

To be published in Part-I Section I of the Gazette of India Extraordinary

F. No. 15/10/2011
Ministry of Commerce & Industry
Department of Commerce
DGAD
Notification

Date: 3rd October 2012

Mid term Review

Subject: Mid term review of anti dumping duty imposed on imports of Cable Ties from China PR and Chinese Taipei- Final findings

BACKGROUND OF THE CASE

Having regard to the Customs Tariff Act, 1975 as amended (hereinafter referred to as Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended (hereinafter referred to as Rules), the Designated Authority (hereinafter referred to as Authority) initiated a midterm review of antidumping duty imposed on cable ties from China PR and Chinese Taipei on 4th October, 2011 to review the need for continued imposition of anti dumping duty, and whether the form and quantum of anti dumping duty is required to be modified in accordance with the Customs Tariff (Amendment) Act, 1995 and AD Rules. It may be recalled that the original investigation was initiated on 1st January, 2008 against imports of Cable Ties originating in or exported from China PR and Chinese Taipei. The provisional antidumping duty was imposed on imports of Cable Ties from the subject countries vide Customs notification no. 118/2008-CUS dated 31st October, 2008 on the basis of the preliminary findings of the Authority issued on 23rd September, 2008 vide Notification No14/10/2007-DGAD. The final findings was notified vide notification dated 31st March, 2009 and the Department of Revenue imposed definitive anti dumping duties on the subject goods from above subject countries vide notification no. 44/2009-CUS dated 30th April, 2009.

2. And whereas the Rules require the Authority to review, from time to time, the need for continued imposition of Anti-Dumping Duty and if it is satisfied, on the basis of positive information received by it that there is no justification for continued imposition of such duty, the authority may recommend to the Central Government for its withdrawal. In terms of the above provision, the Designated Authority, received an application filed by M/s. Surelock Plastics Pvt. Ltd. representing domestic industry which substantiated the need for midterm review of the anti dumping duty imposed on the subject goods originating in or exported from the subject countries and requested for enhancement / revision of the anti dumping duty imposed on subject goods. The domestic industry,

amongst the various grounds submitted by them, submitted that with the imposition of antidumping duties in the current form, import price has increased substantially and artificially to a level where imports are being reported at a price close to the benchmark so that no antidumping duties is payable thereby making the current antidumping duties ineffective. Further, it was contended that there is significant increase in the input raw material prices. With increase in the input price, the normal value has increased substantially and the product is being exported at dumping prices. The dumping margin at current export price is significant. It was submitted that the imports of subject goods from subject countries are causing injury to the domestic industry and the landed price of imports is significantly below the non injurious price. The injury margin is significantly positive at the current landed price of imports. It was further submitted that there is a significant change in the exchange rate and the existent measure has not achieved the intended result of removing the injury previously established and both the dumping margin and injury margin are significantly positive.

3. This change in circumstances was considered appropriate to initiate a review. Having decided to review the final findings notified vide Notification No 14/10/2007-DGAD dated 31st March, 2009, the Authority initiated the investigations on 4th October 2011 in terms of under the provisions of Section 9A(5) of the Customs Tariff (Amendment) Act, 1995 as amended read with Rule 23 of Anti Dumping Rules to review the need for continued imposition of anti dumping duty, and whether the form and quantum of anti dumping duty is required to be modified in accordance with the Customs Tariff (Amendment) Act, 1995 and AD Rules.

Procedure

4. The procedure described below has been followed with regard to the investigation:
5. After initiating the review, the Authority sent questionnaires, along with the initiation notification, to all known producers and/or exporters in the subject countries in accordance with the Rule 6(4) to elicit relevant information.

S.N.	Name of Company	Country
1	Hua Wei Industrial Co.Ltd. (Giantlok)	China PR
2	(Yueqing) Gaulin (Huaxin) Electric Apparatus Factory	China PR
3	Power Industry Part Book Enterprice	China PR
4	Co- Talent n Limited (CTNL)	China PR
5	Kaygo Plastics Manufacturing Co. Ltd.	China PR
6	Zhejiang Giujing Meters Co. Ltd.	China PR
7	Yueqing Qiligang Plastics Manufacturers Co.ltd.	China PR
8	Wenzhou Yongji Electric Equipments	Chinese Taipei
9	V.Y.Cables Accessories Co. Ltd.	Chinese Taipei
10	Kai Sun Suh Enterprise Co. Ltd.	Chinese Taipei
11	Giantlok1, Taichung	Chinese Taipei
12	AVC, Kaoshiung City	Chinese Taipei

6. M/s. Changhong Plastics Group Co. Ltd., a producer and exporter of subject goods from China PR has filed response to questionnaire in the form and manner prescribed. No other exporter from subject countries have responded.
7. The Chinese Embassy and the Chinese Taipei Cultural Centre in New Delhi were informed about the initiation of the investigation, in accordance with Rule 6(2) with a request to advise the exporters/producers in their country to respond to the questionnaire within the prescribed time.
8. The relevant questionnaires were sent to known importers, consumers, industrial users of subject goods in India calling for necessary information in accordance with Rule 6(4).

S.N.	Name of Company
1	Krishna Electronics, Kolkatta
2	Anandi International , Kolkatta
3	Multi Impex, Chennai
4	P.S. Enterprise, Kolkatta
5	Sumati Chand Bothra, Kolkatta
6	Wire & Cable Corporation, New Delhi
7	Choudhary International, Delhi
8	B.B. Corporation, Chennai
9	Hirawat Marketing Services, Kolkatta
10	Jeetendra Kumar Modi, Kolkatta
11	Shah Enterprises, Mumbai
12	Krishna Commercial Corpn.Chennai
13	Pranav Electricals, Vadodara
14	Modi Industrial Interface, Bangalore

9. However, none of these parties mentioned above filed any response to questionnaire in the form and manner prescribed.
10. Arguments raised and information/evidence provided by the interested parties during the course of the investigation, to that extent the same are considered relevant to the present investigation, have been appropriately considered by the Authority.
11. Investigation was carried out for the period starting from 01.04.2010 to 31.03.2011 (POI). However, injury examination was conducted for a period from 2007-08 to the end of POI.
12. Request was made to the Director General of Commercial Intelligence and Statistics (DGCI&S), Kolkatta to arrange details of imports of subject goods in India for the period

of investigation and preceding three years. Information was received from the DGCI&S and the same has also been examined by the Authority.

13. The Authority provided copies of the non-confidential version of the application to the known producers and/or exporters, the representatives of the Chinese Embassy and the Chinese Taipei Cultural Centre in accordance with Rules 6(3) supra. A copy of the non-confidential application was also made available for other interested parties, wherever requested.
14. Exporter response was received from one exporter from China PR, M/s. Changhong Plastics Group Co. Ltd. However, no response to the initiation notification was received from any exporter or producer of the subject goods in Chinese Taipei.
15. The Authority held an oral hearing on 5th March, 2012 to provide an opportunity to the interested parties to present relevant information orally in accordance to Rule 6(6). The parties attending the oral hearing were advised to file written submissions of the information presented orally. The interested parties were allowed to present rebuttal arguments on the views/information presented by other interested parties. The Designated Authority has considered submissions received from the interested parties appropriately.
16. The Authority during the course of investigation satisfied itself as to the adequacy and accuracy of the information supplied. For that purpose, the Authority conducted on-the-spot verification of the domestic industry and producers/exporters to the extent considered relevant and necessary. Additional/ supplementary details regarding injury were sought from the domestic industry, which were also received.
17. In accordance with Rule 16 of the Rules supra, the essential facts/basis considered for these findings were disclosed to known interested parties and comments received on the same have also been considered in this final findings. Following the issuance of the disclosure statement, the comments have been received from domestic industry as well as the responding exporter from China PR i.e M/s CHS. The comments made by these interested parties have been examined under the appropriate headings in this final findings.
18. The Authority made available non-confidential version of the evidence presented by the interested parties through a public file maintained by the Authority and kept open for inspection by the interested parties as per Rule 6(7).
19. Cost investigations were 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 applicant so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
20. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigations, or has significantly impeded the investigation, the Authority has recorded its analysis on the basis of the facts available.
21. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has granted confidentiality, wherever warranted and such information has been considered

confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

22. *** in the represents information furnished by interested parties on confidential basis and so considered by the Authority under the Rules.

PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE:

23. The product involved in the original investigation and in the present midterm review investigation is “Cable Ties”. As per the original investigation carried out by the Designated Authority the product has been defined as under. The scope of the product under consideration is the same in the present review.

“The product under consideration in the present petition is Cable Ties. Cable Ties consists of sturdy nylon tape with an integrated gear rack and on one end a ratchet within a small open case. This is an economical and versatile method of Cable/Wire bunching systems. Cable Ties are known by several names e.g. non-releasable or releasable (reusable) tags, straps, zip ties, tie wrap, rat belt etc. and produced & sold in different sizes as per requirement of the customers. Cable Ties are a one piece moulded mechanism with no metal barbs or cumbersome wedges having fastening and self locking device. Once a non-releasable cable tie is pulled through, it prevents from being pulled back allowing tighter pulling only. Cable ties are generally single use devices. However reusable Cable Ties are also produced according to the demand of the customers.”

C.1 Views of the Importers, Consumers, Exporters and Other Interested Parties

24. None of the importers, consumers, exporters and other interested parties has filed any comment or submissions with regard to product under consideration, and like articles.

C.2 Views of the Domestic Industry

25. The product under consideration in the present investigations is cable ties. Cable ties are generally viewed as single-use devices. However, if a closed loop needs to be opened again, then, rather than destroying the cable tie by cutting, it may be possible to release the ratchet from the rack to reuse the cable tie. While some cable ties are designed for reuse with a table that releases the ratchet, in most cases a sewing needle or similar object (for example a small screwdriver) will need to be interposed between the ratchet and the rack. The product under consideration has found significant use in departmental stores for fastening plastic bags. The cable ties are produced and sold in various length, width and thickness. These are known by several names. However, normally these are described as Non Releasable, Releasable (Reusable) Tag Type, Releasable (Reusable) Tag Type Double lock type etc. for more variety. Cable Ties are classified in Chapter 39 of the Customs Tariff Act under subheading 39269010 of the Customs Tariff Act, 1975. However, the customs classification is indicative only and is in no way binding on the scope of the present investigation.

C.3 Examination By The Authority

26. The product under consideration in the present petition is Cable Ties. Cable Ties consists of sturdy tape with an integrated gear rack and on one end a ratchet within a small open case. This is an economical and versatile method of Cable/Wire bunching systems. Cable Ties are known by several names e.g. non-releasable or releasable (reusable) tags, straps, zip ties, tie wrap, rat belt etc. and produced & sold in different sizes as per requirement of the customers. Cable Ties are a one piece moulded mechanism with no metal barbs or cumbersome wedges having fastening and self locking device. Once a non-releasable cable tie is pulled through, it prevents from being pulled back allowing tighter pulling only. Cable ties are generally single use devices. However, reusable Cable Ties are also produced according to the demand of the customers. The product under consideration in the present midterm review is the same as has been held by the Designated Authority in the previous investigations.

27. Cable Ties are classified under chapter 39.26 of the Customs Tariff Act, 1975, under Subheading 3926.9010. The customs classification is indicative only and is in no way binding on the scope of the present investigations and proposed measures.

28. The petitioner claimed that there is no significant difference in the subject goods produced by the domestic industry and exported from the subject countries and therefore are like article within the meaning of Rule 2(d) of AD Rules. It has been stated that the subject goods produced by the domestic industry are comparable to the imported ones from subject countries in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Both are technically and commercially substitutable and hold close resembling characteristics. It has been claimed that the consumers have used the two interchangeably.

29. The responding exporters have not made any submissions disputing the claim of the petitioner and previous determination of the Designated Authority in this regard.

30. Rule 2(d) of the Anti-dumping Rule specifies that like article means an article, which is identical and alike in all respects to the product under investigation or in the absence of such an article, another article having characteristics closely resembling those of the articles under examination.

31. After due examination, the Authority proposes to hold that Cable Ties produced by domestic industry has same characteristics as those of Cable Ties imported from the

subject countries. Investigation conducted by the Designated Authority has not shown any difference in the two products. In view of the same, the Authority holds that Cable Ties produced by the domestic industry is like article to Cable Ties being imported from the subject countries within the meaning of the rules.

D. DOMESTIC INDUSTRY

32. The petition was filed by M/s. Surelock Plastics Pvt. Ltd. There are three other producers of cable ties in the country, M/s. Blackburn & Co. Pvt. Ltd., M/s. Novoflex Marketing and M/s. Flucon Enterprises. While, M/s. Blackburn & Co. Pvt. Ltd. has supported the petition; petitioner claimed that M/s. Novoflex Marketing and M/s. Flucon Enterprises have shut down production.

D.1 Views Of Domestic Industry

33. M/s. Blackburn & Co. Pvt. Ltd. has supported the petition. Further, M/s. Novoflex Marketing and M/s. Flucon Enterprises have shut down production. Thus, the petitioner's production constitutes a major proportion in Indian production. The petitioner therefore constitutes domestic industry within the meaning of the Anti Dumping Rules.

D.2 Views of the Exporters, Importers, Consumers and Other Interested Parties

34. None of the importers, consumers, exporters or other interested parties have made any comment or submissions with regard to the standing of the petitioner and its consideration as domestic industry.

D.3 Examination by the Authority

35. Rule 2 (b) of the AD rules defines domestic industry as under:

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

36. The review investigation has been initiated on the basis of a duly substantiated request submitted by M/s. Surelock Plastics Pvt. Ltd. Mumbai in terms of Rule 23 of the Rules. The petitioner stated that there are three other producers of subject goods in India, namely M/s. Blackburn & Co. Pvt. Ltd. M/s. Novoflex Marketing and M/s. Flucon Enterprises. M/s. Blackburn & Co. Pvt. Ltd. has supported the petition. However, the company has not provided information relevant to injury determination. Petitioner's claim that M/s. Novoflex Marketing and M/s. Flucon Enterprises have shut down production has remained unrefuted. These companies have not responded to the Designated Authority.

37. No comments have been received from any interested party disputing the claim and status of the petitioner. The investigation has not shown that the applicant does not satisfy the requirement of standing or the applicant does not constitute domestic industry. The information available on records establishes that the production of the petitioner constitutes a major proportion in Indian production and no other domestic producer has provided relevant information despite opportunity having been provided to them. The Authority therefore holds that the petitioner constitutes domestic industry within the meaning of Rule 2(b) of the rules supra.

D.4 Other issues

38. During the course of the investigation, the data received from DGCI&S was examined and analyzed. It is noted that there volume of imports reported by DGCIS is significantly lower than compared to IBIS. The Authority have therefore, considered IBIS data for its analysis and determination. A comparison of IBIS and DGCIS is given below:

2010-11	DGCIS			IBIS		
	Volume MT	Value Rs. Lacs	Price Rs. KG	Volume MT	Value Rs. Lacs	Price Rs. KG
China	410	1,010.75	246	649	1,688.79	260
Taiwan	172	393.82	229	428	1,151.37	269
Subject countries	582	1,404.57	241	1,077	2,840.16	264
Other Countries	156	473.04	302	30	66.66	224
Total Imports	739	1,877.61	254	1,107	2,906.82	263

Other issues raised by responding exporters are as follows:

39. It has been submitted that review has been initiated on the basis of insufficient information to justify changed circumstances as required under Rule 23. First two petitions did not provide any information which showed change in the circumstances. It is the third petition filed, which provided the information as regards the factors for changed circumstances.

40. It has also been submitted that paper book handed over during the oral hearing contained a further revised injury statement. It has also been submitted that proforma IV-A shows that the data within 5 months of the investigation period was not firmed up to justify it being accurate and adequate data submitted.

41. Evidence such as price lists for domestic sales, actual invoices, as provided in the guidelines has not been provided. "Positive information" as mentioned under Rule 23 must necessarily be qualified with a demonstration of changed circumstances.
42. There has been a significant decline in the dumping margin and injury margin as compared to the original investigation.
43. The data as provided in the first two petitions was completely blank without providing any reasons for its confidentiality. Even in the updated petition, injury information is kept confidential excessively to the extent that even basic factors like demand and market share are impossible to discern.
44. Change in the exchange rate has led to the prices of imports being affected but the same cannot be considered a direct issue while initiating a mid-term review. A policy decision relating to exchange rates is not anywhere connected to the changed circumstances of dumping. If the Domestic Industry was concerned with the form of duty, the approach was to file an appeal before the CESTAT.

Submissions by the domestic industry

45. The domestic industry had requested specific/fixed quantum of anti dumping duty expressed in US\$. Despite the request by the domestic industry, variable form of duty was recommended which is ineffective.
46. Significant increase in raw material prices has led to increase in export price because of increase in cost. However reference price remained same, and therefore anti dumping duty has become totally ineffective.
47. With the imposition of anti-dumping duties in the current form, import price has overnight increased substantially and artificially to such levels that imports have been reported at a price close to the benchmark, so that no anti-dumping duties is payable.
48. The product continues to be imported at significant dumping prices. Volume has significantly increased after the investigation period.
49. M/s Changhong Plastic Co. Ltd's submission of the non confidential version of questionnaire response has been merely made as a formality. The response virtually keeps all the informations confidential, thereby preventing the petitioner from making effective submissions and violating the principles of natural justice.
50. M/s Changhong Plastic Co. Ltd was established in the year 1980 and every company established in that time frame was under the Chinese Governments control. Therefore, the Authority is requested to reject the MET claim.
51. Mere change in the name of the company does not imply that the Company has no more intervention from the Chinese Government.
52. Cable Ties are classified in Chapter 39 of the Customs Tariff Act under subheading 39269010. However, the customs classification is indicative only and is in no way binding on the scope of the present investigation.

53. There is no significant difference in cable ties produced by the Indian industry and cable ties exported from the subject countries.
54. Petition has been filed by M/s Surelock Plastics Pvt. Ltd., a major producer of the subject goods in India. There are four other producers of cable ties in the country. M/s. Blackburn & Co. Pvt. Ltd. has supported the petition. Further, M/s. Novaflex Marketing and M/s. Flucon Enterprises have shut down production.
55. Petitioner has determined normal value for China and Taiwan on the basis of cost of production in India, duly adjusted.
56. The dumping margin in case of both the subject countries is not only significant, but also substantial.
57. The present and potential difference in the prices of imported product and domestic product is very significant and is therefore likely to increase demand for imports;
58. Significant price difference and consequent potential increase in imports is having significant depressing effect on domestic prices.
59. Subject exporters are holding significant freely disposable capacity indicating the likelihood of substantially increased dumped exports to Indian market.
60. Dumping margins has been determined in all previous investigations relating to the product concerned.
61. Significant price undercutting exists on comparison of the landed price of imports, even after inclusion of anti dumping duty, with that of the selling price of the Domestic Industry.
62. Continued presence of dumped imports has prevented the domestic industry from recovering from past effects of dumping. In the event of withdrawal of current antidumping duty, the domestic industry will have to either decrease the selling price by the amount of ADD or will maintain the current selling price. In either case, it will suffer material injury.
63. At the time of initiation, the requirement is “evidence warranting initiation.” Application is required for initiation and not to make determination. Furthermore, it is a settled principle of law that the anti dumping investigation is such where the quality and quantity of evidences improves with the course of investigation.
64. Owing to the complexities involved in the conversion of data, the petitioner has considered only such transactions from import data, as obtained from IBIS, where weight were mentioned in kgs and have ignored other imports.
65. In a review investigation, existence of positive dumping margin and injury margin itself shows sufficient change in parameters warranting a review investigation
66. The Authority examined the submission of the responding exporter and holds as follows –
67. The Authority holds that the petition contained sufficient information and evidence to justify initiation of midterm review. It is further noted that “positive information substantiating the need for review” is sufficient for undertaking review. Information

required for making the determination need not be presented in petition forming basis for review.

68. It is noted that the petitioner did not file three petitions. The petitioner had filed the petition as per the prescribed format for midterm review. During the course of examining the petition, the Authority asked for certain information which was submitted by the petitioner. On initiation, the Authority addressed the petitioner and other Indian producers to provide information relevant to the investigations. The petitioner therefore provided detailed information on product under consideration, like article, scope of the domestic industry, dumping, injury and causal link; for which the petitioner used the contents of application proforma prescribed by the Authority. This however does not constitute "petition" within the meaning of Rule 23. This constitutes information provided by the petitioner/domestic industry within the meaning of Rule 5.
69. The Authority notes that the quality and quantity of evidence improves as an investigation progresses. Further, audit of financial statements subsequent to initiation may imply changes in the financial position necessitated by audit of the financial statements.
70. With regard to evidences in the form of price lists for domestic sales, actual invoices, Authority notes that the petitioner claimed that such information is not in public domain and claimed confidentiality on those information.
71. With regard to the argument that dumping margin and injury margin have declined and therefore the anti dumping duty is serving its intended purpose, it is noted after examining the application filed by the petitioner, the Authority initiated the investigations in terms of under the provisions of Section 9A(5) of the Customs Tariff (Amendment) Act, 1995 as amended read with Rule 23 of Anti Dumping Rules to review the need for continued imposition of anti dumping duty, and whether the form and quantum of anti dumping duty is required to be modified in accordance with the Customs Tariff (Amendment) Act, 1995 and AD Rules.
72. As regards insufficient disclosures in the petition, the Authority notes that the argument of the exporter was examined and the petitioner was directed to disclosure information appropriately. The petitioner complied with the direction and provided revised non confidential version containing therein sufficient disclosures. The Authority notes that revised non confidential version of the petition contain sufficient disclosures in accordance with the law.
73. With regard to the contention that change in exchange rate cannot justify a midterm review, it is noted that change in exchange rate can lead to changes in export price, landed price as well as changes in the prices of raw material and non injurious price. Thus, both dumping margin and injury margin can change as a result of changes in exchange rate.
74. With regard to form of duty and alleged over invoicing, the Authority has considered the facts of the present case for the decision on whether the form of measure is required to be modified.

E. DUMPING MARGIN

75. 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);

E.1 Views of Domestic Industry

76. The views of the domestic industry in this regard are as follows:

- i. China should be treated as a non-market economy country. Normal value in case of China should be determined in accordance with para-7 Annexure-I to the Rules.
- ii. Petitioner has claimed normal value for Taiwan on the basis of cost of production in India, duly adjusted; as none of the exporters from Taiwan have responded to the current investigation and no other reliable information is available.
- iii. Import prices were artificially raised to avoid payment of anti-dumping duties. Further, the petitioner has requested the Authority to check with Ministry of Finance whether in fact the customs port authorities have taken any steps to verify genuineness and correctness of the import price. Petitioner believes that the increases in import price is totally artificial and is intended to avoid payment of anti-dumping duties.

E.2 Views of Changhong Plastics

77. The views of the responding exporter in this regard are as follows:

- i. The domestic industry has determined export price on the basis of weighted average relying on the transaction wise export data. The export data provided shows the import quantities in different units of measurement. As there is no uniformity in the units of

measurement, it is unclear as to what formula has been used so as to standardize the data and to calculate the dumping margin.

- ii. The import data ignores the subject country i.e. Taiwan. Further, it also ignores the imports made by subject countries in bags, bundles, dozens, pcs. etc.. Therefore, the import data being relied upon by the Petitioner itself remains deficient and incomplete.

E.3 Examination by the Authority

78. With regard to the argument that the import data is presented in several units of measurements and the conversion of the same is not clear, it is clarified that the majority of transactions (90% by value) in the investigation period were reported on weight basis for customs clearance and therefore no conversion into weight was required in these transactions. Moreover, the responding exporter has invoiced the goods on weight basis and has provided information on weight basis.

Examination of Market Economy claims in respect of Changhong Plastics Group Co. Ltd.

79. The Authority notes that in the past three years China PR has been treated as non-market economy country in the anti-dumping investigations by other WTO Members. Therefore, in terms of Para 8 (2) of the annexure 1 of AD rules, China PR has been treated as a non-market economy country subject to rebuttal of the above presumption by the exporting country or individual exporters in terms of the above Rules for the purposes of final finding.
80. As per Paragraph 8 of the Annexure I to the Anti Dumping Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and establish to the contrary. The cooperating exporters/producers of the subject goods from China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:-
 - a. The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labor, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
 - b. The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;

- c. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and
 - d. The exchange rate conversions are carried out at the market rate.
81. The Authority notes that responding producers/exporters of the subject goods from China PR have submitted their questionnaire responses and responding exporter submitted response to the market economy questionnaire consequent upon the initiation notice issued by the Authority and have sought to rebut the non-market economy presumption. The questionnaire response and the market economy response of the responding producer have been examined for determination of normal value of the responding producer of the subject goods from the subject country as follows.
82. M/s Changhong Plastics Group Co., Ltd (CHS or the Company) is a private limited liability company which is established under the Company Law of the People's Republic of China. It is noted that for a long time including the investigation period ("IP"), the Company is called "Changhong Plastics Co., Ltd". On ***, CHS's shareholders' meeting resolved to change its name to the current name. It is noted that the shareholders of CHS are 2 natural persons, *** and ***. It was submitted that CHS formed subsidiary company, i.e. *** which was established on Aug. ***, but it started this business in ***. It was submitted during the verification that as per the development strategy of the group, in the near future, CHS will transfer all of its production facilities including the production facilities of the subject goods to Anhui Perry. However, during the POI, only CHS is engaged in the manufacturing and sale of the subject goods.
83. During examination, it is noted that CHS does not have any contract link or joint venture with any other business entity regarding the development, production, sale or distribution of the subject merchandise. It is also noted that CHS does not acquire a significant amount of major input from any single supplier. It was submitted during the verification that CHS does not have any exclusive relationship with any supplier, distributor or reseller, and all purchases are made at prevailing market price.
84. It was submitted that the suppliers of utilities are the local suppliers in Yueqing city, who also supply other companies in Yueqing city. None of these suppliers are affiliated with CHS. CHS purchases the utilities from them at prevailing market prices. It was submitted that the employees of CHS are recruited directly from the society. During verification, the company was requested to make available the originals as well as backup copies of the documents regarding sourcing of equity capital by the promoters and procurement of machinery by the company. The company was also requested to furnish the details including purchase consideration for transfer of its business unit to the subsidiary company M/s Anhui Perry and Co. However, during the course of the verifications, the company expressed its inability to make available the relevant documents stating that the concerned officials of the accounts department are not available. In view of the fact that the original records of the company were not made available, the submissions made by the producer and exporter M/s CHS remain unverified and hence M/s CHS claim for market economy has not been accepted by the Authority.

Normal Value for CHS and Non-Cooperating Exporters in China PR

85. No other producer/exporter from China PR except CHS has responded to the Authority. Information on imports of the product under consideration reported in Indian customs data and exports from CHS shows that there were significant imports of the product under consideration during the POI. Evidently, subject goods have been exported by other exporters from China as well, who have preferred not to cooperate with the Authority. The Authority has constructed normal value for all the producers and exporters in China PR by adopting consumption norms for major raw materials and by taking international prices of the raw materials, and known estimates for conversion cost during the relevant period. Selling, general & administrative costs and reasonable profit margin has been added to the cost of production so determined so as to arrive at a constructive normal value. The same quantum of normal value, as has been determined for CHS has been adopted for other exporters from China PR as well. The constructed normal value so arrived is mentioned in the dumping margin table.

Normal Value in Chinese Taipei

86. The Authority notes that none of the producers/exporters from Chinese Taipei has filed any response. As information about actual domestic sales price, information on exports to third country or cost of production in Chinese Taipei and other information as per the questionnaire have not been furnished by any producer/exporter in that country; the Authority has relied upon the best available information for determination of normal value. The petitioner has provided details of normal value in Chinese Taipei on the basis of estimates of cost of production in Taiwan. In the absence of any response from the exporters in the form and manner prescribed, the Authority has determined normal value in Chinese Taipei on the basis of estimates of cost of production in accordance Section 9A(1)c read with Rule 6(8) supra. It is noted in this regard that there is no publicly available information with regard to price of the subject goods in the exporting country. The normal value has been constructed by adopting consumption norms for major raw materials and international prices of the raw materials, and known estimates for conversion cost during the relevant period. Selling, general & administrative costs and reasonable profit margin has been added to the cost of production so determined so as to arrive at a constructive normal value. The normal value so determined is mentioned in the dumping margin table.

E.4 Export price

E.4.2.1 Export Price for Changhong Plastics (CHS)

87. Individual export price for Changhong Plastics in respect of product under consideration has been determined on the basis of questionnaire response filed by the exporter and as claimed by the responding producer and examined and accepted by the Authority. The export price is determined as weighted average price of exports of the product under consideration exported to India directly by them to Indian importers during the relevant period, on the basis of invoice wise details of exports made by the company. The exports made by Producer through another trader (M/s Richin Industrial (HK) Ltd) has not been

considered as the concerned trader did not file relevant information about their exports to India. It is noted that the information provided by the CHS contains sufficient information with regard to volume of exports expressed on weight basis. The export price has therefore been determined on the basis of average price per kg. of goods. Price adjustments have been claimed on account of expenses such as sea freight, inland freight, insurance, port expenses, bank charges, etc which have been verified and accepted. The export sales to India net of all the adjustments claimed by the exporter and accepted by the Authority is mentioned in the dumping margin table. With regard to comments made by M/s CHS after disclosure statement about inadequate disclosure of normal value, export price and dumping margin, it is noted that all calculations relating to CIF and Net export price and landed value have been disclosed to the exporter after the disclosure statement on confidential basis. Further the details of the normal value have not been disclosed as it is based on the best available information which includes the information submitted by the domestic industry on a confidential basis.

Export Price For Non-Cooperating Exporters In China PR

88. The Authority notes that IBIS information shows imports of *** MT of Cable Ties from China PR, whereas the volume of direct exports made by the responding exporter to Indian importers is *** MT. It is thus evident that significant exports have been made by other Chinese producers/exporters as well. In view of non cooperation from the other Chinese exporters, the export price in respect of non cooperating exporters has been determined as lower representative price reported by the responding exporter from China. After making adjustments on account of ocean freight, overseas insurance, inland freight, port expenses and bank charges, the ex-factory export price has been calculated and has been mentioned in the dumping margin table.

E.4.1 Export Price for Chinese Taipei

89. None of the producers/exporters of the product under consideration from Chinese Taipei have responded to the Designated Authority. In the absence of cooperation from the foreign producers/exporters, the export price from Taiwan has been determined on the basis of average import price reported in the Indian customs data. The Authority notes that the IBIS information shows imports of 428 MT of Cable Ties @ Rs. 269 per kg. from Chinese Taipei in the POI, which has been considered as CIF export price. After making adjustments on account of ocean freight, overseas insurance, inland freight, port expenses and bank charges on the basis of best available information in the absence of cooperation from the producers/exporters in Taiwan, the ex-factory export price has been calculated and is mentioned in the dumping margin table. With regard to comments made by M/s CHS after disclosure statement about export price determination for all exporters from Chinese Taipei, it is noted that the Authority has determined the export price on the basis of average import price reported in the Indian customs data in the absence of cooperation from the foreign producers/exporters which is consistent with earlier findings of the Authority.

E.5 Dumping Margin

90. The dumping margin has been established on the basis of a comparison of weighted average normal value with weighted average export price. The dumping margin for exports of the subject goods from the subject countries is assessed as given in the table below:

Dumping Margin Calculation:

Country	China PR		Chinese Taipei
Producer	CHS	Others	
	US \$/Kg	US \$/Kg	US \$/Kg
Normal value	***	***	***
Net Export Price	***	***	***
Dumping margin	***	***	***
Dumping margin %	40-45%	55-60%	45-50%

F.1 VIEWS OF THE DOMESTIC INDUSTRY

Submissions by domestic industry

91. The domestic industry has submitted that
- There are significant volumes of subject goods which are being imported at dumped prices in spite of anti dumping duty being in force.
 - Existing measure are no longer sufficient to counteract the dumping which is causing injury.
 - Export prices from the subject countries are at significantly dumped level.
 - Production, sales and capacity utilization of the domestic industry has shown some improvement up to 2009-10 as a result of imposition of anti dumping duty on dumped imports. However, these parameters have registered a decline in the POI.

- e. Profit/loss has shown improvement up to 2009-10 as a result of imposition of anti dumping duty. Profit before interest & taxes, cash profits, return on investments have all shown a similar trend.
- f. Imports from the subject countries have been undercutting the prices of the domestic industry in the market to a significant degree.
- g. The reference prices of imports from the subject countries have remained significantly below the selling price of the domestic industry. Thus, the remedial effect of imposition of anti dumping duties on imports from the subject countries has been undermined.
- h. Employment levels with the domestic industry have not undergone any significant change.
- i. Inventory level with the domestic industry increased up to 2008-09 and then declined.
- j. The domestic industry has registered positive growth in terms of both volume and price parameters up to 2009-10; however, all these parameters have shown a decline in the POI. The domestic industry posted negative growth in terms of volume parameters, viz., sales volume, production and market share; as well as price parameters, viz., profit, return on capital employed and cash profits. Overall, the domestic industry faced negative growth.
- k. Considering the huge production capacities of the subject goods in the subject countries and their export orientation and the increasing demand for the subject goods in India, in all likelihood, review and enhancement in the quantum of anti dumping duty is necessary to curb the spurt in the dumped imports injuring the domestic industry.
- l. In the event anti dumping duties are not modified and enhanced, the domestic industry would face much bigger threat of imports from the subject countries.

Various parameters relating to domestic industry collectively and cumulatively establish that the domestic industry has suffered material injury.

Comments by domestic industry after the disclosure statement

92. The domestic industry has requested the Authority to confirm the product under consideration, like article and domestic industry examination. On the issue of normal value, export price and dumping margin, they have submitted that export price and separate dumping margin to CHS should not be granted in view of the incomplete response. Further, they have reiterated their earlier submissions made to the Authority on the issue of Injury and causal link. They have also submitted that it is speciality grade of the PUC that is giving them better realisation and they have suffered losses in the other grades (normal grade) which is a part of the PUC. On the issue of the NIP and NSR, it has been submitted that NIP and NSR comparison is immaterial in the midterm review and therefore the objective is extremely limited. They have requested the Authority to recommend the anti dumping duty on fixed price basis.

F.2 VIEWS OF M/s. CHANGHONG PLASTICS (CHS)

93. The views of M/s. Changhong Plastics in this regard are as follows:

- a. It has been submitted that paper book handed over during the oral hearing contained a further revised injury statement. The data as provided in the first two petitions was completely blank without providing any reasons for its confidentiality. Even in the updated petition, injury information is kept confidential excessively to the extent that even basic factors like demand and market share are impossible to discern.
- b. Selling price has increased in line with cost and is above cost even in the period of investigation. Market share as given in the Petition is contradictory to the Market share as reflected in Proforma IVA and it also differs significantly from the market share as has been provided in the Petition submitted in the Public Hearing. However, market share of imports from subject countries has gone down by nearly 50% while the sales of other domestic producers have gone up by over 400%.
- c. The decrease in share of subject countries clubbed with the increase in absolute numbers of imports shows that demand has grown at a higher rate than imports from subject countries which explains the surge in imports volumes. Further, since the domestic industry's total capacity has remained the same, it has not kept up with the growing demand whereby a drop in market share is inevitable.
- d. The imports from subject countries have increased but not in comparison to total consumption whereby there is no volume effect.
- e. Price and cost have moved in tandem over the injury period. It is the cost which affects price of the domestic industry not the price of imports. Therefore, the Petitioner's claim of there being a severe price effect on the domestic sales is not justified.
- f. The profit and return on capital employed for the Petitioner has increased substantially over the injury period. Petitioner has made steadily increasing profits over the injury period.

Unless the Petitioner can establish a real and substantial threat from the subject imports in the event that duties are revoked, its averments are liable to be rejected.

Comments by exporter M/s CHS after the disclosure statement

94. In the comments to the disclosure statement, the M/s CHS has reiterated their submissions made earlier to the Authority. In particular, they have again raised the issues relating to confidentiality, inadequate disclosure of information relating to normal value, export price and dumping margin, inadequate time given to them to submit response to disclosure statement, and injury assessment of the domestic industry based on inadequate data. It has also been submitted by them that there is no injury to the domestic industry and any injury caused to the domestic industry is because of factors other than dumping. They have also raised that issues like changes in exchange rate, increased share of domestic competitors and over invoicing.

F.3 EXAMINATION BY THE AUTHORITY

95. Rule 11 of Antidumping Rules read with Annexure-II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...." In

considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to suppress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

96. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the rules supra.
97. The present investigations are midterm review investigations of anti dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutates mutandis basis in case of a review as well. The Authority has therefore determined injury to the domestic industry considering, mutates mutandis, the provisions of Rule 11 read with Annexure II. Further, since anti dumping duties are in force on imports of the product under consideration, the Authority considers that the fact of existing anti dumping duties on the product on imports from China and Taiwan is required to be considered while examining injury to the domestic industry. The Authority has examined whether existing measure is not sufficient to counteract the dumping which is causing injury. For the purpose of current injury analysis, the Authority has examined the volume and price effects of the dumped imports on the domestic industry.
98. The submissions of the interested parties with regards to various parameters on injury to the domestic industry have been addressed by the Authority at appropriate basis in these findings. As regards submission by the exporters that the various injury parameters have undergone changes at different stages, the Authority notes that a petition for initiation of the mid-term review investigation was filed by the domestic industry on 28th March, 2011. The petition as filed by domestic industry was noted to be deficient on various parameters. The domestic industry was therefore requested to comply with the deficiencies and to furnish additional information / clarifications. The additional information / clarification along with the updated petition, which prima-facia substantiated the submissions of the domestic industry for initiation of the review investigation and it was filed by the domestic industry on 6th September, 2011. Further, after the initiation of the investigation, the Authority asked all the interested parties to respond to the notice of initiation and submit their responses in the form and manner of appropriate questionnaire. The domestic industry responded to the initiation and submitted the information in the form and manner of domestic industry questionnaire. The submissions made by the interested parties, in the present investigation, has been further verified by the Authority to the extent considered necessary. In the present findings, the Authority has made its recommendations based on the data as examined and verified. With regards to changes in the exchange rate subsequent to the POI and its effects on the current investigation as commented by M/s CHS, it is noted that the Authority has taken exchange rate as per its

consistent practice. Further, it has been contended that the Authority should not recommend continuation of ADD if NSR of the Domestic Industry is more than the NIP during the period of review. The Authority notes that although in the present case the NSR of the domestic industry is more than the NIP determined by the Authority, nevertheless NSR is not the only parameter to decide the imposition/ continuation of anti-dumping duties. Furthermore, the present investigation being a sun set review; the focus of the investigation is on likelihood of continuance /recurrence of dumping and injury and not actual injury.

99. The Authority has considered the views of the interested parties and addressed the same appropriately. The Authority has analyzed injury parameters in accordance with the rules. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has granted confidentiality, wherever warranted, and such information has been treated confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis.

Volume of Dumped Imports

100. With regard to volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. Annexure II (ii) of the anti dumping rules provides as under:

“While examining the volume of dumped imports, the said authority shall consider whether there has been significant increase in the dumped imports either in absolute terms or relative in production or consumption in India”

Imports of the product under consideration were as follows over the injury period –

Period	UOM	2007-08	2008-09	2009-10	2010-11
China PR	MT	299	363	485	649
Chinese Taipei	MT	438	402	372	428
Imports from Subject countries	MT	737	765	857	1,077
<i>Trend</i>	%	<i>100</i>	<i>104</i>	<i>116</i>	<i>146</i>
Other Countries	MT	-	-	19	30
Total Imports	MT	737	765	876	1,107

101. It is noted that there has been significant increase in imports of the product in absolute terms even after imposition of anti dumping duty. Further, imports from third countries continue to hold small share in total imports of the subject goods in the Country.

Assessment of demand and market share

102. The Designated Authority has determined demand as the sum of domestic sales of the domestic industry, sales of other Indian producers and imports of the subject goods in India from all sources. The demand so assessed is shown in the following table. It is seen that demand of the product in the country has increased continuously over the injury period.

Period	UOM	2007-08	2008-09	2009-10	2010-11
Demand	MT	950	1,012	1,190	1,340
Trend	%	100	107	125	141
Imports from Subject countries	MT	737	765	857	1,077
Imports from other countries	MT	-	-	19	30
Sales of Domestic industry	MT	203	237	265	183
Sales of other Indian Producers	MT	10	10	50	50
Market Share					
Domestic industry	%	21%	23%	22%	14%
Other Indian Producers	%	1%	1%	4%	4%
Subject imports	%	78%	76%	72%	80%
Other imports	%	0%	0%	2%	2%

103. The Authority notes that whereas the imports from the subject countries have significantly increased over the injury investigation period, sales of the domestic industry increased up to 2009-10 and declined thereafter in POI. It is also noted that the market share of the domestic industry declined over the injury period; whereas that of the subject countries increased in the same period. Imports of the product under consideration from subject countries declined in relation to consumption in India till 2009-10, but increased significantly thereafter in POI. With regard to injury suffered by the domestic industry on account of increase in the market share of other producers as commented by M/s CHS after the disclosure statement, it is noted that the increase in the market share during the injury period has been only 3% whereas the market share of the domestic industry has declined by 7% during the same period.

Price Effect

104. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

"With regard to the effect of the dumped imports on prices as referred to in sub-rule (2) of rule 18 the Designated Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase which otherwise would have occurred to a significant degree."

105. With regard to the effect of the dumped imports on prices, it has been examined 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 or prevent price increases, which otherwise would have occurred, to a significant degree. A comparison for product concerned was made between the landed value of exported product and the average selling price of the domestic industry. Selling price of the domestic industry has been determined net of all rebates and taxes, at the same level of trade.

Price undercutting

106. The price undercutting margin is determined as below

Period	UOM	2007-08	2008-09	2009-10	2010-11
Net Selling Price	Rs./Kg	323	360	387	416
Landed Price – China PR	Rs./Kg	53	108	272	278
Landed Price – Chinese Taipei	Rs./Kg	108	154	288	287
Price Undercutting - China PR	Rs./Kg	270	252	115	139
Price Undercutting - Chinese Taipei	Rs./Kg	215	206	100	130
Price Undercutting % - China PR	%	84%	70%	30%	33%
Price Undercutting %- Chinese Taipei	%	67%	57%	26%	31%

107. In this regard, Authority notes as under:

- a. During the year 2007-08, there were no anti-dumping duties in force. Therefore, the landed value of imports from the subject countries was significantly below the net selling price of the domestic industry.
- b. The Anti-dumping duties on the subject goods from the subject countries were imposed by the Central Government with effect from 31st October, 2008 as reference price. With the imposition of anti dumping duty, there has been significant increase in the landed value of the subject goods from the subject countries (anti dumping duty was applicable only part of this period). Further, there was marginal improvement in the net selling price of the domestic industry. As a result the quantum of price undercutting from both the countries declined marginally.
- c. During the year 2009-10 (the period where the anti dumping duty was applicable for entire period) there was further significant increase in the landed value of subject goods from the subject countries. However, there is no significant change in the landed value during the year 2010-11.

- d. Despite increase in the import price, the landed price of imports continues to be significantly below the net selling price of the domestic industry. Thus, the imports of subject goods from subject countries continue to cause price undercutting to the domestic industry.

Price suppression and depression

108. The cost and price movement of the domestic industry and the landed value of imports from the subject countries have been compared over the injury period to examine whether the effect of dumped imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree.

Period	UOM	2007-08	2008-09	2009-10	2010-11
Cost of Production	Rs./Kg	322	334	346	386
<i>Trend</i>	%	100	104	107	120
Net Selling Price	Rs./Kg	323	360	387	416
<i>Trend</i>	%	100	112	120	129

109. The Authority notes from the above that the selling price of the subject goods produced domestic industry has increased by 20% during the injury period as against 29% increase in the selling prices of the subject goods produced by the domestic industry. However, the cost of production increased significantly during the POI as compared to the previous year while the selling price did not increase in the same proportion. Thus, for the injury period as a whole, it is noted that there does not appear to be any price suppression on account of imports of subject goods as a whole from the subject countries. As there is no decline in the selling price of the subject goods produced by the domestic industry, it is noted that the domestic industry has not suffered price depression during the injury period. It is however noted that the domestic industry had contended during the proceedings that they have produced and sold some volume of speciality grades of the product under consideration where there was no competition from dumped imports. The segregated information provided by the domestic industry showed that there was significant price difference in selling price of speciality grades and subject goods other than speciality grades and even when average selling price of subject goods produced by the domestic industry increased in POI as compared to preceding year, the net selling price of the subject goods excluding the speciality grade produced by the domestic industry has significantly declined. Further, it is also noted that despite increase in the costs of major raw materials, the landed price did not show proportionate increase during the POI as compared to preceding year.

Economic Parameters Relating to the Domestic Industry

110. Annexure II to the AD Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these imports on domestic producers of such products, the Rules further provide that the examination of the impact of the

dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. An examination of performance of the domestic industry reveals that the domestic industry has suffered material injury. However, the present investigations being a midterm review investigations, injury to the domestic industry is required to be assessed on mutates mutandis basis. Further, the Authority has examined whether existing measure is sufficient to counteract the dumping which is causing injury. The various injury parameters relating to the domestic industry are discussed below.

Imports from Subject countries, Market share of imports and Demand:

111.The effects of the dumped imports on the domestic sales and the market shares of the domestic industry have been examined as below:

Period	UOM	2007-08	2008-09	2009-10	2010-11
Demand	MT	950	1,012	1,190	1,340
<i>Trend</i>	%	<i>100</i>	<i>107</i>	<i>125</i>	<i>141</i>
Imports from Subject countries	MT	737	765	857	1,077
Imports from other countries	MT	-	-	19	30
Sales of Domestic industry	MT	203	237	265	183
Sales of other Indian Producers	MT	10	10	50	50
Market Share					
Domestic industry	%	21%	23%	22%	14%
Other Indian Producers	%	1%	1%	4%	4%
Subject imports	%	78%	76%	72%	80%
Other imports	%	0%	0%	2%	2%

112.It is noted that it is noted that the market share of the domestic industry has declined significantly in the POI as compared to base year despite the increase in demand. The decline in the market share of domestic industry is considered significant.

Production, Capacity and Capacity Utilization, Sales

113.Information on capacity, production, capacity utilization and sales volumes of the domestic industry has been as under:-

Period	UOM	2007-08	2008-09	2009-10	2010-11
--------	-----	---------	---------	---------	---------

Capacity	MT	560	560	560	560
Production	MT	217	237	253	194
Plant capacity utilisation	Percent age	39%	43%	49%	42%
Domestic sales	MT	203	237	265	183

114. It is noted that the production, domestic sales and capacity utilization of the domestic industry improved upto 2009-10 and then declined in the POI. During examination and verification of the submissions made by the domestic industry, the Authority noted that the capacity of the domestic industry includes the capacities for manufacture of goods other than the PUC. In view of the same, the plant capacity utilisation has been mentioned.

115. It is noted that the volume of subject imports increased significantly in the POI. With the significant increase in the volume of dumped imports, sales volumes of the domestic industry declined significantly. Consequently, production and capacity utilisation of the domestic industry declined significantly in the POI. It is noted that partly due to idle capacities, some of the existing facilities / capacities have been utilized by the domestic industry for the manufacture of goods other than the PUC. The Authority further notes that the decline in the domestic sales, production and capacity utilisation has occurred in spite of increase in demand for the subject goods.

Profits, return on investment and cash flow

116. The Profits, return on investment and cash flow of the domestic industry has been examined as under:

Period	UOM	2007-08	2008-09	2009-10	2010-11
Profit/loss	Rs./Kg	***	***	***	***
	Indexed	100	4,278	6,743	4,937
Profit/loss	Rs.Lacs	***	***	***	***
	Indexed	100	5,000	8,970	4,769
Profit before interest & tax	Rs.Lacs	***	***	***	***
	Indexed	100	291	456	305
Cash Profit	Rs.Lacs	***	***	***	***
	Indexed	100	215	277	213
Return on Investment	%	***	***	***	***
	Indexed	100	250	360	287

117. The Authority notes the following trends:

- There are divergent trends in the profits per unit of the domestic industry during the injury period. While there was significant improvement in the profits of the domestic industry from base year, the same declined significantly during the POI.
- Similarly, whereas in the initial periods of the injury period, the PBIT, cash profit and returns on capital employed (ROC) of the domestic industry showed noticeable improvements, there was decline in these parameters during the POI as compared to previous year. The decline in the returns on investments has been noted in spite of decline in the capital employed due to shifting of some of the assets for production of products other than the PUC.
- The domestic industry contended that they have produced and sold some volume of speciality grades of the product under consideration where there was no competition from dumped imports. The segregated information provided by the domestic industry showed that there was significant price difference in selling price of speciality grades and subject goods other than speciality grades and even when average selling price of subject goods produced by the domestic industry increased in POI as compared to preceding year, the net selling price of the subject goods excluding the speciality grade produced by the domestic industry has significantly declined. It is thus noted that the domestic industry would have suffered further deterioration in operating performance, if speciality grades sales are excluded.

Employment and wages

118. The Status of employment levels and wages of the domestic industry has been as under:

Period	UOM	2007-08	2008-09	2009-10	2010-11
Employment	Nos.	***	***	***	***
<i>Trend</i>	%	<i>100</i>	<i>115</i>	<i>110</i>	<i>100</i>
Wages	Rs. Lacs	***	***	***	***
<i>Trend</i>	%	<i>100</i>	<i>178</i>	<i>282</i>	<i>241</i>

119. The Authority notes that employment level with the domestic industry has almost remained stagnant whereas wages has shown a positive trend.

Productivity

120. The productivity of the domestic industry is given in the following table:

Productivity	UOM	2007-08	2008-09	2009-10	2010-11
Per Employee	MT	***	***	***	***
<i>Trend</i>	%	100	96	116	109
Per Day	MT	***	***	***	***
<i>Trend</i>	%	100	110	127	109

121.The Authority notes from above table that productivity per employee of the domestic industry declined in 2008-09, improved in 2009-10 and then declined again in POI.

Inventories

122.The Designated Authority has examined the inventory level of the domestic industry, which is given in the following table:-

Period	UOM	2007-08	2008-09	2009-10	2010-11
Average Inventory	MT	***	***	***	***
<i>Trend</i>	%	100	125	100	78

123.It is noted that the inventory levels of the domestic industry in 2008-09 and then declined in 2009-10 and POI. In spite of decline in POI, inventory remained at significant levels considering the production levels of the domestic industry.

Factors affecting domestic prices

124.Consideration of the import prices from subject countries and other countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported material from subject countries is below the selling price of the domestic industry, causing significant price undercutting in the Indian market. It is further noted that imports of subject goods from other countries are at much higher prices. There is no viable substitute to this product. It is also noted that demand for the subject goods was showing significant increase and this could not have been a factor affecting domestic prices. Thus, the major factors responsible for the domestic industry prices is the landed prices of the subject goods from subject countries and the cost of production of the domestic industry.

Ability to raise capital

125.It is noted that should the dumping from the present sources persist, ability of the domestic industry to raise capital would suffer.

Growth

126. On examination of various economic parameters of the domestic industry, the Authority notes that both the volume parameters such as production and sales, and price parameters of the domestic industry show improvement up to 2009-10 and then it shows decline despite anti dumping duty in force. Thus, the growth of the domestic industry is adverse on the volume parameters. On the price parameters, the growth is positive till 2009-10 and thereafter the growth is negative.

Period	UOM	2007-08	2008-09	2009-10	2010-11
Growth Year by year					
Production	%		10	15	-14
Sales	%		17	7	-23
Profits	%		***	***	***
Market share	%		10	-5	-37
ROI	%		***	***	***

Causal Link

127. As per the AD Rules, the Designated Authority is, inter alia, required to examine any known factors other than dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors must not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumping prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It was examined whether these other parameters listed under the Rules could have contributed to injury to the domestic industry.

Imports from other countries and other Known Factors

128. During the POI, more than 97% imports were from the subject countries of present investigation. Imports from third countries were negligible and could not have caused injury to the domestic industry.

Contraction in demand and / or change in pattern of consumption

129. The data shows demand of the product under consideration has increased significantly over the injury period. Decline in demand cannot be considered as the factor that could have impacted the performance of the domestic industry. No significant change in the

pattern of consumption has come to the knowledge of the Authority, nor any interested party has made any submission in this regard.

Trade restrictive practices of and competition between the foreign and domestic producers

130. The subject goods are freely importable. No trade restrictive practices in the domestic market have been brought to the knowledge of the Authority. The domestic producers compete with each other and at the same time with the subject goods. The price of the domestic industry is influenced by the landed price of subject goods.

Development of technology

131. The investigation has not shown any significant development in technology which could have caused injury to the domestic industry.

Exports by the domestic industry

132. The exports of the domestic industry are insignificant. Therefore, exports could not have affected its overall performance.

Productivity

133. The Authority notes that productivity of the domestic industry, when measured in terms of production per employee, declined in 2008-09, improved in 2009-10 and then declined again in POI. However, changes in the productivity have not been so significant as to have resulted in so significant changes in the profitability of the domestic industry. Changes in the productivity of the domestic industry could not be a cause of injury to the domestic industry.

Parameters establishing causal link

134. The Authority notes that while listed known other factors do not show that injury to the domestic industry has been caused by these factors, following parameters show that injury to the domestic industry has been caused by dumped imports:

- a. The landed prices of imports were lower than the selling price of the domestic industry. As a result of price undercutting, the consumers have resorted to higher volume of imports, thus leading to increase in imports in absolute terms.
- b. Market share of the domestic industry declined in POI and that of subject imports increased as a result of increase in imports far disproportionate to the increase in demand.
- c. Imports were causing significant price undercutting in the domestic market. As a consequence, sales volumes of the domestic industry declined in a situation where the demand for the product increased.
- d. Decline in sales volumes and market share of the domestic industry resulted in decline in production of the domestic industry in the POI. Consequently, capacity utilization of the domestic industry also declined.

e. Landed price of imports were undercutting the prices of the domestic industry. As a result of the price undercutting and significant volume of imports from the subject countries, the market share and overall profitability of the domestic industry has declined.

135. The Authority therefore, concludes that the subject dumped imports have caused continued injury to the domestic industry within the meaning of Rule 11 of Anti-dumping Rules and Article 3.5 of Agreement of Anti- dumping.

136. The Non-injurious Price for the subject goods has been compared with the landed value of the exports of subject goods from both the subject countries for determination of injury margin. The injury margin has been worked out as under:

Country	China PR		Chinese Taipei
	Changhong Plastics	Others	
	US \$/Kg	US \$/Kg	US \$/Kg
CIF	***	***	***
landed value	***	***	***
NIP	***	***	***
Injury Margin	***	***	***
Injury Margin %	***	***	***
Injury Margin range %	25-35%	35-45%	25-30%

Lasting nature of the changed circumstances and likelihood of continuation of dumping and injury

E.6.1 Views of the Domestic industry

137. The domestic industry has submitted that dumping & consequent injury to the domestic industry is likely in the event of continuation of the anti dumping duty in its present form

138. It has been submitted that the present and potential difference in the prices of imported product from subject countries and domestic like product is very significant and is therefore likely to increase demand for imports;
139. Significant price difference and consequent potential increase in imports is having significant depressing effect on domestic prices;
140. Subject exporters are holding significant freely disposable capacity indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports.
141. Significant increase in volume of imports between original POI and current POI itself clearly establishes likelihood of continued dumping and consequent injury to the domestic industry.
142. The high market Share held by the subject countries in the Indian market and increase in the market share of the domestic industry clearly establishes likelihood of continuation of dumping.
143. Export orientation of producers and exporters in subject countries is quite high, which shows that the exporters are likely to continue to export at dumping prices.

E.6.2 Views of M/s. Changhong Plastics

144. Review has been initiated on the basis of insufficient information to justify changed circumstances as required under Rule 23. First two petitions did not provide any information which showed change in the circumstances. It is the third petition filed, which provided the information as regards the factors for changed circumstances.
145. Evidence such as price lists for domestic sales, actual invoices, as provided in the guidelines has not been provided. "Positive information" as mentioned under Rule 23 must necessarily be qualified with a demonstration of changed circumstances.
146. There has been a significant decline in the dumping margin and injury margin as compared to the original investigation and the duty as levied by the Hon'ble Designated Authority justifies the desired effect of imposition of duties.

E.6.3 Examination by the Authority

147. In accordance with the practice of the Authority, it was examined whether changed circumstances could be said to be of lasting nature or if there would be chances of intensified dumping and injury if anti dumping duty is not modified. It was noted after examination that the domestic industry is suffering material injury due to continued dumped imports of subject goods from the subject countries despite imposition of anti dumping duty. While the domestic industry has contended that the significant increase in import price with imposition of anti dumping duty is artificial, it is noted that even after considering significant increase in the import price, the dumping margin found in the present investigations is quite significant. Thus dumped imports of subject goods from both the subject countries remained significant during the POI. The volume of imports increased significantly after the previous investigation period. The current level of price

undercutting is quite significant. The domestic industry has lost significant sales volumes even after imposition of anti dumping duty, whereas it was expected that imposition of anti dumping duty shall provide level playing field to the domestic industry. It is also noted that if the sales of speciality grades are excluded (import data shows no imports of such grades), the domestic industry would have suffered deterioration in the operating performance. In view of the above, it is noted that changed circumstances are of lasting nature.

Conclusions on likelihood of continuation of dumping and injury

The Authority concludes on likelihood of continuation of dumping and injury –

148. There has been consistent increase in the demand for the subject goods during the injury period.
149. The volume of dumped imports of subject goods from the subject countries has witnessed significant increase during the injury period. Further, the share of dumped imports of the subject goods, in the total demand, during the injury period has increased while the share of domestic industry has declined during the same time. The decline in the market share of the domestic industry during the injury period is considered significant.
150. The dumped imports are significantly undercutting the prices of domestic industry;
151. The landed price of imports of subject goods is significantly below the cost of production and non injurious price of the domestic industry;
152. Performance of the domestic industry has deteriorated in respect of production, capacity utilisation and sales. The domestic industry is faced with significant unutilized capacities;
153. The market share of the imports has increased even after imposition of anti dumping duty and that of the domestic industry has declined.
154. With the imposition of Anti-Dumping duties, as reference price, with effect from 31st October, 2008 there was noticeable change (increase) in the CIF price and the landed values of the subject goods from the subject countries. However, the landed prices continued to be significantly lower than the net selling price of the domestic industry resulting in significant amount of price undercutting. Further, it is noted that if the sales of speciality grades are excluded (import data shows no imports of such grades), the domestic industry would have suffered deterioration in the operating performance. The imports of subject goods from subject countries not only continued at dumping prices but also its volumes increased.
155. It is noted that the circumstances, which were prevalent at the time of original investigations, are very much in existence even till date. There has been no significant change in the circumstances, which could suggest that the dumping would not intensify at the aggravated level in the event of cessation of anti dumping duties.
156. Considering significant production capacities of the subject goods in subject countries and their export orientation and the increasing demand for the subject goods in India, in

all likelihood any reduction or revocation of the anti-dumping duty may lead to spurt in the dumped imports injuring the domestic industry.

157. Positive price undercutting and underselling without considering the anti-dumping duties in force indicate the likely adverse price effect of dumped imports on domestic industry in the event of expiry of the anti dumping duty in force.

158. It is thus noted that in the event of revocation of anti dumping duties, the domestic industry would face continued threat of dumped imports from the subject countries.

Indian Industry interest.

159. 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.

160. The Authority recognizes that the imposition of anti dumping duties might affect the price levels of the products manufactured using subject goods and consequently might have some influence on relative competitiveness of these products. However, fair competition on the Indian market will not be reduced by the anti dumping measures. 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 subject goods.

161. The Authority notes that the imposition of anti dumping measures would not restrict imports from subject countries in any way, and therefore, would not affect the availability of the product to the consumers. The consumers could still maintain two or even more sources of supply.

Recommendations

162. Having regard to the legal provisions, contentions raised, information provided by interested parties, submissions made by interested parties and facts available before the Authority as recorded in the above findings and on the basis of above analysis of the state of continuation of dumping and consequent injury to domestic industry and likelihood of continuation of dumping and injury, the Authority concludes that

- a. The subject goods from subject countries are entering the Indian market at dumped prices and dumping margin is significant. It is also seen that the subject goods continue to be exported to Indian at dumped prices despite the existing anti dumping duties and there is a likelihood of its continuation should the existing antidumping duties are withdrawn.
- b. The price undercutting and price underselling from subject countries, without the anti dumping duties, are significant. The Domestic Industry continues to suffer material injury on account of continued dumping of subject goods from subject countries during

the period of investigation and there is likelihood of deterioration in the operating performance of domestic industry in the event of cessation of anti dumping duties.

c. The anti dumping duties are required to be continued and modified.

163. The Authority considers it necessary to impose definitive anti dumping duty on all imports of subject goods from subject countries in order to remove the injury to the domestic industry. The margin of dumping determined by the Authority is indicated in the paragraphs 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 margin, the landed value of imports is proposed to be compared with the non-injurious price of the domestic industry determined for the period of investigation.

164. With regard to duty structure, keeping into account factual matrix of the case and having regard to contentions raised, information provided and submissions made by interested parties, it is deemed appropriate to recommend fixed form of anti dumping duty. Accordingly, the Authority considers it appropriate to recommend to the Central government for imposition of definitive anti dumping duties on all types of cable ties falling under Customs heading 39 originating in or exported from subject countries. The Anti-Dumping duty shall be the amount mentioned in column 9 for the subject goods originating in or exported from the countries mentioned below: -

SN	Sub-heading	Description of goods	Specification	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	3926 90	Cable ties	Any	People's Republic of China	People's Republic of China	M/s Changhong Plastics Group Co., Ltd	M/s Changhong Plastics Group Co., Ltd	2.21	per Kg	US\$
2	3926 90	Cable ties	Any	People's Republic of China	Any	M/s Changhong Plastics Group Co., Ltd	Any	2.81	Per Kg	US\$
3	3926 90	Cable ties	Any	People's Republic of China	Any	Any other than M/s Changhong	Any	2.81	Per Kg	US\$

						ng Plastics Group Co., Ltd				
4	3926 90	Cable ties	Any	Any Country other than People's Republic of China and Taiwan	People's Republic of China	Any	Any	2.81	Per Kg	US\$
5	3926 90	Cable ties	Any	Taiwan	Any	Any	Any	2.35	Per Kg	US\$
6	3926 90	Cable ties	Any	Any Country other than Taiwan and People's Republic of China	Taiwan	Any	Any	2.35	Per Kg	US\$

165. An appeal against the order of the Central Government shall lie before the Customs Excise and Service Tax Appellate tribunal in accordance with the Act.

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

(Vijaylaxmi Joshi)
Designated Authority