

MINISTRY OF COMMERCE

NOTIFICATION

New Delhi, the 12th May, 1998

Subject: Anti -dumping investigation concerning imports of polystyrene from Korea RP Japan, Malaysia and Taiwan - Preliminary Findings

12/2/97/ADD: -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

The procedure described below has been followed with regard to the investigations:

- i. The Designated Authority (hereinafter referred to as Authority), under the Rules, received written application from Polystyrene Producers' Association. On behalf of the domestic industry, alleging dumping of polystyrene originating in or exported from Japan, Korea RF, Malaysia and Taiwan;
- ii. The Authority, on the basis of sufficient evidence submitted by the petitioner; decided to initiate investigations against imports of polystyrene from Japan, Korea RP, Malaysia and Taiwan. The Authority notified the Embassy of Japan Korea RP, Malaysia and Taipei Economic & Cultural Centre. Taiwan about the receipt of dumping allegation before proceeding to initiate the investigations in accordance with sub-rule 5(5) of the Rules;
- iii. The Authority issued a public notice dated 16th Sept , 1997 published in the Gazette of India, Extraordinary, initiating anti-dumping investigations concerning imports of polystyrene, classified under custom sub-heading 3803 of Schedule- I of the Customs Tariff Act. 1975, originating in or exported from Japan, Korea RP, Malaysia and Taiwan;
- iv. The Authority forwarded a copy of the public notice to the known exporters (whose details were made available by the petitioner) and industry associations and gave them an opportunity to make their views known in writing in accordance with the rule 6(2);
- v. The Authority forwarded a copy of the public notice to the known importers of polystyrene in India and advised them to make their views known in writing within forty days from the date of the letter

- vi. Request was made to the Central Board of Excise and Customs (CBFC) to arrange details of imports of polystyrene for the past three years, including the period of investigations.
- vii. The Authority provided a copy of the petition to (he known exporters and the Embassy of Japan Korea RP, Malaysia and Taipei Economic & Cultural Centre, Taiwan in accordance with rules 6(3) supra;
- viii. The Authority sent questionnaire, to elicit relevant information, to the following known exporters, in accordance with the rule 6{4};
 - LG International Korea RP;
 - Dongbu Chemical Co , Korea RP;
 - Hannan Chemical Corporation Korea RP;
 - Hyosung Basf Co. Ltd., Korea RP;
 - Chiel Industries Inc., Korea RP;
 - Petrochemicals (M) Sdn Bhd., Malaysia.
 - Eternal Chemical Co. Ltd. Taiwan;
 - Chi Mei, Taiwan;
 - Mitsubishi Chemical Corporation, Japan.

Response to the questionnaire was filed by the following:

- Petrochemicals (M) Sdn Bhd, Malaysia;
 - Eternal Chemical Co. Ltd, Taiwan;
- ix. The Embassy of Japan, Korea RP, Malaysia and Taipei Economic & Cultural Centre of Taiwan in New Delhi were informed about the initiation of the investigations in accordance with rule 6(2) with a request to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time. A copy of the letter, petition and questionnaire sent to the exporters was also sent lo them, alongwith a list of Known exporters/producers:
 - x. A questionnaire was sent to the following known importers of polystyrene in India calling for necessary information in accordance with rule 6(4):
 - Blow Plast Ltd.,
 - Beardsell Ltd. ,
 - Crystal Plastics & Metallizing Pvt. Ltd.
 - Cello Household Appliances Pvt. Ltd ;
 - Duroplast Containers Pvt. Ltd.;
 - GE Plastics India Ltd ;
 - Gothi Plastic Industries;
 - Hariram Gobindram;
 - Hytaisun Magnetics Ltd.;

- Infra Industries Ltd.,
- Indian Shaving Products
- JCT Electronics Ltd ;
- Malhotra Shaving Products Ltd.;
- Milton Plastics Ltd.,
- Polyset Plastics Ltd.
- Pushpak Plastics Pvt. Ltd.:
- Saurasthra Ball Pen Pvt. Ltd.;
- Snebro Manufacturing Co.;
- Sanghavi Writing Industries Ltd.:
- Tainwala Chemicals & Plastics Ltd.;
- Tinna Overseas Ltd.,
- Vidyut Metalics Ltd ;
- Videcon International Ltd.;
- Xpro India Ltd.;
- Allied instruments Pvt. Ltd..
- DR Plastics

- xi. Additional information regarding injury was sought from the petitioner, which was also received;
- xii. A number of parties made request for extension of time, which was, upon good cause shown, allowed by the Authority;
- xiii. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties;
- xiv. Cost investigations were 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 so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry;
- xv. Investigation was carried out for the period from Starting 1st April 1996 to 31st March 1997.

B. PETITIONER'S_VIEWS

2. The petitioner has raised the following issues in their petition:

- i. The exporters from the subject countries are dumping polystyrene in India. Normal value by the exporters from Taiwan is established from the list of a producer in Taiwan. Normal value in case of Malaysia and Japan is established

by the average prices of polystyrene in Malaysia and Japan, while normal value in case of Korea RP is established in a leading journal (ICIS-LOR) Export price from these countries is established from the information compiled from the Customs Daily List for the imports at Mumbai port, which account for substantial imports.

- ii. Imports from the subject countries have caused material injury to the Indian industry. The same is evidenced from the decline in the selling prices, far below the cost of production of the Indian producers, resulting in financial losses to the Indian producers.

C. VIEWS OF EXPORTERS, IMPORTERS AND OTHER INTERESTED PARTIES

3. The views expressed by the exporters, importers and other interested parties are as under:

- a. Polystyrenes is the commodity plastic whose price is very transparent and easily accessible by means of media, such as news reports and magazines.
- b. The polystyrene prices fluctuate by the demand and supply balance in the region, technology advancement as well as efficiency of the respective facilities. The prices also depend upon the demand and supply balance of styrene monomer in the international market.
- c. The styrene monomer conversion margin for Indian producers is large enough to classify the product under super profit categories (which could be due to high tariff in India).
- d. Some off-grade material and some cargo might have created some confusion in the Indian market. It is international practice that off-grade material is sold at about US \$ 100 pmt lower than the regular material.

D. EXAMINATION OF THE ISSUES RAISED

4. The submissions made by the exporters, importers, petitioner and other interested parties have been examined, considered and have been dealt at appropriate places hereinafter

E. PRODUCT UNDER CONSIDERATION

5. The product considered in the present investigations is polystyrene. Polystyrene is a versatile thermoplastic resin available in wide range of formulations from general purpose crystal and impact grades to highly specialized resins Polystyrene can be of various forms. However, crystal polystyrene (popularly known as general purpose

polystyrene or GPPS} and impact polystyrene (popularly known as high impact polystyrene or HIPS) are the subject matter of the present investigations. GPPS is a clear, amorphous polymer and finds application in food packaging, food service items; medical care products, and packaging for audio cassettes, compact discs, and other consumer electronic media. HIPS makes use of polybutadiene elastomers for impact modifications and finds applications in toys, furniture, house wares, food packaging, food service, medical care products appliances, building materials, consumer electronics, and packaging for electronic media. GPPS and HIPS are different types of polystyrenes and are not substituted with each other.

6. Polystyrene is classified under custom sub-heading 390319 of Schedule 1 of the Customs Tariff Act, 1975 and under 39031900 of the ITC. The description is however, indicative only and is in no way binding on the scope of the present investigations

F. LIKE ARTICLES

In order to establish that the polystyrene produced by the domestic industries is a like article to the polystyrene exported from Japan, Korea RP, Malaysia and Taiwan, characteristics such as physical characteristics (size, chemical composition, raw material), manufacturing process and technology functions and uses, product specifications, pricing, distribution and marketing and tariff classification of the goods have been considered. There is no argument disputing that polystyrenes produced by the domestic Industry in various forms are like articles to the polystyrenes imported from the subject countries in various forms Polystyrenes in various “forms imported from the subject countries are interchangeable with polystyrenes produced by the domestic industry. The goods produced by the domestic industry have been treated as like article to the goods exported from Japan, Korea RP, Malaysia and Taiwan within the meaning of the Rule 2(d).

G. DOMESTIC INDUSTRY

8. The petition has been filed by Polystyrene Producers’ Association, Mumbai. The petition is supported by the following producers of polystyrene in India who are also members of the Association:

- a. Supreme Petrochem Ltd. (SPL)
- b. Hindustan Polymers (HPL);
- c. Rajasthan Polymers and Resins Ltd. (RPRL).

9. There is no other producer of polystyrene in India. The petitioner satisfies the standing to file the present.

10. One of the importers of polystyrene, M/s. Supreme Industries Ltd. is related to Supreme Petrochem Ltd. M/s. Supreme Petrochem Ltd. has, therefore, been excluded from the purview of domestic industry. The remaining two petitioner companies (Hindustan Polymers Ltd. and Rajasthan Polymers and Resins Ltd.) account for majority production of polystyrene in India and, therefore, satisfy the definition of the domestic industry in accordance with Rule 2(b) supra.

H. DUMPING

11. Undo- 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 transhipped 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 Authority provided opportunity to the exporters from Japan, Korea RP Malaysia and Taiwan to furnish information relevant to the investigations and offer comments, if any in accordance with the Section cited above. The Authority wrote to the Embassy of Japan, Korea RP, Malaysia and Taipei Economic & Cultural Centre, Taiwan in India also. A number of companies requested for extension of time, which also allowed by the Authority. However, except for Eternal Chemical Co Ltd., Taiwan and

Petrochemicals (M) Sdn. Bhd, Malaysia, no other exporter has responded to the Authority's request for information Normal value in case of these two exporters has been determined on the basis of information furnished by these exporters Normal value in case of other exporters has been determined on the basis of Rule 6(8), i.e., best information available with the Authority .

I. Petrochemicals (M) Sdn. Bhd. Malaysia;

12 Scrutiny of the response filed by Petrochemicals MSB reveals that the response is deficient in terms of the following:

- a. The exporter was required to furnish information on sales made in the home market and exports to India for all the months of the investigation period, as prescribed in proforma 2B The exporter has, however, furnished information in case of home market only for some of the months of the investigation period.
- b. The exporter has not furnished information required under proforma 2C, D, & E, nor reasons for not furnishing the same have been mentioned.
- c. Total safes claimed by the exporter for the investigation period in proforma 2A do not tally with the sales claimed in proforma 4A, nor the reasons for the difference have been explained by the exporter
- d. Details of total exports made to India shown in proforma 2A do not reconcile with (he details mentioned in proforma 1.
- e. Profit & Loss Statement for the whole investigation period has not been burnished Profit & Loss Statement furnished by the exporter shows a loss. It is however not clear whether the P&L Statement furnished by the exporter is for the product under consideration or includes any other activity which might be carried on by the exporter. The exporter has merely furnisher extracts of Balance Sheet and P&L Statement Complete copy of published Annual Accounts has not been furnished by the company.

13. Petrochemicals MSB has claimed that it has exported GPPS type in the month of Oct., 1996 and Feb., 1997 and HIPS type in the months of Oct., 1996 and Jan., 1997 The exporter has furnished information with regard lo sales in the domestic market only for these months whereas the Authority had desired information for all the months in the investigation period, whether there was an export to India or not in the particular month. The information available with the Authority at the time of initiation showed that there was significant changes in the normal value and expert price tram month-to-month in the investigation period. The Authority notes that the date of sale considered for determination of normal value and export price would assume importance in the instant case view of significant changes in the month-to-month prices, as there is about, one month difference in the date of contract and date of invoicing. Since the exporter has not furnished information for all the months of the

investigation period, it is not feasible to consider date of contract for determination of the export price. The export prices have, therefore, been considered on the basis of date of invoicing of the goods. The export prices in a particular month are based on weighted average of all exports made to India in that month and therefore have been allowed.

14. Selling prices in the home market appears to be based on average selling prices of all sales made in Malaysia in that month, and, therefore, have been allowed.

15. The exporter has claimed adjustments on account of inland freight from the sales made in Malaysia. In case of exports made to India the exporter has claimed the following price adjustments:

- Stuffing,
- Inland freight,
- Handling - forwarding charges,
- Terminal Handling Charges,
- Overseas freight.

16. The exporter has claimed that it has exported one off-grade consignment in the investigation period. The exporter has claimed that the price of off-grade material is generally lower by US\$ 100 PMT as compared to good consignment the invoice relating to this consignment shows that the exporter has declared the product as “near prime”. Though there is no evidence produced by the exporter in support of the claim that the off-grade consignment is generally sold at US\$ 100 pmt tower than the good consignment, the Authority has, for the purpose of provisional determination, allowed price adjustment on account of off-grade material purportedly exported by the company in view of significant price difference in the price or off-grade material and good quality maternal.

17. It is considered appropriate to allow all other price adjustments for the purpose of preliminary determination.

II. ETERNAL CHEMICAL CO LTD., TAIWAN:

18. M/s Chinese National Federation of Industries replied to the questionnaire sent by the Authority. The company has, however, enclosed response which appears to be have been filed on behalf of M/s. Eternal Chemical Co Ltd. Taiwan. The response filed is incomplete in so far the company has not furnished the following information.

- a. Name and title of the company, who executed the certificate of correctness and offered willingness for verification.

- b. The general information required to be furnished as provided under appendix G1 to GS:
- c. Appendix 2C, 2D, and 2E (relating to details of sales made in the home market and exports made to India and to other countries),
- d. Appendix 3B (sale price structure for sales in the domestic market) for HP602;
- e. Total production and sales of the company shown in Appends 4A do not reconcile with the production and sales of individual grades shown in Appendix 4A'
- f. The ex-factory unit selling prices shown by the company in Appendix 4B (cost of production) do not reconcile with the ex-factory unit selling prices shown in Appendix 3A. The exporter has compared the cost of production with the gross selling prices shown in Appendix 3A.

19. A scrutiny of the cost of production furnished by the company reveals that the company has provided only for styrene monomer prices in the raw material cost. No explanation has been provided -for the other materials, which the company should have consumed for production of polystyrene. The cost of production furnished by the company does not provide for interest and financing costs. The cost of production claimed by the company cannot, therefore be considered as the full costs.

20. Comparison of the cost of production claimed by the company with the ex- factory prices claimed by the company in Appendix 3B and 3A shows that ex-factory selling prices were below the cost of production claimed by the company. The sales in the home market are, therefore not in the ordinary course of trade.

21. In view of the above, the normal value cannot be determined on the basis of domestic prices. The company has not furnished detailed information with regard to the export price to third countries. The normal value has, therefore, been determined on the basis of constructed value, i.e. cost of production plus administrative, selling & general expenses and profit.

The cost of production claimed by the company does not include full costs, as detailed above. The Authority has, therefore, provided for costs of other materials, which the company should have consumed for production of polystyrene and interest expenses on the basis of information available with the Authority, for the purpose of provisional determination, in view of incomplete information from the exporter in the costs claimed by the company. The Authority has provided for reasonable profit @ 5% on the total costs.

22. **Samsung Corporation**: Samsung Corporation wrote that it did not receive a copy of the notification and questionnaire. The company showed its willingness to

cooperate. Though the Authority allowed extension of time requested by the company, no response was filed by them.

23. **Nissho Iwai Corporation:** Nissho Iwai Corporation. Bangalore wrote, on behalf of their Head Office in Japan, that a copy of the questionnaire was not received in Japan. The company was sent the questionnaire and was advised to furnish the response to the questionnaire. No response was, however, received from the company.

24. **Mitsubishi Chemical:** Mitsubishi Chemical, Japan responded that the company had examined its records and found that no exports were made by the company during the period, which were subject to investigation. The company therefore informed that it was not in a position to respond to the questionnaire.

25. In case of Malaysia, there is only one producer of polystyrene in that country according to Petrochemicals (M) Sdn. Bhd. and therefore the margins worked out for this company apply for others also. In case of Taiwan, the imports reported by DGCI&S are more than the exports shown by Eternal Chemical. The other exporters from Taiwan have not responded to the Authority. The Authority considered it appropriate to determine export price in case of other exporters from Taiwan on the basis of the information furnished by Eternal Chemical and information available from DGCI&S. The normal value in case of these exporters has been determined at the same level as in case of Eternal Chemical. In case of Japan and Korea RP, the Authority has considered it appropriate to determine normal value on the basis of information furnished by the petitioner and the export price on the basis of DGCI&S.

26. The rules relating to comparison provide as follows:

“While arriving at a 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.”

27. For the purpose of fair comparison between the normal value and the export price, the Authority took into account the information furnished by the petitioner and other published information available with the Authority. The normal value and export price determined, as detailed above, are at ex-works level and therefore, the normal value has been compared with weighted average export price at ex-works level.

28. The dumping margin comes as under:

Name of the Country/Exporter	Dumping Margin (% of export price)
Taiwan	41%
a) Eternal Chemical Co. Ltd. GPPS Type Polystyrene	
HIPS Type Polystyrene	24%
b) Other Exporters	88%
Petrochemicals (M) Sdn. Bhd. ., Malaysia GPPS Type Polystyrene	20%
HIPS Type Polystyrene	22%
Korea RP	22%
Japan	27%

I. INJURY

29. 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.

30. Annexure II(iii) under rule 11 supra further provides that in case where import of a product from more than one country are being simultaneously subjected to Anti Dumping investigation, the designated authority shall cumulatively assess the effect of such imports, only when it determines that

(a) The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent of the imports of the like article or where the export of the individual countries less than three percent, the imports cumulatively accounts for more than seven percent of the imports of like article, and

(b) Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

The margin of dumping and quantum of imports from each of the subject countries Korea RP, Taiwan, Japan and Malaysia are more than the limits prescribed above.

Cumulative assessment of the effects of imports is appropriate since the exports from the subject countries were directly competing with the goods offered by the domestic industry in the Indian market

31. For the examination of the impact of the imports on the domestic industry in India the Authority considered both (a) volume of dumped imports and the effect of the dumped imports, on prices in the domestic market for like article and (b) the consequent Impact of these imports on domestic producers of such products The Authority has, for the purpose of assessing the impact of the dumped imports on domestic producers, considered 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.

32. There was only one producer of polystyrene In India until 1994-95, namely Hindustan Polymers M/s. Rajasthan Polymer started commercial production of HIPS type in 1994-95 and GPPS type in 1995-96. Supreme Petrochem started commercial production in 1995-96. It would, therefore, be appropriate to assess injury to the domestic industry considering parameters for 1995-96 and 1996-97 only. The domestic industry, as detailed hereinabove, includes Hindustan Polymers Ltd (HPL) and Rajasthan Polymers and Resins Ltd [RPRL)

(a) Volume and Market share of Dumped imports:

Imports of polystyrene from Japan, Korea RP, Malaysia and Taiwan increased from 13392 MT (1995-96) to 14501 MT (1996-97). The imports of polystyrene increased significantly in absolute terms.

Share of Japan Korea RP, Malaysia and Taiwan in imports of polystyrene in India increased from 75% (1954-95) to 81% (investigation period). Market share of the subject countries in total demand for polystyrene in India increased from 20% (1995-96) to 38% (investigation period). The increase in market share of imports from the subject countries was significant, both in terms of imports of polystyrene in India and the consumption of polystyrene in India.

(b) Economic parameter affecting the domestic industry:

i) Production and Capacity Utilisation:

	1995-96			1996-97		
	GPPS	HIPS	TOTAL	GPPS	HIPS	TOTAL
Production (MT)	20667	28415	49082	15562	23473	39035

Capacity Utilization ** (%)			81.80			65.06
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*** installed capacity of 60000 MT.

ii) Sale in absolute terms:

Sales of the domestic industry in absolute volumes declined as follows:

	1995-96			1996-97		
	GPPS	HIPS	TOTAL	GPPS	HIPS	TOTAL
Sales (MT)	19124	28468	47592	16526	24169	40695

iii) Stocks:

Stock of polystyrene with the domestic industry reduced as shown below

	1995-96			1996-97		
	GPPS	HIPS	TOTAL	GPPS	HIPS	TOTAL
Stocks (MT)	1921	1726	3647	958	1030	1988

iv) Average Sales Realisation:

Net average unit sales realisation of the domestic industry, after excluding excise duty, sales commissions paid (if any) and discounts on sales paid (if any) declined significantly as follows:

	1995-96		1996-97	
	GPPS	HIPS	GPPS	HIPS
Net sales realisation	40777	45536	32583	37682

The average sales realisation during the period at investigations was lower than optimum cost of production of the domestic industry resulting in financial losses to the domestic industry

v) Profit/Loss:

The domestic industry was making profits from its sales relating to polystyrene till 1995-96. However unit sales realisations significantly below its cost of production in the investigations period resulted in financial losses to the petitioner. It is noted that the domestic industry made financial losses in 1995-96. The same were, however, largely due to significantly higher prices paid by the companies for one of the major raw material, styrene. Impact of high prices of styrene monomer paid by Rajasthan Polymers and Hindustan Polymers has been assessed by the Authority considering the

prices at which Supreme Petrochem could purchase styrene. The Authority has further examined whether the prices paid by Supreme Polymers were in line with the prices prevailing in other countries, for which, the prices paid by Supreme Petrochem were compared with the prices payable CFR Taiwan, as disclosed by PCI-Plastic (for 1995-96) and ICIS-LOR (for 1996-97). The results are as shown below:

The Authority notes the prices paid by Supreme Petrochem for styrene monomer were comparable to the prices paid by other purchasers In the world. It is held that Rajasthan Polymers and Hindustan Polymers made losses in 1995-96 which can be attributed to purchase of styrene at high prices, and their polystyrene production otherwise had resulted in profits. These companies are, however, quite comparable to Supreme Petrochem for the year 1996-97 in terms of styrene pricing and losses In 1996-97 were due to un-remunerative prices of polystyrene.

Conclusion on injury

- The imports of polystyrene increased in absolute terms from the subject countries during the period of investigations;
- The share of the subject country in imports of polystyrene in India as also the demand of polystyrene in India increased significantly during the investigations period;
- Exports of polystyrene from the subject country forced the domestic industry to keep its prices to un-remunerative levels, and prevented the domestic industry from recovering its fair selling price resulting in financial losses to the domestic industry;
- Various indicators relating to domestic industry such as production, capacity utilisation, sales quantities, average sales realisation, stock losses collectively and cumulatively establish that the domestic industry has suffered material injury, even though some of the parameter show improvement;

33. It may thus seen the domestic Industry has suffered material injury.

J. CAUSAL LINK

34 In establishing that the material injury to the domestic industry has been caused by the imports from the subject countries, the Authority hold that increase in market share of the imports from Japan, Korea RP. Malays and Taiwan requested in decline in the market share of the domestic industry and forced the domestic industry to keep its prices to un-remunerative levels and prevented the domestic industry from recovering its fair selling price resulting in financial losses to the domestic industry.

L. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

35. The purpose of anti dumping duties, in general, is to eliminate dumping which is causing injury to the domestic Industry and to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country.

36. It is recognised that the imposition of anti dumping duties might affect the price levels of the products manufactured using the sublet goods and consequently might have some influence on relative competitiveness of these product. However, fair competition on the Indian market will not be reduced by the anti dumping measures, particularly if the levy of the anti dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of polystyrene. Imposition of anti dumping measure would not restrict imports from the subject countries in any way, and therefore, would not affect the availability of the product to the consumers.

37 To ascertain the extent of Anti-dumping duty necessary to remove the injury to the domestic industry, the Authority has relied upon reasonable selling price of polystyrene in India for the domestic industry, by considering the optimum cost of production at optimum level of capacity utilisation for the domestic industry.

M. LANDED VALUE

The landed value have been determined on the basis of weighted average export price of polystyrene from Japan, Korea RP, Malaysia and Taiwan, after adding the prevailing level of customs duties and one percent landing and two percent handling charges.

N. CONCLUSIONS

38. It is seen after considering the foregoing, that:

- a. Polystyrene originating in or exported from Japan, Korea RP, Malaysia and Taiwan has been exported to India below normal value resulting in dumping,
- b. The Indian industry has suffered material injury;
- c. The injury has been caused cumulatively by the imports from the subject country

40. It is considered necessary to impose anti- dumping duty, provisionally pending final determination, on all imports of polystyrene originating in or exported from the subject countries, pending further investigations.

41. It was considered whether a duty lower than the dumping margin would be sufficient to remove the injury. Landed prices of the imports, for the purpose, was compared with the fair selling price of the domestic industry, determined for the period of investigations. Wherever the difference was less than the dumping margin, a duty lower than the dumping margin is recommended. Accordingly, it is proposed that provisional anti dumping duties, as set out below be imposed. from the date of notification to be issued in this regard by the Central Government, on all imports of polystyrene originating in or exported from Japan, Korea PP. Malaysia and Taiwan falling under Chapter 39 of the Customs Tariff. pending final determination.

S.No.	Name of the Country	Name of the Exporter	Amount of Anti-Dumping Duty (Rs. PMT)
1.	Malaysia	(a) Petrochemical (M) Sdn. Bhd., Malaysia	4360
		- GPPS Type Polystyrene	4250
		- HIPS type polystyrene	4360
		(b) Any other exporter	4250
		- GPPS type polystyrene	
		- HIPS type polystyrene	
2.	Republic of Korea	Any Exporter	5991
3.	Taiwan	b) Eterbal Chemical Co. Ltd.	NIL
		- GPPS type polystyrene	2677
		- HIPS type polystyrene	11388
		Other exporters	
4.	Japan	Any Exporter	3766

42. Exporters, importers, petitioners 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.

RATHI VINAY JHA,
Designated Authority