up and are likely to increase further in case the present trend of price undercutting

continues. The subject country has sufficient freely disposable capacities. Price undercutting has a tremendous impact on the Green Veneer Tape market, as the domestic industry is compelled to match the quoted prices to retain its market share.

- xxii. It is evident from the above that there is sufficient evidence of dumping of the subject product from Chinese Taipei which has already caused material injury to the domestic industry and which continues to be a threat of material injury to the domestic industry.

2. IMPORTER/USER'S VIEW

M/s. Ratanwood Pvt. Ltd.,

- i. Although the value of tapes, are very small, it plays a very crucial role in determining the total imports of Logs & Processing. It should be noted that all the veneers we produce are manufactured entirely from imported wood (Tree Trunks), imported from countries like Burma, Malaysia and Indonesia etc.
- ii. Green Veneer Tapes are applied through an automatic device on the top side and on both the edges of the wet veneer during the time of peeling. Being a natural product, logs are inconsistent in quality, as the tapes manufactured by the petitioner is also very inconsistent in quality it is unable to stick properly on veneer resulting in breakage of the veneer and thus adding to wastage of wood, which today is such a precious part of world resource. The tapes supplied by the petitioner are also very good for low to sufficient moisture/resin veneers only, while our maximum production comprises of sufficient to high moisture veneers due to the type of wood and thickness of veneer.
- iii. The petitioner should change its quality to meet the demand of the quality of wood being manufactured by Indian producers instead of taking the route to imposing anti dumping duty. As the petitioner is new to Green Veneer Tapes, it needs to improvise and learn to produce the quality of tapes needed by the Indian Veneer Manufacturers.

M/s. Landmark Veneer Pvt. Ltd., Gandhidham

- i. The recent introduction of Green Veneer Tapes by the petitioner generally sticks on good quality Veneer's having normal to low resin in them but do not stick well on Veneers with high moisture/resin content. In addition to the above there tapes which are extremely in-consistent in quality as coating of Glue is very erratic resulting in tapes not sticking where it should have.
- ii. While peeling veneers of High moisture/resin content more than the lower moisture/resin content, due to the fact that for face veneers we are generally peeling .38 mm thick veneers and the species of logs peeled have this property.

Due to the above the basic reason to use petitioner's tapes are overruled as there tapes are not suited for the type of veneer we peel at our factory.

M/s. Supreme Wood Products Pvt. Ltd., Kolkata

- i. As Green Veneer Tapes are used on wood (Tree trunks) which are imported from countries like Malaysia, Burma and Indonesia using bad quality tapes would increase the total cubic meter of imports of wood into the country. This would there by increase the net outflow of Dollars from our country, as the net realizable output of wood would decrease using the petitioners tape.

M/s. Tirupati Veneers Pvt. Ltd., Visakhapatnam

- i. Only Wood Veneer producers in India use Green Veneer Tape and the total number of such Veneer units should not be more than 100 including small scale units. This item is specifically used as an edge protection bonding medium, which in turn reduces the wastage of veneer during the time of peeling, drying, handling and processing to make it into plywood.
- ii. At a time the economy of India is being open to meet challenges, such protection would only harm the Indian Industry as they would continue relying on small scale production with outdated technology, thereby resulting in low quality and products.

M/s. Binikom Products Pvt. Ltd., Kolkata

- i. Veneers are not more than 0.35mm thick. As such the edge banding is must and it should be perfect upto the destination of our buyers situated all India basis who are basically plywood manufacturing units.
- ii. Green Veneer Tape should be of good quality and consistency in quality otherwise our made produce veneers will not stand in its strength and being our timber logs are very costly which is imported as per Government's OGL system the cost of production will be very high and impracticable to the market.
- iii. So far our knowledge goes except the petitioners there is none in India who is making good quality Veneer Tape and our survival is only on Taiwan supply and if we do not get the same ultimately all industry of our type will finish to zero in long term and there will be wastage of valuable foreign exchange for not utilizing the imported timber logs to its best uses and best realisation.

M/s. Aakash Veneers Pvt. Ltd., Mumbai

- i. Green Veneer Tape is applied on Wood Veneers which is a very precious world resource & it is the duty of every individual to reduce the wastage of such a

- precious resource. GVT is used exactly for the same purpose as it reduces the wastage of wood which would have otherwise taken place.
- ii. One roll of GVT costing Approximately Rs.****- per roll is what would be needed to be put on approximately 1 cubic meter of logs and the landed cost of which would be approximately Rs.****- per cubic meter. (Logs are generally imported as felling of trees had been banned due to Supreme Court Order).
 - iii. A Grade Veneers are converted to "C" or "D" Grade Veneers there by fetching a very low price if at all they could be sold.
 - iv. Full sheets of face veneers gets converted to odd size veneers (phali) there by reducing the net realizable value almost ½ . These too cannot be sold without hand repairing them to convert to full sheets.
 - v. Imported Tapes are not identical or similar in nature to the ones manufactured in India. Imported Green Veneer Tapes have been made to suit the average quality of Veneers we produce in India, whereas the Indian Tapes do not comply with the same.
 - vi. India is probably the only country where a thickness of .38 mm veneer is derived after peeling the logs, Normally the accepted thickness would be .65 to .70 mm thick. These thicknesses are only achieved due to low quantum of peeling & intensive labour usage.
 - vii. The woods we peel generally contain adequate or excess amount of moisture (Resin) in them & this type of Logs constitute for almost 95% of all the veneers we peel.

M/s. Gunny Commercial Co., Kolkata

- i. Unlike general circular slitting (as in Fax paper rolls) these require extremely high precision Indian or preferably imported slitting machines as the general sold dimensions of cut rolls are of 1,000 meters to 1,500 meters in length & a very small width ranging from 8 mm to 13.5 mm. It may also be noted that the nature of the end use of the product is such that it can only be used in roll form & in large lengths and cannot be used without proper spooling. Thus the process of manufacturing is only completed in India by us and is not sold in the same form as is imported.
- ii. That the comparison of costs could be made only for like products, i.e., gummed paper Vs gummed paper of the local manufacturer and not with the price of tapes on square meter basis. That since we are also involved in the process of slitting, spooling and repacking, the entire activity falls within the definition of 'manufacturers' in terms of the export and import policy 2002-2007.

- iii. The Green Veneer Tape supplied by our Tainese supplier are distinctly different and as a result the prices are bound to be cheaper than the Indian counterparts.
- iv. The product in question is not a mass consumption item as it is a very specific item for very specific in use.
- v. The sales are of the second category and the consumers are fully aware of the nature of the product and reasons for their prices.

THE ALL INDIA ASSOCIATION OF INDUSTRIES

- i. There are about 24 units in India, which use green veneer tape as a production aid in the manufacture of veneer sheets from logs and also for edge bending while peeling the logs. Most of the units are in the small scale sector and are floated as proprietary companies. Most of them are finding it hard to make both ends meet.
- ii. Some of the units which are our members say green veneer is imported from Taiwan it is not a mass consumption item as total imports is less than Rs. 1 crore without duty for the last three consecutive years 1999-2000, 2000-2001 and 2001-02. Currently it has a total duty of 67 per cent including countervailing duty of 16%.
- iii. Green Veneer Tape user members are aggrieved that the only local producer in the country based in Mumbai has approached for levying anti dumping duty on green veneer tape. If this anti dumping duty is imposed it would become economically unviable for units to use veneer tape and many of them have no alternative but to close down the unit.

M/s. Kitply Industries Ltd., Kolkata

- i. The petitioner, has only recently started manufacturing Green Veneer Tape and we feel that their experience in this line is negligible as their product specification does not categorize them with like imported product in question because of the below reasons:-
- ii. The thickness of veneer we peel in India requires that GVT is applied on veneers to thickness of .38 to .45 mm thick with a moisture content in the veneer ranging from adequate to high moisture. The petitioner's tapes are meant to be stuck on veneers with low moisture content to adequate moisture content.
- iii. The quality of tapes of Waco is extremely inconsistent. That is, the coating of glue differs from one consignment to the other, causing extremely high wastage of Wood Veneer which is a very precious resource of the world and should not be wasted.

M/s. Century Ply boards (India) Limited, Kolkata

- i. Green Veneer Tape is an item used only by the Wood Veneer Industry and as per our information the total CIF value of import would be less than Rs. 1 crore only annually into the country.
- ii. Green Veneer Tape is only used on Wet veneers and it helps in edge binding or veneers to reduce wastage of wood due to handling.
- iii. The cost of tapes cannot make up for the cost of wood which would be damaged in the case of inconsistent quality of tapes being used. The seller of tapes can in no way give us compensation to make up for the losses incurred due to his tapes. Further, the process of using tapes is such that quality of tapes cannot be checked immediately on application or by physical examinations.
- iv. Green Veneer Tapes of the petitioner (Waterproof Corp. Pvt. Ltd.) is not suitable for use by us and is different to the imported tapes due to the following:-
 - a. Imported tapes by large stick on veneers with adequate to high moisture content whereas the petitioner's tapes are manufactured so as to stick on veneers of low to adequate moisture content in veneers. The prior makes up to almost 95% of the veneers we produce whereas the latter would account for only 60% of the veneers produced. India is probably the only country where a thickness of .38 veneer is obtained after peeling of logs from trees. Normally the accepted thickness is .65 to .70 mm all over the world. This requires special quality tapes which the petitioner is unable to supply.
 - b. The quality of these imported tapes are consistent in nature while the ones manufactured by the petitioner are inconsistent thereby resulting in high amounts of glue in certain areas/tapes and low in some.
 - c. The quality of GVT by the petitioner are extremely inconsistent in nature and differs from Roll to Rolls due to un-even coating of glue. As GVT is used on veneers which itself varies in quality, (being a product of nature) it becomes a very potent factor of destabilizing our production.
 - d. The Grade "A" veneers sheets are converted to Grade "C" or "D" veneer sheets as a result, fetching a very low price, for our end product we manufacture. This also increases the amount of wastage of veneers & reduces the basic utility of the said tapes. The net realizable value of full sheets of face veneer is reduced by almost 50% as they get converted to odd size veneers (Phali) & have to be further hand repaired to be converted to full sheets before they can be made salable. Many sheets also become irreparable and thus are totally wasted and have to be burnt in the boiler for fire.
 - e. The petitioner had been a monopoly for over 9 years supplying Dry Veneer Tapes (DVT) to our industry and this was their main line of activity. DVT is

also a gummed paper tape but is applied by hand, to repair dried veneers where as GVT is applied automatically on wet Veneer to prevent wastages.

3. EXPORTER'S VIEWS

The Authority sent questionnaires to all the known exporters for the purpose of determination of normal value in accordance with Section 9 A (1) (C). M/s. Chiuer Jiuey Enterprise Company Ltd., Taiwan have responded to the exporters questionnaire.

M/s. Chiuer Jiuey Enterprise Co., Ltd.,

- i. There are significant differences between the products exported to India and the products sold in other markets. The product exported to India is a coated paper from which Green Veneer Tape 'B' grade is manufactured by the customer.
- ii. The grade 'A' tapes are cut rolls in width and length as desired by the customer. The tapes are packaged in bundles and wrapped with plastic and paper. These are put in cardboard boxes and strapped with tapes. No such processing is carried out on the gummed papers exported to India. The manufacturers in India do the processes of cutting, slitting and packing. Coated paper in jumbo rolls requires no packing and is simply loaded in the container. As a consequence the product exported to India is cheaper since the process of cutting, slitting and packing are not carried thereon.
- iii. There is a much higher wastage in the process of slitting of B grade paper. This is for the reason that at the time of coating the paper with the glue, heating is carried out for a shorter duration. As a result, small patches of glue, which are not fully dried, remain. At the time of high speed slitting in India, there is a vertical or horizontal tear in the paper, as it cannot wind at those points. The quantum of wastage in slitting for B grade is therefore much higher. Consequently, when the cut tapes are sold, the cost of the wastage is on our account whereas in the case of jumbo rolls the wastage is to the cost of the Indian customer. Moreover, as the coating machine in the case of B grade rolls, are running at higher speeds, the total heat used to dry is much less, reducing the time taken for coating, and the labour time, electricity and fixed costs.
- iv. Circular unwinding, Slitting and Rewinding of coated paper rolls to desired width and length on plastic core with the help of very expensive and precision slitting machines. Cutting is a precision oriented job and dedicated labour is needed for the same, labours used in slitting machines cannot be used for any other machine during the time of slitting.
- v. The tape manufactured from the coated paper exported to India is of 'B' Grade as is indicated in the export documents. The main difference between grade 'A' and grade 'B' is in the quality of raw material, which is used. With regard to

'A' grade material the quantum and quality of glue is greater. The base paper on which coating is carried out in the case of 'A' grade is 55 GSM whereas that used for 'B' grade is 65 GSM. The 'A' grade 55 GSM paper is of a value of about US\$ *****/MT whereas the paper used for 'B' grade paper of 65 GSM is of US\$ ***** to US\$ *****/MT. The raw material cost, therefore, for the 'A' grade is much higher than for 'B' goods due to the increased cost of glue and paper.

- vi. The marketing and selling cost in the case of exports to India and to other markets is quite different. In the case of India, all the sales are made to only one customer, who (after manufacture of tapes) in turn sells to his customer base of over 150 small face veneer producers in India. This customer has to incur all marketing and selling expenses since it is he who makes and sells tapes to the actual end users that are the Face Veneer manufacturers. Whereas all our sales in other markets are of Cut & Finished & ready to use tapes and the majority of the sales are made to actual face veneer manufacturers with regard to those sales, we incur all marketing and selling costs.
- vii. The Indian market accepts 'B' grade tapes. Face Veneers in India (Face Veneers are very thin sheets of freshly peeled wood on which Green Veneer Tapes are applied) are peeled with extremely labour intensive, low productive rotary peeling machines capable of producing extremely thin sheets of veneers of a width of 0.38mm, this is the general accepted thickness in India where Tapes are applied. In other parts of the world where we sell tapes Grade A tapes, Face Veneer are produced having a thickness ranging between 0.70 mm to 0.85mm. In view of the lower width of veneers in India, the tapes sold to suit Indian Veneer Manufacturers in India do not have to be of a very High Quality as it has to withstand the tear of a much lower weight of wood in comparison to other countries. The grade 'A' tapes stick on all types of veneers, that is veneers having very low resin/moisture content such as of African Origin "Okume" quality wood as well as adequate to high resin Keriung Type Wood. As against this, the grade 'B' tapes are suitable to stick on adequate to High resin Keriung type wood only which are generally used in India.
- viii. The sales in the export market in India are against Letters of Credit. The sales in home market are made on credit basis of 2 to 3 months. Cash discounts are offered to customers who make advance or immediate payment for the material. The sales to India are on a CIF basis. In the domestic market also the sales price is inclusive of freight and insurance charges. Export sales to other countries are also made on a CIF basis.

C. EXAMINATION BY AUTHORITY

- i. The foregoing submissions made by the exporter and the petitioner, to the extent these are relevant as per Rules and have a bearing upon the case, have been examined, considered and dealt with at appropriate places in these findings.
- ii. The exporters willing to give price undertaking shall be considered, on request by the Authority in accordance with the Rules Supra.
- iii. The Exporters/manufacturers who have not exported to India during the period of investigation may apply for review as new exporters under Rule 22 of Anti Dumping Rules supra as and when they export to India.

1. PRODUCT UNDER CONSIDERATION

- i. The product under consideration is Green Veneer Tape. It is also known as gummed paper reels mainly imported in jumbo rolls. It is used as a production aid in the manufacture of veneer sheets from logs and also used for edge bending while peeling the logs. This item is specifically used as an edge protection-bonding medium, which in turn reduces the wastage of veneer during the time of peeling, drying, handling and processing to make it into plywood. It has been imported under Chapter 48 of Customs Tariff Act. The classification sub-headings 48.11, 4811.4900, 48.23, and 4823.1900 suggest description as Green Veneer Tape. The classification is, however indicative only and is in no way binding on the scope of the present investigation.
- ii. The importers/exporters have described the product as coated paper of 'B' Grade, which have been exported to India. They have further stated that the manufacturers in India convert 'B' Grade coated paper into Green Veneer Tape 'B' Grade after further processing of slitting, cutting, packaging etc. The exporter has claimed that Grade 'B' Coated papers are different from Grade 'A' Green Veneer Tapes, which are not sold in the domestic market as well as exported to third countries. The main difference in these two grades is the quality of raw materials and as such the raw material cost for Grade 'A' is much higher than the Grade 'B' due to the variation in cost of glue and paper. On account of the higher cost of paper and glue, additional labour intensive processes of cutting, sorting and finishing, higher packaging costs and higher marketing costs, the total cost of 'A' Grade tapes is much higher than that of 'B' Grade coated paper exported to India. The petitioner has not furnished any information/evidence regarding the Grade 'B' Veneer Tape, rather they manufacture only one type of Green Veneer Tapes which is used as the production aid in manufacture of Veneer sheets from wooden logs and also used for edge binding while peeling the logs.
- iii. The petitioner has argued that the jumbo rolls imported from Taiwan are not different from the product Green Veneer Tapes manufactured and sold by them.

The importers are bringing the finished products in jumbo rolls of about 1.08 meters width and 3000 meters length and thereafter cut them into sizes as per the requirement of the customers. The core manufacturing area is the production of jumbo rolls. This virtually entails the whole investment in production from sizing and cutting of paper into required rolls, making of glue as per requirement, coating of glue on the base paper, drying of glue on base paper and finally cutting, slitting and customer bound packaging. The importers do cut the imported jumbo rolls into sizes as per customer's requirement whereas the petitioner also manufactures the jumbo roll and then cuts and sales the same as per customer requirement, having the similar manufacturing process and technology.

- iv. The petitioner stressed that there is no gradation of Green Veneer Tape and they have failed to produce evidence of such a Grade 'B' in any other part of the World. The petitioner further argued that the exporter would not be able to cover the cost of base paper in the international market at the price the subject goods are exported into India. The Authority examined the submissions of the exporter and notes that the exporter themselves has clarified that the Grade 'B' variety of Green Veneer Tapes are only exported to India, it is neither sold in their domestic market nor exported to third countries.
- v. As regards coated paper Grade 'B', the Authority has considered the view expressed by the petitioner, exporters and importers/users. Rule 2 (d) of Anti Dumping Rules defines the like article as,

"like article means an article which is identical or like in all respect to the article under investigation for being dumped in India or in the absence of such an article, another article which although not alike in all respects has characteristics closely resembling those of the articles under investigation."

- vi. As regards the arguments of exporter and importer that the imported product is not identical or alike in all respect to the article under investigation, the Authority notes that the petitioner has stated interaila that there is a great amount of substitutability between the two grades of Green Veneer Tapes and there is a close resemblance in terms of Characteristics of domestically produced Green Veneer Tape and imported Grade 'B' coated paper which is used by the plywood industries. On the basis of evidence furnished both by the petitioner and importer/exporter, the Authority is constrained to establish that Green Veneer Tape produced by the domestic industry is not identical or alike in all respects to Grade 'B' coated paper, the product under consideration.
- vii. From the documentary evidence provided by the domestic industry regarding the sales of Green Veneer Tape to the user industry, which have been verified during the course of verification of costing and sales, it was established from

their sales and excise register that plywood industry is using the domestically manufactured Green Veneer Tapes which in turn also use imported Green Veneer Tapes as claimed by them. The user industry has also confirmed in their submissions that imported Green Veneer Tapes are used in the plywood industry for an edge protection-bonding medium, which in turn reduces the wastage of veneer during the time of peeling, drying, handling and processing to make it into plywood. The Authority notes that the one form has been imported and consumed whereas the other form was being consumed establish technical and commercial substitution of the two grades.

- viii. Therefore there is no significant difference in Green Veneer Tape produced by the Indian industry and Green Veneer Tape exported from Chinese Taipei. Green Veneer Tape produced by the Indian industry and imported from Chinese Taipei, are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used the two interchangeably. Green Veneer Tape produced by the petitioner and imported from Chinese Taipei should be treated as like articles in accordance with the anti dumping Rules. The technology adopted by the Indian industry is comparable with the technology adopted by the manufacturers of Green Veneer Tape from Chinese Taipei.
- ix. The Authority in view of the submissions made by the petitioner and other interested parties thereby keeping in view of substitutability and interchangeability by the same consumers of the subject goods, exported from subject country and those produced by the domestic industry, considers the subject goods exported and domestically produced subject goods as like article as per Rule 2 (d) for the purpose of preliminary determination. The Authority keeping in view of petitioners, importers, exporters, the aspect relating to like article, dumping, injury, causal link may be examined in greater detail for the purpose of final finding.

Therefore, the Authority notes that the investigation covers all grades of Green Veneer Tapes as product under consideration.

2. DOMESTIC INDUSTRY

- i. The petition has been filed by M/s. Waterproof Corporation Pvt.. Ltd., on behalf of the domestic industry. The petitioner claims that the petitioner company represents 100% of the production of the subject goods under consideration. As per the evidence available petitioner has the standing to file the case for anti dumping investigation on behalf of domestic industry as per rule 5 of Anti Dumping Rules.

- ii. The Authority also notes that the petitioner constitutes more than 50% of the total domestic production and therefore have the standing to file the petition on behalf of the domestic industry as per Rule 5 (3) (a) and (b) of the Anti-Dumping Rules and also represent Domestic Industry in terms of Rule 2(b)

3. NORMAL VALUE & EXPORT PRICE

Under Section 9A(1)(c), normal value in relation to an article means:

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

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

The normal value and ex-factory export price determination is illustrated below.

M/s. Chiuer Jiuey Enterprise Co., Ltd., Chinese Taipei

Normal Value

- i. The Authority sent questionnaires to all the known exporters for the purpose of determination of normal value in accordance with Section 9 A (1) (C). M/s. Chiuer Jiuey Enterprise Co., Ltd., responded to the questionnaire giving information relating to exports. The exporter has stated that there is neither domestic sales of Grade 'B' coated paper in economic size nor exports of this

grade of coated paper to third countries. The cost of production of both Grades 'A' Green Veneer Tape and Grade 'B' Coated papers have been furnished in Appendix 8,9, & 10. As there is no domestic sales of like product in their home market or export to the third countries, the normal value shall be determined on the basis of cost of production information made available in exporters questionnaire for Grade 'B' Coated papers. On examination of the cost of production of coated papers, it is found grossly deficient as the cost of labour and utilities have been shown as more than 3000% difference between Grade 'A' and Grade 'B' for Green Veneer Tape which have not been substantiated with the supporting documents. The depreciation cost for these two grades have been shown as more than 1000% whereas, company has been established in 1994 and the figures are not been substantiated with argument and supporting documents.

- ii. The trading and profit and loss accounts, balance sheets for the current year and previous two financial years showing the determination of gross profit, details of selling and administrative and other costs and net profits are required to be submitted..
- iii. In Appendix 7, in addition to detailed information for the Grade 'B' coated paper for the POI along with the preceding two years, it is desired to furnish information for the other products also.
- iv. As the company is manufacturing other products in addition to the products being investigated, detail explanation with basis of allocation of cost like utilities and all elements of overheads needs to be furnished. These expenses should be verifiable from the Profit and Loss Account quarter wise information relating to cost of production for comparison with the quarter wise sales information.
- v. In view of the inadequate response filed by the exporter, the Authority has decided not to take into account information furnished by the exporter and relied on the facts available as per Rule 6 (8) Supra. Therefore the information available on the estimated cost of production in the country of origin plus selling, administrative and general expenses and a reasonable amount of profit after making reasonable adjustments has been taken as the basis for working out normal value of the subject goods in Chinese Taipei.
- vi. The normal value therefore referenced as *****/Sq. Mt. for M/s. Chiuer Jiuey Enterprise Co., Ltd., for the preliminary determination.

Export Price

The Authority has considered the information regarding the export price furnished by the exporter in Appendix 2. The exporter has claimed adjustment on account of packing, overseas freight, overseas insurance, and shipping charges which have been

allowed. The Authority has accepted these adjustments for the purpose of preliminary determination for calculating the net export price at ex-factory level from Chinese Taipei to India for M/s. Chiuer Jiuey Enterprise Co., Ltd., subject to further examination and verification.

The ex-factory export price is referenced as ****Rs/Sq.mt. for the purpose of preliminary determination pending final determination.

Other Exporters/Producers

NORMAL VALUE

- i. None of the exporters/producers from Chinese Taipei except M/s. Chiuer Jiuey Enterprise Co., Ltd has cooperated and responded to the exporters questionnaire. The Authority in view of non-cooperation has been constrained to construct the normal value for all other producers/exporters of Chinese Taipei on the basis of best available information in accordance with Rule 6 (8) of anti dumping Rules.
- ii. Based on the above, the Authority has determined the constructed Normal Value for Chinese Taipei as ****Rs./Sq.mt. for the purpose of preliminary determination pending final determination.

B. EXPORT PRICE

- i. The Authority notes that the export price has been determined on the basis of the data from DGCI&S Kolkata . The adjustment on account of packing, overseas freight, overseas insurance, and shipping charges, which have been allowed to arrive at net, export price for non-cooperative exporters/producers from Chinese Taipei.
- ii. The ex-factory export price is referenced as ****Rs/Sq.m. for the purpose of preliminary determination pending final determination.

4. DUMPING- Comparision of Normal Value & Export Price

The rules relating to comparison provides as follows:

"While arriving at margin of dumping, the Designated Authority shall make a fair comparison between the export price and the normal value. The comparison shall be made at the same level of trade, normally at ex-works level, and in respect of sales made at as nearly possible the same time. Due allowance shall be made in each case, on its merits, for differences which affect price comparability, including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical

characteristics, and any other differences which are demonstrated to affect price comparability."

The authority has compared the weighted average normal value with the weighted average ex-factory export price in Period of Investigation, for evaluation of the dumping margin for all the exporter/producers in the subject country.

The dumping margin for exporter/producers comes as under:

Country	Normal Value (NV) (Rs/Sq. M)	Export Price (EP) Rs/Sq. M	Dumping Margin as % of EP
M/s. Chiuer Jiuey Enterprise Co. Ltd Chinese Taipei	****	****	164%
All other exporter/producers of Chinese Taipei	****	****	171%

5. INJURY AND CAUSAL LINK

Under Rule 11 supra, Annexure-II, when a finding of injury is arrived at, such finding shall involve determination of the 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.

ii) For the examination of the impact of the dumped imports on the domestic industry in India, we may consider such indices having a bearing on the state of the industry as production, capacity utilisation, sales quantum, stock, profitability, net sales realisation, the magnitude and margin of dumping, etc. in accordance with Annexure II(iv) of the rules supra.

iii) The Authority examined the following economic parameters in the case of domestic producers,

Changes in Market Share held by the Indian Producers.

i. The table below shows the market share of domestic industry. Market share of domestic industry in comparison to the total demand in the country have also decreased from 32.08% in 2000-2001 to 27.74% during the POI.

Year	Domestic Sales (Sq. M)	Total Demand (Sq. M)	% share
1999-00	****	****	23.71
2000-01	****	****	32.08%
2001-02	****	****	27.72%

Volume and market share of dumped imports

- i. Regarding the quantum of imports, the Authority has considered the statistics of imports of subject goods published by the Director General of Commercial Intelligence and statistics (DGCI&S), Kolkata. Therefore the Authority has relied upon the DGCI&S data for analyzing the import trend from the subject country and injury caused to the domestic industry on this account.
- ii. It is seen from the following table that the imports from the subject country during the POI in comparison to the previous year have increased substantially from -12.16% in 2000-2001 to 203.13% during the POI. It is evident that during the POI (April 2001 – March 2002) 2941920 Sq. Mt. of Green Veneer Tape were exported by Chinese Taipei compared to 1448280 Sq.Mt during 2000-2001. The imports of Green Veneer Tape have increased significantly in absolute terms. The Authority notes that there is a significant increase in imports of Green Veneer Tape from the subject country.

Year	Imports from Subject Country (Sq. M)	% Change
1999-2000	1648800	
2000-2001	1448280	-12.16%
2001-2002	2941920	203.13%

Market Share & Capacity Utilization

i) It may be seen that the production of the domestic industry in quantitative terms went up during the POI over the preceding finance year but it may be observed from the following table that despite increased production in quantitative terms there has been a more than 63% of production capacity remained unutilized during the POI. The production has increased during the POI due to the increase in demand.. The domestic sale is showing a increasing trend due to the increase in demand in 2001-2002 compared to 2000-2001, but the industry had to sale their product at unremunerative price to compete with the dumped import.

Year	Capacity Utilization (%)	Domestic Industry Market Share (%)	Unutilized Production capacity (%)
1999-00	18.04	23.71	81.96
2000-01	21.10	32.08	78.90
2001-02	36.74	27.74	63.26

Year	Demand	Sales
1999-2000	100	100
2000-2001	134	90
2001-2002	220	174

(Indexed figure)

ii) The volume of sales of the domestic industry went up during the POI over the preceding financial year. It is also observed that the industry is not realizing the price in the POI as against the price in 2000-2001. Because of the pressure on prices from imports from subject country, the domestic industry is not able to realize a fair price or a reasonable rate of return. The selling price has decreased in the investigation period as compared to the previous year. The Authority notes that loss per unit has also decreased in the investigation period and still dumped imports have prevented the domestic industry from effecting legitimate price increase to realise a reasonable price.

Year	Sales Volume (Sq.M)	Sales Value (Rs.)	Unit Price (Rs./M)
1999-2000	****	****	****
2000-2001	****	****	****
2001-2002	****	****	****

Market Share in Demand

Share in demand	1999-2000	2000-2001	POI
Market Share of petitioner (%)	23.71	32.08	27.74
Share of dumped imports (%)	76.29	67.92	72.26

i) From the above table it is evident that the share of the petitioner in demand has decreased from 32.08% to 27.74% during the POI whereas share of dumped imports from Chinese Taipei has increased from 67.92% in 2000-2001 to 72.26% in the POI. The Authority has analyzed and examined the import statistics and sales figure of the petitioner and noted that the dumped imports have displaced the demand of the domestic industry at the same time had to compete with the low priced imports of Green Veneer Tape from Taiwan to hold the market.

Inventories

i) The inventories of the domestic industry has increased from 41730 Sq. M at the end of March 2001 to 64748 Sq. M. as on 31.03.2002, which is very high in relation to production of the petitioner. The Authority notes that the under utilization of the plant along with the inventory available with the petitioner, demonstrates that the dumped imports are causing injury to the domestic industry.

Employment

There has been no increase in the employment of the petitioner during the previous two years.

Wages

The petitioner has claimed that wages are determined according to the provisions of Labour Laws as such wages cannot be changed according to the financial health of the petitioner companies. The Authority has noted the position.

Profitability

Year	Sales Value (Rs. in laks)	Cost of Sales (in lakhs)	Profit/Unit	Profitability
1999-2000	****	****	****	****
2000-2001	****	****	****	****
2001-2002	****	****	****	****

The losses per unit during 2001-2002 have marginally decreased due to reduction in costs of raw materials, and increase in capacity utilization. The cost of production of the domestic industry has declined in the POI whereas selling price has also declined. The domestic industry is incurring the loss due to the fact that the domestic industry is forced to reduce the selling price below its cost of production to hold on market due to dumped imports from subject country. The domestic industry has suffered material injury on account of depressed selling price resulting in non-recovery of cost of production and thereby suffering financial losses.

Return on Investment (Capital Employed)

- i. As enumerated above the industry is operating at a loss and thus the domestic industry has not been able to earn any return on its investments. Petitioner has claimed that the rate of return on investment during POI for the product under consideration is negative.
- ii. The Authority notes that the loss per unit has also decreased in the investigation period, still, the dumped imports have prevented the domestic industry to recover or minimize its financial loss and improve the financial health of the industry.

Price Undercutting, Price Suppression/ Depression and Price underselling

- i. 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 product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree.

- ii. The Authority has compared the landed value of imports of subject goods from subject country during the POI with the net sales realization and has found that there has been a significant price undercutting by the dumped imports. The landed value of imports has been found to be significantly lower than the domestic industry's net sales realization. The Authority further notes that the domestic industry was compelled to lower its prices as to hold on its market share to compete with the dumped imports from subject country.
- iii. The Authority has examined the claim of the domestic industry regarding the suffering on account of the losses from the sale of Green Veneer Tape. The Authority notes that the price underselling is an important indicator to make an assessment of the injury. The Authority has worked out the non-injurious price for the product under consideration and compared the same with the landed value to arrive at the extent of price underselling. The analysis shows a significant level of incidence of price underselling causing injury to the domestic industry.
- iv. The petitioner claims that the imports were having significantly suppressing/depressing effect on the domestic industry. The Authority notes that the imports were having significantly suppressing/depressing effect on the prices in the domestic market, as the domestic industry has not been able to raise its selling price in view of the dumped imports. The selling price of the domestic industry is below the cost of production that results into a suppressing/depression effect.
- v. Thus examination of the available evidence shows that the domestic industry has suffered injury on its sales of subject goods during POI. The Authority has determined the extent of price undercutting during the POI and holds that domestic industry has suffered significant price undercutting and price underselling during the POI due to dumped imports from subject countries.

Growth

It is submitted and noted that due to the negative returns in the industry and continued dumped imports, the domestic industry is in a difficult situation to grow as there is surplus available capacity to meet the domestic demand.

Threat of Injury

As regards the threat of injury, the Authority notes that the Anti-Dumping Rules states as follows:

"A determination of a threat of material injury shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances, which would create a situation in which the dumping would cause injury, must be clearly foreseen and imminent. In making a determination regarding the existence of a threat of material injury, the DA shall consider, inter-alia, such factors and;

- a. a significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
- b. sufficient freely disposable or an imminent, substantial increase in capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian market, taking into account the availability of other export markets to absorb any additional exports;
- c. whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and,
- d. inventories of the article being investigated.

The Authority has examined the aspects of threat of injury and noted that the imports are severely undercutting the prices in the domestic market, which have been analyzed in details on prepages. Interested parties have not provided sufficient evidence regarding surplus capacity and evidence of imports. Therefore the Authority notes that there is not sufficient evidence to establish threat of injury as claimed by the petitioner.

Conclusions on Injury:-

From the foregoing, the following conclusions are made by the Authority regarding injury suffered by the domestic industry.

- a. Imports from the subject country have increased significantly in absolute terms.
- b. Imports from the subject country have increased in relation to the demand of Green Veneer Tape in India.
- c. Imports are significantly undercutting the selling price of domestic industry
- d. The profitability of the domestic industry has been severely eroded resulting into financial losses.
- e. The domestic industry is suffering from price suppression/depression, as landed price of the subject goods from the subject country is less than the cost of production of domestic industry.
- f. The domestic industry is suffering from price underselling as landed price of the subject goods are below the non injurious price or fair selling price of the domestic industry.
- g. The domestic industry has suffered material injury.

h. There is no clear evidence of threat of injury .

Causal Link

1. As regards the impact of dumped imports on the domestic industry the principle (iv) of Annexure 2 of the anti dumping Rules states :

- i. "the examination of the impact of the dumped imports on the domestic industry concern, shall include and evolution of all relevant economic factors and indices having a bearing on the state of the industry, including natural and potential decline in sales, profits, output, market share, productivity, return on investments or utilisation of capacity: factors affecting domestic prices, the magnitude of margin of dumping, actual or potential negative effects on cash flow inventories, employment, wages, growth, ability to raise capital investments".
- ii. The Authority holds that the increasing quantum of imports from subject country resulted in material injury to the domestic industry. Import of Grade B coated paper (Green Veneer Tape) has resulted in curtailment of sales contract of the domestic industry and also displaced the demand of domestically produced Green Veneer Tape. The dumped imports in effect started undercutting the prices of the domestic product compelling the domestic industry to sale below its fair selling price. Resultantly, the domestic industry was not in a position to realise its fair selling price and therefore incurred losses. Therefore the material injury was caused by the dumped imports from the subject country to the domestic industry. The injury to the domestic industry is a consequence of dumped imports of like article from subject country.
- iii. The domestic industry is facing injury due to dumping of Grade B coated paper (Green Veneer Tape) by exporters from subject country. The increase in imports from the subject country has had a direct impact on the prices. Resultantly, while the import volumes increased on the one hand, the domestic industry has been forced to lower its prices on the other hand. There is no contraction in demand, the demand has rather increased. Further, there are no other factors such as trade restrictive practice or development in technology, which could have caused material injury to the domestic industry.

6. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

- i. The Authority holds that the purpose of 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 market, which is in the general interest of the country.

- ii. The Authority also recognizes that though the imposition of anti-dumping duties might affect the price levels of the products manufactured using the subject goods and consequently might have some influence on relative competitiveness of these products, however, fair competition in the Indian market will not be reduced by these anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by the dumping practices and would prevent the decline of the domestic industry and help maintain availability of wider choice of the subject goods to the consumers.
- iii. The Authority notes that the imposition of anti-dumping measures would also not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the products to the consumers.
- iv. The Authority has not merely relied upon the submissions of the petitioners regarding fair selling price, rather the Authority deputed a team for on-the-spot investigation and verification of costing and manufacturing process of Green Veneer Tape and worked out in detail the fair selling price of Green Veneer Tape in India for the Domestic Industry.
- v. Arguments have been raised by consumers that the imposition of anti dumping measures would result in less competition and higher prices for consumers of Green Veneer Tape and may harm the domestic plywood industry. The Authority notes that price advantages based on unfair practices are unjustifiable and may in the longer term be harmful even to the interest of consumer.

7. LANDED VALUE

The landed value of imports for the purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

D. CONCLUSIONS:

After considering the foregoing, The Authority notes that:

- i. Green Veneer Tape (Grade B coated paper) has been exported to India from the subject country below its normal value,
- ii. The domestic industry has suffered material injury,
- iii. The material injury has been caused to the domestic industry on account of dumped imports of the subject goods originating in or exported from the subject country,

- iv. Therefore, the Authority considers necessary to impose an anti dumping duty provisionally, pending final determination, on all imports of Green Veneer Tape(Grade B coated paper) from subject country in order to remove the injury to the domestic industry,
- v. In view of the above the Authority proposes to recommend the amount of anti dumping duty equal to the margin of dumping or less, which if levied, would remove the injury to the domestic industry. For the purpose of determining injury, the landed value of imports has been compared with the non-injurious price of the petitioner determined for the period of investigation,
- vi. Accordingly, the Authority recommends that the provisional anti dumping duty be imposed from the date of notification to be issued in this regard by the Central Government on all imports of Green Veneer Tape (Grade B coated paper) falling under chapter 48 and sub headings no. 48.11, 4811.4900, 48.23, 4823.1900 under Custom Tariff Act 1975, originating in or exported from Chinese Taipei. The anti dumping duty shall be the difference between the amount mentioned in Column No. 3 of the following table and the landed value of imports,

Country/Source	Exporters/Producers	Amount (Rs/sq.m)
Chinese Taipei	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	7.46
Chinese Taipei	All exporters/producers	7.46

E. FURTHER PROCEDURE

The following procedure would be followed subsequent to notifying the preliminary findings:

- a. The Authority invites comments on these findings from all interested parties and the same would be considered in the final findings;
- b. Exporters, Importers, Petitioner and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the dispatch of the letter. Any other interested party may also make known its views within forty days from the date of publication of these findings;
- c. The Authority would conduct verifications to the extent deemed necessary;
- d. The Authority would provide opportunity to all interested parties for oral submissions, for which the date and time shall be communicated to all known interested parties separately;
- e. The Authority would disclose essential facts before announcing final findings.

(L V SAPTHARISHI)
Designated Authority

TABLE

Sl. No	Sub-heading	Description of goods	Specification	Country of origin	Country of Export	Producer	Exporter	Amount	Unit of Measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Chinese Taipei	Any Country	Any Producer	Any exporter	7.46	Sq. Mtr	Rupees
	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Any Country	Chinese Taipei	Any producer	Any exporter	7.46	Sq. Mtr	Rupees
	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Chinese Taipei	Chinese Taipei	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	7.46	Sq. Mtr	Rupees
4.	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Chinese Taipei	Any Country	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	7.46	Sq. Mtr	Rupees
5.	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Any Country	Chinese Taipei	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	Any exporter	7.46	Sq. Mtr	Rupees
6.	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Any Country	Chinese Taipei	Any producer	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	7.46	Sq. Mtr	Rupees
7.	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Any Country	Any Country	Any producer	M/s. Chiuer Jiuey Enterprise Co., Ltd.,	7.46	Sq. Mtr	Rupees

8.	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Any Country	Any Country	M/s. Chiuer Jiuey Enterpris e Co., Ltd.,	Any exporter	7.46	Sq. Mtr	Rupees
9.	48.11, 4811.4900 , 48.23, 4823.1900	Green Veneer Tape	-	Any Country	Chinese Taipei	M/s. Chiuer Jiuey Enterpris e Co., Ltd.,	M/s. Chiuer Jiuey Enterpris e Co., Ltd.,	7.46	Sq. Mtr	Rupees

(L.V. Saptharishi)
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