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No.15/14/2011-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated 25th June, 2013

NOTIFICATION

(Final Findings)

Subject: -Final Findings in the Sunset Review of anti dumping duty imposed on import of Zinc Oxide originating in or exported from China PR-reg.

No. 15/14/2011-DGAD:- Having regard to the Customs Tariff Act, 1975 as amended from time to time, and the Customs Tariff (Identification, Assessment and Collection of Anti- Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995 thereof:

A. Background of the case

1. Whereas having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter referred to as the AD Rules), definitive anti-dumping duty was originally recommended by the Designated Authority (hereinafter referred to as the Authority) vide Notification No. 62/1/2000-DGAD dated 5th October, 2001 on the imports of 'Zinc Oxide' (hereinafter referred to as the subject goods) originating in or exported from China PR (hereinafter referred to as the subject country) and whereas the Central Government imposed definitive anti-dumping duty w.e.f. 09.04.2001 vide its notification no 115/2001-customs of 2nd November, 2001.
2. Whereas upon a Sunset Review undertaken by the Designated Authority, the Authority recommended continuation of definitive anti-dumping duty vide its Notification No.15/4/2005-DGAD dated 4th April, 2007 and whereas the Central Government issued its Notification No.64/2007-Customs dated 7th May, 2007 imposing the definitive anti-dumping duty on the imports of the subject goods originating in or exported from the subject country.
3. Whereas M/s Transpek Silox Limited and M/s Rubamin Limited have filed a duly substantiated application before the Authority in accordance with the Act and the AD Rules alleging dumping of 'Zinc Oxide' originating in or exported from China PR and requested for review, modification and continuation of the anti-dumping duties.
4. And, whereupon in accordance with Section 9 A (5) of the Act, read with Rule 23 of AD Rules, the Authority issued a public notice dated 2nd May 2012, published in the Gazette

of India, Extraordinary, initiating the sunset review investigation to review the need for continued imposition of duties in force and to examine whether the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury.

5. And, whereas, the antidumping duty as notified vide Notification No. 64/2007-Customs dated 7th May, 2007 was extended up to 6th May, 2013 vide Notification No. 27/2012-Customs dated 18th May, 2012 in terms of Section 9(A)(5) of the Act.

B. Procedure

6. In this investigation, the procedure described herein-below has been followed:
- i. The Authority received a duly substantiated Sunset Review application from M/s Transpek Silox Limited and M/s Rubamin Limited as domestic industry for review, enhancement and continuation of the duty in force on imports of Zinc Oxide originating in or exported from China PR. The petitioners submitted prima facie evidence in this regard, requesting for review, continuation and enhancement of the anti dumping duty in force.
 - ii. The Authority, on the basis of sufficient evidence submitted by the petitioners to justify initiation of the investigation, decided to initiate sunset review investigation against imports of the subject goods originating in or exported from China PR.
 - iii. The scope of the present review covers all aspects of the previous Notifications.
 - iv. The Embassy of the subject country in India was informed about the initiation of the investigation, in accordance with Rule 6(2) of the AD Rules.
 - v. The Authority sent copies of initiation notification dated 2nd May 2012 to the Embassy of the subject country in India; known exporters/producers from the subject country; known importers and other interested parties; and the domestic producers, as per the information available with the Authority. The parties to this investigation were requested to file response to the questionnaire in the form and manner prescribed and make their views known to the Authority in writing within the prescribed time limit. Copies of the letter and questionnaires sent to the exporters/producers were also sent to the Embassy of the subject country in India along with a list of known exporters / producers with a request to advise the exporters / producers from the subject country to respond to the questionnaires within the prescribed time limits.
 - vi. Questionnaires were sent to the following known exporters/producers from the subject country in accordance with Rule 6(4) of the AD Rules to elicit relevant information:

Anqiu Hengshan Chemical Co Danshan Village, Xin'an Street, Weifang, Shandong, China (Mainland) Zip: 262109	China Hishine Industry Co. Ltd. Shandong Zibo High Tech Development Zone, China
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<p>Gaoyi Sunpower Chemical Co., Ltd. (Also Called Shijiazhuang Sunpower Technology Co., Ltd.) Shiliangzhuang Industry District, Gaoyi County, Shijiazhuang, Hebei, China (Mainland) Zip: 050000</p>	<p>Hengyang Yuxing Chemical Co., Ltd. (No. 217, 2/F, Chuangye Building) 33 Changfeng Rd., High And New Industrial Development Zone, Hengyang, Hunan, China (Mainland) Zip: 421141</p>
<p>Laiwu Chengjia Chemical Co., Ltd. No. 51, Changshao North Road (Building along the Street, Yixinyuan Community), Laiwu, Shandong, China (Mainland) Zip: 271100</p>	<p>Liuzhou Glory Zinc Minmetchem Co., Ltd Rm. 15A05, Block A, Huaxin Int'l, 17 East Tanzhong Rd., Liuzhou, Guangxi, China (Mainland)</p>
<p>Shijiazhuang Xinyuanzinc Co., Ltd. Shiliangzhuang Industry Area, Gaoyi County, Shijiazhuang, Hebei, China (Mainland) Zip: 051330</p>	<p>Weifang Qinglian Zincoxide Co., Ltd. South Side Of Yuqing West Street, Foreign-Investment Development Zone, Weifang, Shandong, China (Mainland)</p>
<p>Zhengzhou Perfect Chem Co., Ltd. No.0802, 8/F, Unit 2, Yard 86, Zhenghua Rd., Jinshui Dist., Zhengzhou, Henan, China (Mainland)</p>	<p>Zhucheng Yunfeng Zinc Oxide Plant Rongzi Village, Jiayue Town, Weifang, Shandong, China (Mainland)</p>
<p>Zhuzhou Zhong Le Chemical Co., Ltd. South End Of Zhuyi Road, Qingshuitang, Shifeng District, Zhuzhou, Hunan, China (Mainland)</p>	<p>Guangxi Chemicals Import And Export Corporation 8th Floor, Guangxi Foreign Trade Building No. 137, Qixing Guangxi, China</p>
<p>Sinochem Heinan Company Limited Block 10, Hibuachemg, 31 The 3rd Haldian Road Hainan, China</p>	<p>China National Chemical Construction Corporation 16, Qiqu, Hepingli Beijing, China</p>
<p>China Hunan Chemicals Import/ Export Ltd 5th Floor, Building "B" Furama International Hotel No. 88 Bayi Road, Changsha Hunan, China</p>	<p>Mudanjiang Import & Export Corporation No. 88, Beixio- Amin ST Xian Dist Mudanjiang City Heilongjiang Province, China</p>
<p>Wuxi Chemical Industry Group Co Ltd 274, Xicheng Road</p>	

Wuxi, Jaingsu, China	
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- vii. None of the above producer/exporter has, however, filed questionnaire response.
- viii. Questionnaire was also sent to the following known importers, users and associations of the subject goods in India seeking necessary information:

Zenith Rubber & Plastics Works A-2 Parekh Mahal 80, Veer Nariman Road, Churchgate, Mumbai-400 020	J.S. Gupta & Sons Rampur Road, Moradabad 244001 Uttar Pradesh
Oriental Rubber Industries Limi Shravani Gardens, 20 Viman Nagar Nagar Road Pune, Maharashtra- 411014	Kohinoor India Ltd Basti Bawa Khel, Kaputhala Road, Jalandhar-21
Apollo Tyres Ltd Apollo House, 7, Institutional Area, Sector 32 Gurgaon- 122001	CEAT Ltd. 463, Dr. Annie Besant Road, Mumbai-400030
J K Industries Ltd Link House,3, Bahadur Shah Zafar Marg New Delhi 110002	Birla Tyres Shivam Chamber, 53, Syed Amir Ali Avenue, Kolkata-700019
MRF Ltd 124, Greams Road Chennai -600006	Balakrishna Industries Ltd 421/422, Creative, 72 N M Joshi Marg Mumbai-400011
Wear Well Near Sapna Dam Village Sohagpur, Distt Betul Madhya Pradesh	Malhotra Rubbers Ltd E-77 Kirti Nagar New Delhi-110015
Goodyear India Ltd Mathura Road, Ballabgarh Road, Haryana -121004	ASSOCHEM 147 B Gautam Nagar, Gulmohar Enclave New Delhi – 110 049

FICCI Federation House Tansen Marg New Delhi – 110 001	Confederation of Indian Industry India Habitat Centre Core 4A (4 th Floor) Lodhi Road, New Delhi – 110 003
Automotive Tyre Manufacturers Association PHD House (4 th Floor) Opp. Asian Games Village Siri Fort Institutional Area New Delhi – 110 016	The Indian Ceramic Society 101, Neeldeep Towers P.O. Navjivan Ahmedabad – 380 014

- ix. In response to the initiation notification, none of the importers, users or associations has responded.
- x. The import data for the period of investigation and preceding three years was obtained from the Directorate General of Commercial Intelligence and Statistics (DGCI&S).
- xi. The Authority made available non-confidential version of the evidence presented by the interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6 (7) of the AD Rules.
- xii. Exporters, producers and other interested parties who have neither responded to the Authority nor supplied information relevant to this investigation have been treated as non-cooperating interested parties by the Authority.
- xiii. The Authority has examined the information furnished by the domestic producers to the extent possible on the basis of Generally Accepted Accounting Principles (GAAP) to analyze the current injury and likelihood of continuation/recurrence of injury and to work out the cost of production and the non-injurious price of the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- xiv. In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all the interested parties to present their views orally in an Oral Hearing held on 10th April, 2013. Only the domestic industry participated in the Oral Hearing. The domestic industry was requested to file written submissions of the views expressed orally. The arguments made in the written submissions received from the domestic industry have been considered, wherever found relevant, in this Final Findings Notification.
- xv. The Period of Investigation (POI) for the purpose of the present review is 1st April 2011 to 31st March 2012. However, injury analysis shall cover the years 2008-09, 2009-10, 2010-11 & the POI. The data beyond the POI may also be examined to determine the likelihood of dumping and injury.

- xvi. The verification to the extent deemed necessary was carried out in respect of the information and data submitted by the participating domestic producers.
- xvii. Information provided by the domestic industry on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to the other interested parties.
- xviii. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded these findings on the basis of the 'facts available'.
- xix. A Disclosure Statement containing the essential facts in this investigation which would have formed the basis of the Final Findings was issued to the interested parties on 12.06.2013. Only the Domestic Industry responded to the Disclosure Statement and no opposing interested party responded to the said Disclosure Statement. The post Disclosure Statement submissions received from the domestic industry have been considered, to the extent found relevant, in this Final Findings Notification.
- xx. The original date to complete the investigation was up to 1st May, 2013. However, at the request of the Authority, this date was extended by the Ministry of Finance.
- xxi. *** In this Final Findings Notification represents information furnished by the interested parties on confidential basis and so considered by the Authority under the AD Rules.
- xxii. The US exchange rate for the POI has been taken as Rs. 48.14 = 1 US\$ as per notifications issued by the Ministry of Finance.

C. Misc Submissions made by interested parties and the examination thereof

- 7. It has been argued by the domestic industry that in case of non participation by other interested parties, the Designated Authority should proceed with the information filed by the domestic industry. Further, no hearing is required in the present case in view of no response by opposing parties.

D. Product under consideration and Like article

D.1 Views of the Domestic industry

- 8. Domestic industry has submitted that the present review investigation is a sunset review investigation. The product involved in the original investigation and the first sunset review investigation as well as in the present sunset review investigation is Zinc Oxide. The product under consideration in the present sunset review should remain the same as in the previous investigations, as the present investigation is only a review of the anti-dumping duty already imposed. It is further argued that Zinc Oxide produced by the

domestic industry and imported from China PR are like products and the scope of the product under consideration and like article is not required to be examined in the sunset review. Zinc Oxide is an inorganic chemical and is classified under two different customs classifications under Chapter 28 and Chapter 38 of the Customs Tariff Act. It is submitted that the duty should be recommended on both the classifications.

D.2 Examination by the Authority

9. The product under consideration in the present investigation is Zinc Oxide of all grades as was in the original investigation. Zinc Oxide is a white/off white powder with chemical formula 'ZnO'. It is produced in three grades, namely, regular, IP and Feed grade. In the regular grade, it has purity of minimum 98% whereas in the IP, it has purity of minimum 99%. It is used in the manufacturer of automobile tyres, rubber goods, high purity zinc chemicals such as sulphate, chloride etc. It is also used as a raw material in ceramic industry and a supplement in animal feed formulations.
10. It is classified under custom subheadings 2817.0010 of Chapter 28 and 3812.3030 of Chapter 38 of the Customs Tariff Act, 1975. The classification is indicative only and is in no way binding on the scope of the present investigation.
11. The product under consideration in the present sunset review will remain the same as in the previous investigations, as the present investigation is only a review of the anti-dumping duty already imposed.
12. The goods manufactured by domestic industry and exported from the subject country are identical and technically and commercially substitutable. Therefore, the Authority holds that the subject goods produced by the domestic industry are like articles, as per Rule 2(d) of the Rules Supra, to the product under consideration.

E. Scope of the Domestic Industry

E.1 Views of the Domestic industry

13. The domestic industry has submitted that there is no published information available with regard to the production of zinc oxide in the country. At the time of original investigation also, Designated Authority had determined Indian production of Zinc Oxide by assessing consumption of raw material required, i.e., zinc for production of zinc oxide and consumption of zinc oxide by the consumer segment. Petitioners have adopted the same methodology for determination of Indian production of Zinc Oxide in this review investigation also. The petitioners' production constitutes a major proportion of the production of the subject goods in India. Further, in case of sunset review, standing is not required to be seen at the stage of initiation of investigations.
14. The product under consideration was earlier listed under SSI group. However, the product has now been de-listed and the industry is getting geared up to new challenges.

E.2 Examination by the Authority

15. Rule 2(b) under the AD Rules provides as follows:-

“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.”

16. The application has been jointly filed by M/s Transpek Silox Limited and M/s Rubamin Limited on behalf of the domestic industry. It has been observed from the previous findings that the domestic industry comprises large number of small scale units. Most of the producers of the product under consideration are in the unorganized sector. The petition has been filed by two largest producers of zinc oxide whose individual production is below 25% but collectively accounts for about 41% of the Indian production. There is no domestic producer of the product opposing the present investigation. As per the information available, the applicants account for a major proportion in the Indian production of the subject goods and, therefore, constitute the domestic industry within the meaning of the Rules.

F. Assessment of Dumping – Methodology and Parameters

F. 1 Views of the Domestic industry

17. The Domestic industry, in brief, has claimed the following:

- a. None of the Chinese producers has responded.
- b. Chinese producers should be treated as operating in non market economy environment.
- c. After the determination of the fact that Chinese producers are not entitled for market economy treatment, the Authority shall follow Para 7 of Annexure I of the AD Rules for the determination of normal value. Normal Value cannot be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available. In order to arrive at Normal Value on this basis, the Authority shall require complete and exhaustive verifiable information on all domestic sales made by a cooperating producer in such third country along with its cost of production and all other associated information and evidences (including all information in the ordinary course of trade). Principles of fair comparison as laid down under Article 2.4 of the Anti Dumping Agreement are also relevant in this respect. Petitioners have not been able to procure such information from a producer in the market economy third country.
- d. Normal Value in China has been determined on the basis of cost of production in India, duly adjusted. The petitioners have constructed normal value by adopting the consumption norms and procurement prices of the most efficient producer.

- e. In the original and previous sunset review investigations, the Authority had not granted market economy treatment to any of the exporters from China and determined the normal value in China on the basis of the constructed normal value based on the estimated cost of production of the subject goods in China with reasonable profit in terms of Para 7 & 8 of the Annexure 1 to the said Rules as amended. The petitioners request the Authority to consider the same methodology to calculate the normal value for China PR in the current investigation.
- f. Designated Authority may review the practices of other countries in case of low or no response.

F.2 Examination by the Authority

a) Normal value

18. The Authority had sent questionnaires to the known exporters/producers from the subject country, advising them to provide information in the form and manner prescribed. There has been no response to the questionnaire nor has there been any submission by the Chinese producers/exporters.
19. The Authority notes that in the past three years, China PR has been treated as a non market economy country in anti-dumping investigations by India subject to rebuttal of the presumption by the exporting country or individual exporters/producers in terms of the AD Rules.
20. As per Paragraph 8 of Annexure I of the AD Rules, the presumption of a non-market economy may be rebutted, if the exporter(s)/producer(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) of Paragraph 8 and establish the facts to the contrary. The co-operating exporters/producers of the subject goods from China PR are required to furnish necessary information/sufficient evidence as mentioned in sub paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Authority to consider the following criteria as to whether:
 - The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology, labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
 - 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;

- Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms; and
- The exchange rate conversions are carried out at the market rate.

21. It is noted that none of the Chinese exporters/producers has responded to the questionnaire nor submitted response to the market economy treatment questionnaire to rebut the presumption of non-market economy as per para 8(3) of Annexure 1 of Anti-Dumping Rules. In view of absence of cooperation and rebuttal regarding market economy treatment from the Chinese exporters/producers, the Authority has determined normal value by treating exporters from China PR as working under non-market economy and determined normal value in accordance with para 7 of Annexure 1 to the Rules.

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

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

23. As the presumption of non-market economy as enshrined under Annexure-I of the AD Rules remains un-rebutted; the Authority has determined the Normal value in accordance with para 7 Annexure I of the AD Rules. In the absence of sufficient information on record regarding the other methods as are stipulated in para 7 of Annexure I of the AD Rules, the Authority has determined the Normal value by adopting the method “any other reasonable basis”.

24. The Authority has relied on the prices, consumption norms of raw material, conversion cost and SGA of the most efficient domestic producer. Profit @ 5% on the cost of production has been added to arrive at the constructed normal value. By adopting this method, normal value has been determined as US\$*** PMT.

b) Export Price

25. The Authority has obtained transaction wise data of exports of the subject goods from China from DGCIS. To determine the ex-factory export price, adjustment is made to net

export price on account of ocean freight, marine insurance, VAT adjustment @ 4%, commission @ 1%, inland freight, @ 0.5%, port expenses @ 0.5% and bank charges @ 0.2%. After making the adjustments, the ex-factory export price has been determined as US\$ *** PMT.

c) Dumping Margin

26. On the basis of the normal value and export price so determined at ex-factory level; the dumping margin during the POI for all exporters/ producers from China PR has been determined as US\$ *** per MT, which is *** % of the export price. The table below shows that the dumping margin is ***%.

Particulars	Unit	POI	Post POI
Constructed Normal Value	US \$/MT	***	***
Net Export Price	US \$/MT	***	***
Dumping Margin	US \$/MT	***	***
Dumping Margin %	%	***	***
Dumping Margin %	Range	-11 to -18	-20 to -28

G. Assessment of Injury and Examination of Causal Link

Injury

G.1 Views of the domestic industry

27. The Domestic Industry has submitted that:

- a) There is continued dumping of the product under consideration from China PR. Even though the volume is low, yet the same is sufficient to establish the price at which the goods may be imported in the absence of anti dumping duty;
- b) Dumping of the product under consideration is likely to intensify from the subject country, should the current anti dumping duty be revoked;
- c) Volume of imports has remained low as a result of current anti dumping duties in force;
- d) Price undercutting without prevailing anti dumping duties is significantly positive;
- e) Performance of the domestic industry deteriorated in terms of market share, profits and cash profit;
- f) Performance of the domestic industry in terms of production and domestic sales has improved as a result of anti dumping duty being in force;
- g) Even though the domestic industry was able to improve its production and sales volumes to some extent, the capacity utilization has declined. This is in view of the fact that the domestic industry had enhanced its capacity in anticipation of increase in sales.

G.2 Examination by the Authority

28. The Authority notes that none of the exporters, importers, users or associations has responded to the investigations. The Authority has examined the injury to the domestic industry as under:-

Volume Effect of Dumped Imports

29. With regard to the volume of the dumped imports, it has been examined that 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”

Assessment of demand and market share in demand

30. For the calculation of the domestic consumption/demand of the product under consideration, the Authority has added sales volume of the domestic industry and other Indian producers to the total imports into India. During the investigation, the Authority requested DGCI&S to provide the said information on transaction to transaction basis, which was received by the Authority. The Designated Authority has, therefore, relied upon the data of from DGCIS for imports for the purpose of imports statistics with regard the quantity of the subject goods for the purpose of present Sunset Review.

31. Demand of the product in the country has been accessed as the sum of domestic sales of the domestic producers and imports from all sources. The share of subject country in the total imports and demand in India is as follows:

Demand into India	Units	2008-09	2009-10	2010-11	POI
Sales of Domestic Industry	MT	15,035	13,823	16,433	16,760
Sales of Other Indian Producers	MT	41,868	43,080	40,470	40,143
Imports- Subject Country	MT	43	39	13	67
Imports-Other Countries	MT	1,649	2,492	2,683	4,146
Total Demand	MT	58,595	59,433	59,599	61,116
Market Share					
Domestic Industry	%	25.66	23.26	27.57	27.42
Other Indian Producers	%	71.45	72.48	67.90	65.68
Subject Country	%	0.07	0.07	0.02	0.11
Other Countries	%	2.81	4.19	4.50	6.78

32. The Authority notes that the apparent consumption of the subject goods has remained at the same level over the injury period with a slight increase in the period of investigation. It is further noted that the sales of Indian producers have remained at the same level. The market share of the domestic industry has slightly improved over the injury period whereas the market share of the subject country is quite low. It has been claimed by the domestic industry that this is due to the impact of anti dumping duty

being in force and the volume of imports is likely to increase in the event of cessation of anti dumping duty.

Import Volume and Market Share

33. The information regarding imports and market share is indicated in the table below:

Particulars	Unit	2008-09	2009-10	2010-11	POI
Imports – China PR	MT	43	39	13	67
Imports – Other countries	MT	1649	2492	2683	4146
Total Imports	MT	1692	2530	2696	4213
Market Share in relation to					
Total Imports	%	2.54	1.53	0.48	1.60
Consumption	%	0.07	0.07	0.02	0.11
Petitioners' Production	%	0.22	0.14	0.04	0.21

34. The Authority observes from the table above that:

- (a) The volume of imports has declined to low level. The domestic industry has claimed that the present situation exists because of the anti dumping duty in force. Should the present anti dumping duty be revoked, there would definitely be substantial increase in the volume of dumped imports.
- (b) The imposition of anti dumping duty has had a positive impact in checking the influx of dumped material being exported from the subject country.
- (c) Imports and consequently the market share of imports have remained constant and at very low level throughout the injury period.

35. The domestic industry has claimed that though the volume of imports has declined over the injury period, there is a strong likelihood of significant increase in the volume of dumped imports from China in the event of cessation of present anti dumping duty. Considering the export potential of the Chinese producers, the volumes would once again surge in the event of revocation of anti dumping duty.

Price Effect of Dumped Imports

Price undercutting/underselling

36. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules states as under:

"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."

37. During the investigation, it was examined as to whether there has been a significant price undercutting effect by the dumped imports as compared with the price of the like product in India, or whether there is likelihood of recurrence of adverse price effect after revocation of duty. Since, the present investigation is a sunset review investigation, the Authority is required to consider what would be the extent of price undercutting, if the current duties are allowed to cease. In this context, the Authority has undertaken an analysis of the net sales realization, non-injurious selling price of the domestic industry and the landed price of the imports from the subject country during the period of investigation.

38. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting and price underselling. For this purpose, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with the landed value of imports from the subject country. The net sales realization was arrived at by excluding excise duty, rebate, discount and taxes. Landed value of imports has been calculated by adding 1% landing charge, applicable basic customs duty and cess to the CIF value of the subject imports. The landed value of imports was compared with net sales realization of the domestic industry so determined. The trend of undercutting and underselling is given below:

Particulars	UOM	2008-09	2009-10	2010-11	POI
Non Injurious Price	Rs/MT				***
Net Sales Realisation	Rs/MT	***	***	***	***
<i>Trend</i>		100	115	119	125
Landed price of imports	Rs/MT	141,048	53,060	68,249	115,831
Price undercutting	Rs/MT	***	***	***	***
Price undercutting %	%	***	***	***	***
Price undercutting range	Range	-65 to -82	40 to 50	20 to 32	-12 to -22
Price underselling	Rs/MT				***
Price underselling %	%				***
Price underselling range	Range				-20 to -32

39. The Authority notes that price undercutting and price underselling without anti dumping duty show negative trend. The Authority notes that the landed price of imports without anti dumping duty has throughout remained higher than the cost of sales and the net sales realization of the domestic industry except in 2008-09. Thus, in the event of cessation of current anti-dumping duty, the current level of landed prices would not impair the performance of the domestic industry. Further, if Domestic Industry chooses to sell at import prices, the performance of Domestic Industry would not suffer in terms of financial losses.

Price suppression/depression

40. The Authority notes that in a sunset review investigation, the Authority is required to examine whether there was a significant adverse price effect by the dumped imports as compared with the price of the like product in India, or whether there is likelihood of significant adverse price effect in case of revocation of anti dumping duty.

41. To examine price suppression and depression effect, the Authority has examined cost of sales and selling price per unit of the domestic industry during the POI and the injury period. The trends in this regard are given in the table below:

Particulars	UOM	2008-09	2009-10	2010-11	POI
Cost of sales	Rs/MT	***	***	***	***
<i>Trend</i>		100	109	118	126
Selling Price	Rs/MT	***	***	***	***
<i>Trend</i>		100	115	118	124

42. From the above, the Authority notes that cost of sales of the domestic industry increased consistently over the injury period. The Authority further notes that the selling price also shows the same trend. However, the increase in the selling price is slightly less than the increase in the cost of production in the POI as compared to the base year. Thus, the domestic industry has increased prices of the subject goods because of the increase in the cost of sales. Further, the landed price of imports in the POI is above the cost of sales, non injurious price and selling price of the domestic industry. Thus, cessation of anti dumping duty may not lead to significant adverse price suppression effect on the domestic prices in the market.

Economic parameters relating to the domestic industry

43. Annexure II to the Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of the subject goods. Further Annexure II (iv) of the Rules lays down as follows:-

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

Production, Capacity, Capacity Utilization and Sales

44. The volume of domestic production and effects of dumped imports on the domestic operation of the domestic industry have been examined in terms of total production, capacity utilization and domestic sales of the domestic industry. Capacity, production, capacity utilization and sales volumes of the domestic industry have been as under:-

Particulars	Unit	2008-09	2009-10	2010-11	POI
Capacity	MT	24,709	37,709	38,629	40,296
Production	MT	19,850	27,545	32,797	32,517

Capacity Utilization	%	80	73	85	81
Domestic sales	MT	15,035	13,823	16,433	16,760
Demand	MT	58,595	59,433	59,599	61,116

45. The Authority notes that:-

- i. The Domestic Industry increased its capacity to meet the increasing demand of the product in India. The production of domestic industry has also shown increasing trends in line with the increasing installed capacity and the demand for the subject goods.
- ii. Sales volumes of the domestic industry declined in 2009-10 and then increased.
- iii. Capacity utilization of the domestic industry has declined in 2009-10, increased in 2010-11 and then declined again in the POI.

Profits, return on investment and cash profit

46. The profits, cash profit and return on investments earned by the domestic industry from the sales of the subject goods in the domestic market were as under: -

Particulars	Unit	2008-09	2009-10	2010-11	POI
Per unit profit/loss	Rs./MT	***	***	***	***
Trend	Index	100	205	123	92
Profit/loss on domestic sales	Rs Lacs	***	***	***	***
Trend	Index	100	189	134	102
Profit before interest & tax	Rs Lacs	***	***	***	***
Trend	Index	100	167	140	126
Cash Profit	Rs Lacs	***	***	***	***
Trend	Index	100	188	138	112
Return on Investments	%	***	***	***	***
Trend	Index	100	142	128	140

47. The Authority notes that:

- i. Whereas both selling price and cost of production have increased in the period of investigation as compared to the base year, the increase in selling price is slightly lower than the increase in cost of production.
- ii. Domestic industry's profitability has improved in 2009-10 and then declined in 2010-11 and then the POI.
- iii. Similar trend is observed in case of cash profit and return on investment also.

Employment, wages and productivity

48. The number of employees employed by the domestic industry, wages paid and its productivity shows as follows:

Particulars	Unit	2008-09	2009-10	2010-11	POI
Employment	Nos	***	***	***	***
<i>Trend</i>		100	169	193	219
Wages	Rs. Lacs	***	***	***	***
<i>Trend</i>		100	95	112	149
Productivity per employee	MT/Nos.	***	***	***	***
<i>Trend</i>		100	82	86	75
Productivity per day	MT/day	***	***	***	***

49. The Authority notes that the employment, wages paid and productivity have increased with the increase in production. Further, it has been claimed by the petitioners that considering the fact that the constituents of the domestic industry are multi product companies and the Designated Authority has recommended anti dumping duties, these parameters may not show current and potential adverse impact of dumping.

Inventories

50. Inventory position of the domestic industry is given in the table below:

Particulars	Unit	2008-09	2009-10	2010-11	POI
Average Stock	MT	***	***	***	***
<i>Trend</i>		100	107	99	92

51. It is noted that the average inventories with the Domestic Industry have declined in the injury period and the POI. However, the level of inventory is significant.

Factors affecting domestic prices

52. Consideration of the import prices from the subject country, 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 show that the landed value of imported material from China PR is above the non injurious price determined for the domestic industry, resulting in negative price underselling in the Indian market. Demand for the product was showing increase and could not have been a factor responsible for price suppression faced by the domestic industry.

Magnitude of Dumping Margin

53. The Authority notes that dumping margin from the subject country is below the *de-minimis* limits.

Ability to raise capital

54. The petitioning companies are multi product companies. Therefore, dumping of the subject goods has not affected the ability of the domestic industry to raise capital. However, it is noted from the submissions of the domestic industry and previous findings that a large number of domestic producers of the product are small scale producers operating in unorganized sector. These producers are dependent on the profitable operations of Zinc Oxide alone for their survival.

Growth

55. The Authority notes that the domestic industry has shown positive growth in terms of production, sales volume and market share. However, the profitability has declined as is reflected from parameters such as profits, cash profits and return on investments. It is seen that the volumes of imports from the subject country are low and at prices above the NIP of the domestic industry.

Conclusion on Injury

56. In view of the above, it is noted that:

- a. The volume of imports from China in absolute terms is low in the injury period.
- b. Price undercutting without prevailing anti dumping duties is negative.
- c. Performance of the Domestic Industry in terms of production, domestic sales, market share, inventories and capacity utilization has remained positive.
- d. Performance of the Domestic Industry in terms of profits, return on investments, cash flow etc. has shown improvement. However, though the domestic industry is earning profits, its profitability has declined in the POI as compared to the previous years.

57. In view of the above, the Authority concludes that the domestic industry has not suffered continued material injury from imports during the present review period.

H. Causal link

58. It is concluded from the above facts that injury to the domestic industry has been not been caused by the imports of the subject goods from China PR in the POI. Annexure 2 to the Rules provides as follows with regard to Causal Link:

“It must be demonstrated that the dumped imports are, through the effects of dumping, as set forth in paragraphs (ii) and (iv) above, causing injury to the domestic industry. The demonstration of a causal relationship between the dumped imports and the injury to the domestic industry shall be based on an examination of relevant evidence before the Designated Authority. The Designated Authority shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and 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.”

Volume and value of imports not sold at dumping prices:

59. It is noted that the volume of dumped imports from the subject country has declined to minimal level in the injury period. There are imports from other countries. However, either the volumes of imports from other countries are low or the prices from these countries are high. In certain cases, where volumes are more than de-minimis and at low prices, the domestic industry has claimed that such imports are transshipment of Chinese material. It cannot, therefore, be said that the imports from other countries have also caused injury to the domestic industry.

Contraction in demand:

60. Demand of the product under consideration has not registered any negative growth. Instead, it has increased and shown a positive growth. Thus, contraction in demand is not a possible reason which could have contributed to the injury to the domestic industry. Further, there is no reason to believe that demand is likely to decline.

Changes in the patterns of consumption:

61. The pattern of consumption with regard to the product under consideration has not undergone any change. Change in the pattern of consumption is unlikely to contribute to the injury to the domestic industry.

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

62. There is no trade restrictive practice which could have contributed to the injury to the domestic industry.

Developments in technology:

63. Technology for production of the product has not undergone any change nor are there any likely changes in the coming future. Developments in technology are, therefore, not a factor of injury.

Export performance:

64. The petitioning companies export the product under consideration. However, information relating to domestic sales has been taken into consideration for assessment of injury to the extent possible.

Performance of other products produced and sold by the domestic industry:

65. The petitioner companies are multi product companies. The information provided for the product under consideration does not contain any information of other products. Therefore, the performance of other products did not cause any impact over injury to the domestic industry.

I. Indian Industry's interest:

66. 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. The Authority recognizes that the imposition of anti dumping duties might affect the price levels of the products manufactured by using the 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. The Authority notes that the imposition of anti dumping measures would not restrict imports from the subject country 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.

J. Magnitude of injury and injury margin

67. The Authority has determined the non-injurious price for the domestic industry on the basis of the principles laid down in the Rules. This non-injurious price of the domestic industry has been compared with the landed values of the subject imports from the subject country to determine injury margin. The injury margins for the POI and likely injury margins post POI have, thus, been worked out as follows:

Injury Margin

Particulars	Unit	POI	Post POI
Non-injurious Price	US\$/MT	***	***
Landed Price	US\$/MT	2,406	2,348
Injury Margin	US\$/MT	***	***
Injury Margin (%)	%	***	***
Injury Margin (%) range	%	- 20% to -30%	- 20% to -30%

K. Likelihood of Continuation or Recurrence of Dumping & Injury

68. The domestic industry in its submissions claimed that the requirement under a sunset review is to examine whether revocation of anti dumping duty is likely to lead to continuance or recurrence of injury to the domestic industry and, therefore, any examination which is not based on the factors listed for a threat analysis would be flawed.

69. In addition to the examination of continued dumping and injury, likelihood of continuation or recurrence of dumping and injury to the domestic industry has also been examined by the Authority on the basis of information and evidence as submitted by the domestic industry during the course of the investigations.

70. All factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of injury in the event of withdrawal of the duty. The Authority has determined whether injury to the domestic industry is likely to recur due to these imports if the duty is removed.

71. There is no response from any opposing interested party. The Authority examined the likelihood of continuation or recurrence of dumping and injury considering the parameters relating to the threat of material injury in terms of Annexure II (vii) of the Rules, and its application on mutatis mutandis basis, which states as under:

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

i) a significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation.

ii) Sufficient freely disposable or an imminent, substantial increase in capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian market, taking into account the availability of other export markets to absorb any additional exports.

iii) Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports and,

iv) Inventories of the article being investigated.”

72. The domestic industry has provided information regarding capacity, production and demand of the subject goods from the subject country based on "Research Report of China's Zinc Oxide Market" published by "China National Chemical Information Center" in Nov, 2011. The report is specifically for zinc oxide industry in China.

73. The report provided by the domestic industry was examined in detail. As per the website of the company <http://www.cncic.gov.cn/en>, China National Chemical Information Center is a well-known consulting, research and information service unit in the chemical industry of China. Therefore, the report given by the agency has been considered as authentic and accurate evidence for the present purpose in the absence of cooperation from the Chinese producers.

74. The Authority, based on the data presented by the domestic industry from the said Report, has determined whether the exports made by the producers from the subject country are at dumped prices. In this regard, the following data / trends have been noted by the Authority from the said Report:

75. From the above mentioned Report, it is noted that:-
- a. There are at least 99 medium and large scale Chinese producers of zinc oxide in China whose collective capacity in 2010 was 972,000 MT and production was 653,200 MT. Further, as per the report, there are a number of other small plants whose collective capacity and production has been assessed as 1,28,000 MT and 76,800 MT respectively. Therefore, their collective capacity is 11,00,000 MT and collective production is 7,30,000 MT.
 - b. The report contains individual producer's information such as its name, complete address, contact details, region in China where the plant is located, capacity and production.
 - c. While a large number of plants are small sized in capacities, there are a large number of other plants with significantly high individual capacities as high as 50,000-60,000 MT per annum.
 - d. Most of the producers are producing zinc oxide much below their capacities. In fact, almost none of the producers is fully operating the plant and all the producers are having significantly low capacity utilisation and resultantly significantly high unutilised capacities.
 - e. As per the analysis of imports and exports of zinc oxide from China from 2002 to September, 2011, carried out by China National Chemical Information Center, it is seen that –
 - i. China has been exporting significant volumes of zinc oxide which were to the tune of 87,000 MT in 2002 and 97,000 MT in 2003. However, exports from China have significantly declined from the high volume of 97,000 MT in 2003 to 16,500 MT in 2010 and 14,000 MT in Jan-Sept. 2011. It is, thus, seen that there is significant decline in China's exports in global market.
 - ii. The reports states that exports volumes of zinc oxide from China was always greater than the import volumes, indicating that Chinese domestic zinc oxide market was always oversupplied, i.e., showing significant excess capacities and production.
 - f. Zinc is the major raw material in production of product concerned. China added significant capacities for zinc production. China's zinc production exceeded 5 million MT in 2010 and a serious oversupply of zinc appears in China. The situation lasts to 2011. Further, in 2011, due to European debt crisis, domestic economic slowdown and high zinc inventory, zinc price fluctuated frequently.
 - g. Zinc accounts for about 80% of the cost of zinc oxide and there is high degree of positive correlation between zinc and zinc oxide price.

Unutilized Capacity in the Subject Country

76. The Authority notes that considering the installed capacities and production of the subject goods in the subject country, the subject country is having significant unutilized capacity compared to actual production by the domestic producers as detailed below:

Unit	Thousand MT pa
Capacity in China	1,100
Production in China	730
Unutilized Capacity	370
Utilized Capacity%	66.36%
Unutilized Capacity%	33.64%

77. The Authority also notes that as against 61,118 MT of Indian demand established in the POI, the Chinese producers are having unutilised capacities to the extent of 3.70 lacs MT, which is sufficient to take care of six times the Indian demand of the product in the country.

Disposable capacity and potential exports to India

78. Based on the analysis of actual production and the consumption of the subject goods in the Chinese domestic market, and the exports volumes of zinc oxide from China which were always greater than the import volumes, the Authority holds that the subject country has surplus disposable capacities for production of the subject goods and in the event of withdrawal of the anti-dumping duties, there is likelihood of the surplus disposable capacities being utilized by the companies in China PR to enhance the exports of the subject goods to India at dumped prices. Status of capacity, demand, production and exports of the subject country are given below:

Unit	Thousand MT pa
Capacity in China	1,100
Consumption in China	735
Excess Capacity	365
Excess export potential	365

Price attractiveness of the Indian market

79. In addition to the unutilized capacity and export potential of the Chinese producers as highlighted above, the Authority has also noted the price attractiveness of the Indian market for the Chinese producers to examine the likelihood of dumping in the event of removal of duty.

80. In this regard, the information relating to Chinese exports to various countries globally were examined by the Authority on month by month and country by country basis on the basis of China customs information, which has been reconfirmed from the World Trade Atlas. Considering these prices as FOB export prices, dumping margin and injury margin were determined for these transactions, after due adjustments (from FOB to ex-factory in respect of dumping margin and from FOB to landed price in case of injury margin). It is seen that total volume of exports from China to various countries globally during the period of investigation was 16,523 MT, out of which 12,400 MT (i.e. 75%)

was at dumped prices. Further, out of 16,523 MT total exports from China, 8,814 MT (i.e. 53%) was at prices below the non injurious price of the domestic industry.

Particulars	Unit	Amount
Total volume of exports to all countries	MT	16523
• Volume of exports at dumping prices (when compared to normal value of the domestic industry)	MT	12400
• Volume of exports at injurious prices (when compared to NIP of the domestic industry)	MT	8814
Share of dumped exports	%	75.05
Share of injurious exports	%	53.35

81. It is, thus, seen that a very significant proportion of China's exports to third countries was at dumped prices, and at a price where domestic industry would suffer injury, if these exports are diverted to Indian market. Further, considering demand in India, this volume of exports at dumping and injurious prices is quite significant. It is also seen, as stated above also, Chinese producers are faced with significant unutilised capacities, far beyond Indian demand for the product and exports from China have steeply fallen in last few years, which clearly establishes likelihood of intensified dumping in the event of revocation of duty.

L. Post Disclosure Statement submissions by the Interested Parties

L.1 Post Disclosure Statement submissions by the opposing Interested Parties

82. None of the exporters/importers/users and other opposing interested parties has made any post Disclosure Statement submissions.

L.2 Post Disclosure Statement submissions by the Domestic Industry

83. Following are in brief the post Disclosure Statement submissions made by the domestic industry:

- i) None of the foreign producers has cooperated or even participated in the present and previous review investigations.
- ii) The export price to India as reflected in the China customs data is much lower than the import price reflected in the Indian customs data. This shows that the import price reported in the Indian customs data may not be reflective and representative of the price at which the goods have in fact been exported to India from China during the relevant period.
- iii) Product under consideration continues to be exported to India at dumping prices from the subject country, as is clearly established by the prices mentioned in China customs data.
- iv) The normal value adopted does not appear to be based on most efficient domestic producer.
- v) Normated cost is not recognized for the purpose of normal value. Rules require consideration of actual cost.
- vi) The petitioners provided domestic prices of the product in China based on information published by Asian Metal at their website. Normal value on the basis of

these prices is quite comparable to the normal value estimated by the petitioners. Further, consideration of this evidence shows much higher volume of dumped and injurious exports to third countries.

vii) The petitioners have submitted export statement as per China Customs Statistics. About 75% of total Chinese exports were at dumped prices and about 53% of total exports were at injurious prices. This clearly establishes likelihood of dumping and consequent injury in the absence of anti dumping duty.

viii) The imports are likely to undercut the prices of the domestic industry in the event of cessation of anti dumping duty.

ix) Indian demand of nearly 60,000 MT can be easily met entirely by dumped imports, considering the capacities with Chinese producers.

x) The export percentage of the Chinese companies varies from 20%-90%.

xi) An offer by Shandong BASF Chemical Co. Ltd., a company in joint venture with BASF, shows that the company has quoted a price of US\$ 1,195 PMT FOB China Port. This offer clearly establishes significant dumping and consequent injury to the domestic industry.

xii) The present anti dumping duty in its present form and quantum is required to be extended for a further period of five years.

L. 3 Examination by the Authority

84. The Authority has reached to the conclusion that the above arguments of the domestic industry are repetitive and have already been dealt with by the Authority in the Final Findings Notification.

M. Conclusion and Recommendation

85. The Authority notes that none of exporters from China and importers/users and other opposing interested parties in India participated in the investigation, i.e., they neither submitted post initiation responses nor participated in the Oral Hearing or made any post Disclosure Statement submissions. Having regard to the contentions raised, information provided and submissions made by the domestic industry and facts available before the Authority and on the basis of above analysis including analysis of likelihood of continuation of dumping and injury and post Disclosure Statement submissions made by the Domestic Industry, the Authority concludes and recommends that:

- (i) The performance of the domestic industry in terms of production, domestic sales, market share, inventories and capacity utilization has remained positive during the period of investigation.
- (ii) Performance of the Domestic Industry in terms of profits, return on investments, cash flow etc. has shown improvement. However, though the domestic industry is earning profits, its profitability has declined in the POI as compared to the previous years.

- (iii) The subject goods from the subject country are not entering the Indian market at dumped prices in the POI and dumping margin is negative.
- (iv) Price undercutting and price underselling are negative without adding the anti dumping duties. Further, the injury margin is also negative and the imports are not causing injury to the domestic industry in the POI.
- (v) However, based on the analysis of actual production and the consumption of the subject goods in the Chinese domestic market, disposable capacity, export orientation and potential exports volume of Chinese producers to India and price attractiveness of the Indian market for the Chinese producers, the Authority determines that the subject country has surplus disposable capacities for production of the subject goods and in the event of withdrawal of the anti-dumping duties, there is likelihood of the surplus disposable capacities being utilized by the companies in China PR to enhance the exports of the subject goods to India at dumped prices whether directly or through transshipment.
- (vi) The Authority further observes that the product under consideration was earlier reserved for production in the small-scale sector and even today continues to be manufactured by a large number of small scale producers in India. There are about a hundred domestic producers of the product under consideration and majority of them are in the unorganized sector. They are catering to more than 65% of the domestic demand. The Authority determines that keeping in view the surplus disposable capacities in China PR, their export behaviour to third countries, price attractiveness of Indian market, there is likelihood that if the existing duties are allowed to discontinue, the imports of the subject goods from the subject country are likely to increase at dumped prices and a large number of producers in the small scale unorganized sector in India are likely to become vulnerable to such dumped imports and likely to face injury.
- (vii) The Authority, thus, in order to remove likely injury to the domestic industry, considers it necessary to recommend continuation of definitive anti dumping duty on all imports of the subject goods from the subject country levied by the Central Government vide its Notification No.64/2007-Customs dated 7th May, 2007.

86. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act.

87. An appeal against the order of the Central Government shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(J S Deepak)
The Designated Authority

