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GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES  
UDYOG BHAVAN, NEW DELHI

NOTIFICATION

New Delhi, Dated the 19th August 2010

**Final Findings  
(Sunset Review)**

**Subject: - Sunset Review Investigation of Anti- dumping duty imposed on imports of Narrow Woven fabrics originating in or exported from China PR and Chinese Taipei.**

No. 15/9/2009-DGAD– Whereas the Designated Authority, having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, initiated the original investigation vide Notification No. 14/24/2003-DGAD dated 9th June, 2004. The Authority issued its Preliminary findings recommending imposition of provisional Anti Dumping Duty on the imports of Narrow Woven fabrics (hereinafter referred to as subject goods) originating in or exported from China PR and Chinese Taipei (hereinafter referred as subject countries), vide Notification No. 14/24/2003-DGAD dated 10th January, 2005 and such definitive duty was imposed by the Government of India vide Customs Notification No. 08/2005 dated 14th February, 2005. The Authority issued its final findings recommending imposition of definitive Anti Dumping Duty, vide Notification No. 14/24/2003-DGAD dated 7th June, 2005 and such definitive duty was imposed by the Government of India vide Customs Notification No. 76/2005 dated 25th July, 2005.

**B. BACKGROUND**

2. And whereas, in view of the order of the Hon'ble Delhi High court in the matter of Indian Metal and Ferro Alloys Ltd V/s Designated Authority, Writ Petition (Civil) No. 16893 of 2006 and in accordance with Section 9 A (5) of the Act, read with Rule 23 of AD Rules, the Authority issued a public notice No. 15/9/2009-DGAD dated 20<sup>th</sup> August 2009-DGAD, 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.

### C. PROCEDURE

3. In this proceeding, the procedure described herein-below has been followed:

- i). The Embassies/Representatives of the subject countries in India were informed about the initiation of the investigation in accordance with Rule 6(2), with a request to advise the exporters/producers in their respective countries to respond to the questionnaire within the prescribed time.
- ii). The period of investigation for the purpose of the present review is 1st April, 2008 to 31st March, 2009 (POI). However, injury analysis covers the periods April, 2005 – March, 2006, April, 2006 – March, 2007, April, 2007 – March, 2008 and the POI.
- iii). A copy of initiation notification along with exporters' questionnaires were sent to the following known exporters from subject countries in accordance with the rule 6(4) to elicit relevant information:

Tri Hook No 575 Ho Kang Road, Ho Mein Town, Chang Hua Shein Taiwan	Taiwan Special Tape Company No. 58 Kung His 1 st Road, Shen Kang Hsiang, Changhua Hsien Taiwan ROC
Lovetex Industrial Corporation, 7F, No. 36 Nanking E. Road, Sec 2, Taiwan.	Taiwan Joca Corp 12F-8, 16, Sec 1, Chang An Road, Taipai 104 Taiwan
Chico Textile Industries Co Ltd. 5/F N0 25, Tzu Chiang St, Tu Cheng City, Taipaei Hsien, Taiwan	Nam Liong Enterprise Co. Ltd. 10, Lane 41, Chou-Wei-Street, Yen-Chou Li, Yung Kang City, Tainan Hsien, Taiwan.
Taiwan Jianxin Weaving Company Ltd Donghaian, Industrial Area Shenhu Jinjiang Fujian China	

None of the above-mentioned exporters/producers or other producers/exporters from subject countries have filed any response to the questionnaire in response to the above notification.

- iv) Initiation notification and importers questionnaire were sent to the following known importers/consumers of the subject goods in India calling for the necessary information in accordance with Rule 6(4).

Ambattur Clothing Ltd 86/E, Industrial Estate, Ambattur Madras, Tamil Nadu.	Autoliv Ifb India Ltd 16, Visveswaraiah Industrial Estate, 1st Main Road, Off White Field Road Madras, Tamil Nadu.
Hindutch Overseas Ltd New No 6, Kumaraswamy Nagar Villivakkam, Chennai, Tamil Nadu.	Jai Expo 5, O.P. Raman Street, Avadi, Chennai, Tamil Nadu.
S M Apparels Pvt Ltd D/91- Industrial Estate, Marai Malai Nagar, Chennai Tamil Nadu	Sun & Ski Exports Pvt Ltd Factory No 104/2a, Tavarekere? Main Road.Madras, Tamil Nadu .
Aasar Global A-212, Karampura, New Delhi.	Jawahar Lal Phool Chand 603 Sadar Bazar, Delhi.
Bhavan Garments Ltd. No.122.C & D.Poonamallee High Road, Velappan Chavadi Chennai, Tamil Nadu	Shridi Exports, B-128, Mayapur Industrial Area, Phase 1, New Delhi – 110064.
Continental Pens Bommasandra Industrial Area, Plot No.251, Anekal Taluk, Bangalore, Karnataka	S R S Suits 360/64 Kalbadevi Road, Opp Ramwadi, Post Basement, Bombay 400 002.
Giria Enterprises Pvt Ltd 6201/2 Block-1, Dev Nagar, Karol Bagh, New Delhi.	International Textiles 224/1, East Of Kailash, New Delhi 110 065
Balu Expo New No. 285 (Old No.172) Subadhana Building, Mth ? Road, Avadi, Chennai, Tamil Nadu.	D. G. Enterpises 204, 3rd Floor, Vikas Surya Plaza, Community Centre, Road No. 44, Pritampura, New Delhi.
Paramount Garments Exports Pvt. Ltd. No.1, D.R.R. Avenue, Audco, Nagarkattupakkam, Chennai.	Parma International 9, Printing Press Area Wazirpur (Behind Punjabi Kesari). Delhi.
Fashion Creations. R-25, Nath Shoopng Centre, Aruna	Shiv Shakti Impex, Pul Prahadpur,

Park, Shakarpur, New Delhi.	New Delhi – 110044.
Country Craft 12a/27, W.E.A., Karol Bagh, New Delhi 10005.	Gagan International Associates E-73, Naraina Vihar, New Delhi.
Shikhar Enterprises, A-44, 9th Cross Street, Brindaban, Pondichery.	Niyaz Apparels 73 Balaji Nagar Padi Chennai Tamil Nadu
Dewanchand & Co. Plot No. 291, Phase V, IV Udyog Nagar, Gurgaon, Haryana.	Rajdhani Sales Corporation, Jhandewalan Road, Nabi Karim, New Delhi.

None of the interested parties has filed any questionnaire response.

v) The Authority called transaction wise data from DGCI&S for the injury period. The domestic industry argued that all imports have not been captured in the classification meant for the product under consideration. The Authority therefore called relevant information from DGCI&S in respect of other customs classification as well. Imports of the product under consideration reported in different customs classification have been adopted.

vi) The Authority made available non-confidential version of the evidence presented by the interested parties in the form of a public file maintained by the authority and kept open for inspection by the interested parties.

vii) M/s Sky Industries Ltd, Mumbai responded to the notice of initiation and requested the Authority to conduct sunset review investigation and recommend extension of anti-dumping duty. The company also requested for enhancement in the quantum of anti-dumping duty, after modification of the same in terms of fixed quantum of duty. Since M/s Sky Industries Ltd, has requested for the extension of anti- dumping duty, the Authority has treated the company as the “petitioner” in the present case.

viii) M/s Sky Industries Ltd, Mumbai, claimed itself as the domestic industry and submitted the injury information/data. The Authority verified the information furnished by the domestic industry to the extent possible on the basis of Generally Accepted Accounting Principles (GAAP) to examine the injury suffered, to work out optimum cost of production, cost to make and sell the subject goods in India and so as to ascertain if the anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.

ix) In accordance with Rule 6(6), the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 11th May, 2010. The parties, who presented their views in the public hearing, were advised to file written submissions of the views expressed orally. The written submissions received from the interested parties have been considered in this finding.

x) The Authority has considered all the views expressed and submissions made by various interested parties to the extent they are relevant for the present investigation.

xi) In accordance with the Rule 16 of the AD Rules, the essential facts considered by the Authority were disclosed to the known interested parties. The comments received on the disclosure statement have been duly considered in these findings.

xii) Information provided by the 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 necessary, parties who have provided the information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

xiii) Whenever 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 these findings on the basis of the facts available.

xiv) \*\*\* in this notification represents the information furnished by the interested parties on confidential basis and so considered by the authority under the Rules

#### **D. Submissions of interested parties in response to the Disclosure Statement.**

4. Following the issuance of disclosure statement, none of the interested parties except the domestic industry has submitted their comments to the disclosure statement. It is noted that the domestic industry has reiterated most of their earlier submissions in the comments to the disclosure statement. Additionally, the domestic industry has requested the Authority to specify that the product should be reported only in one unit of measurement and one customs classification to ensure that the anti dumping duty is not avoided by using multiple customs classifications and units of measurements. They have also requested the Authority to specify the meaning of origin so that the goods are not reported from countries who are not even producing the goods. . They have requested the Authority to impose the duty on fixed amount basis only with currency in US\$. In the end, they have requested the Authority to extend the duties for further period of 5 years. The Authority may kindly specify the meaning of origin so that the goods are not reported from countries who are not even producing the goods. A copy of the comments made by the domestic industry is enclosed at "A" for kind perusal.

5. It is noted that submissions made by the domestic industry has already been addressed at appropriate places. The anti dumping duties are proposed to be imposed in US\$ and on a fixed basis.

## **E. Product under Consideration and Like Article**

### **E.1. Submissions made by M/s Sky Industries Ltd, Mumbai.**

6. M/s Sky Industries Ltd, Mumbai has made the following submissions:
- i. Since, the present review investigation is a sunset review investigation; the scope of the product under consideration remains the same as has been defined in the previous investigation.
  - ii. There is no material change or development in the product characteristics between the original investigation and the product is being produced and sold world-over at present.
  - iii. The goods produced by the domestic industry are like article to the imported product.
  - iv. The issue of product under consideration and like article was examined in detail by the Designated Authority in the original investigation and is required to be confirmed.

### **E.2. Views of the importers, consumers, exporters and other interested parties**

7. One of the importers raised the argument that the particular type of Narrow Woven Fabrics, which is used in safety seat belts are not manufactured in India at present and therefore should be excluded from the scope of the product under consideration

### **E.3. Examination by the Authority**

8. The product under consideration in the original investigation as also in the present investigation is Narrow Woven Fabrics (also referred to as subject goods). The product was defined in the original investigation as follows:

*“The Product under consideration in the present investigations is “narrow woven fabric having pile weave, made up of man made fibers, used as a fastening tape” (henceforth also referred to as subject goods). In market parlance, the subject goods are known by various synonyms such as “Hook & Loop Tape Fasteners”, “Velcro Tapes”, “Fastening Tapes”, “Fasteners” etc. The distinguishing feature of the product is “pile weave”. The subject goods are described in terms of Peel Strength, Shear Strength and Light Fastness. Hook and Loop fasteners are generally made from man made fibers (yarns) nylon (Nylon 6 and Nylon 6,6), polyester etc. The product under consideration is produced in sizes typically varying between 12mm to 125mm of width. Further, while the product is sold in*

*the market place in terms of length of the product (measured in meters) and the associated costs and prices of various product types vary with width, the same becomes almost homogenous when converted into weight. The major uses of the subject goods are in industries such as garment industries, surgical & orthopedic apparatus manufacturing, shoes & footwear manufacturing, luggage/bags manufacturing, toys, automobile upholstery and various other industrial segments. Narrow Woven fabric is classified under customs Sub heading 580610 of the Customs Tariff Act 1975. After the provisional findings, M/s Country Craft, importer, asked the Authority to clarify whether the investigation has been performed only on hook and look tape, whereas the notification mentions the entire chapter. The Authority confirms that Anti dumping investigations have been conducted with regard to the product under consideration only as mentioned above (also referred to as subject goods) and as stated in the initiation notification, as well as in the preliminary findings, and the customs classification is indicative in nature and is in no way binding on the scope of the investigation..”*

9. In view of the above determination, no argument has been raised by any interested party with regard to scope of the product under consideration; thereby the Authority confirms the scope of the product under consideration as considered above and as has been stated herein.
10. Narrow Woven Fabrics manufactured in the subject countries and exported to Indian market and subject goods manufactured by the domestic industry have essentially the same product characteristics, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. Authority hereby confirms that the product under consideration produced by the domestic industry is like article to the goods being imported from the subject countries in accordance with the anti dumping rules.
11. With respect to the argument raised by the importer that the Narrow Woven fabrics used in safety belts are not covered under Product under consideration, it is clarified that the scope of the product under consideration does not include all kinds of narrow woven fabrics. In fact, as stated in the para 5 above, Narrow woven fabrics with pile weave and used for fastening applications are within the scope of the product under consideration.

## **F. Standing and scope of the Domestic Industry**

### **F.1. Submissions made by M/s Sky Industries Ltd, Mumbai**

12. In the present investigation, M/s Sky Industries Ltd, Mumbai has provided information as domestic industry. Production by M/s Sky Industries Ltd. constitutes more than 50% of the domestic production of the like article in India

and therefore, Sky Industries constitutes domestic industry within the meaning of the anti-dumping rules

## **F.2. Submissions made by the importers, consumers, exporters and other interested parties**

13. None of the exporters, importers, consumers and other interested parties has filed any comment or made any submission with regard to the claim of Sky Industries' claim of domestic industry.

## **F.3. Examination by the Authority**

14. At the time of the initiation of this investigation, Rule 2(b) of the AD Rules read as follows:-

*"(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 which case such producers may be deemed not to form part of domestic industry".*

However, post initiation, this Rule has been amended as follows:

*"(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 only".*

15. There are seven producers of domestic like products in India, listed below
  - a) M/s Sky Industries Ltd., Mumbai, who has filed the application upon initiation of investigation;
  - b) M/s. Magic Fasteners Pvt. Ltd., Delhi,
  - c) M/s Siddharth Filament Pvt. Ltd- Surat,
  - d) M/s Gajanand Elastic & Works, Ahmedabad,
  - e) M/s Ishy Industries- Palghar,
  - f) M/s Jhanji Textiles- Jalandar,
  - g) M/s Shiv-Ha Industries.

M/s Sky Industries Ltd. had responded to the notice of initiation with a petition in the form and manner prescribed, requesting that the Authority undertakes sunset review of the existing anti dumping duties and recommend extension of the same for a further period of five years. The company further requested for modification

in the form of duty and enhancement in the quantum of anti dumping duty. M/s. Magic Fasteners Pvt. Ltd., Delhi, M/s Siddharth Filament Pvt. Ltd- Surat, M/s Gajanand Elastic & Works, Ahmedabad, M/s Ishy Industries- Palghar, and M/s Shiv-Ha Industries have supported the request for extension of anti dumping duties for a further period of five years. These companies have however not provided detailed information with regard to injury.

Based on information on record, the Authority has determined share of M/s Sky Industries in gross Indian production. It is determined that share of Sky Industries constitutes more than 50% of the Indian production of like article in India.

Name of the company	Production during POI(MT)	Share in Indian production
M/s Sky Industries Ltd., Mumbai	697	70.89
M/s. Magic Fasteners Pvt. Ltd., Delhi,	****	****
M/s Siddharth Filament Pvt. Ltd- Surat,	****	****
M/s Gajanand Elastic & Works, Ahmedabad,	****	****
M/s Ishy Industries- Palghar,	****	****
M/s Jhanji Textiles- Jalandar,	****	****
M/s Shiv-Ha Industries	****	****

Having regard to the information on record and definition of domestic industry under the Rules and the fact that production of M/s Sky Industries constitutes more than 50% of the Indian production of like article in India, the Authority holds that M/s Sky Industries constitutes domestic industry within the meaning of the Rules.

## **G. Dumping Determination**

### **Normal Value**

#### **G.1. Submissions made by the Domestic Industry**

16. The submissions made by the domestic industry are as follows: -

- a. China PR should be treated as a non-market economy in the light of previous investigations carried out by the Authority. The same view has been adopted by the authorities in other countries as well.
- b. There are 15 conditions prescribed under the Rules each one of which an intending exporter has to satisfy in order to claim market economy treatment and the information and evidence relevant and necessary to establishment of such a claim. Petitioner has claimed China as non-market economy. Petitioner submits that unless the responding Chinese exporters satisfy all such 15

conditions, the Designated Authority is required to determine normal value in accordance with Para 7 of Annexure-I to the Rules.

- c. The burden is on the exporter/producer claiming the market economy status to prove that it operates under market economy conditions.
- d. India is an appropriate surrogate country for Chinese producers. Not only consideration of India as a surrogate country would result in access to accurate and adequate information, there is no factual basis to consider that India would not be a proper surrogate country. India has been considered as an appropriate surrogate country by other Investigating Authorities too.
- e. The normal value in China can thus be determined on the basis of (a) price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit.
- f. The goods are being exported from the subject countries at dumped prices and the same is established by the estimates of normal value and export price. The dumping margin is significantly high.
- g. None of the exporters from the Taiwan has cooperated and responded to the investigation initiation notification issued by the Authority and submitted any information. All possible efforts have been made by the petitioner to seek the relevant information from the public domain regarding domestic selling price of the subject goods in Taiwan. But, in absence of relevant credible data in the public domain, the petitioner could not get any authentic and reliable information in this regard. In view of the same, petitioner has determined normal value in Taiwan considering constructed normal value approach.

## **G.2. Submissions made by the Exporters/Importers/Other interested parties**

- 17. None of the exporters, importers, consumers and other interested parties has filed any comment or submissions with regard to the export price, normal value and determination of dumping margin

## **G.3. Examination by the Authority**

- 18. 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);

#### G.4 Normal Value in China PR

19. The Authority sent questionnaire to the known exporters from China PR, advising them to provide information in the form and manner prescribed. However, no response has been received to the questionnaires from any of the Chinese producer/exporter.

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.*

20. 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 and other WTO

Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporter in terms of the AD Rules.

21. As per the Paragraph 8 of Annexure I of the AD Rules, 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) of Paragraph 8 and establish the facts to the contrary. The co-operating exporters/producers of the subject goods from People's Republic of 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 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 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;
  - 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.
22. The Authority notes that consequent upon the initiation notice issued by the Authority; none of the Chinese producers/exporters has submitted any response including the market economy questionnaire response and sought to rebut the non-market economy presumption. China is a non-market economy. The Authority has treated China as non-market economy earlier as well unless the responding exporters satisfy conditions prescribed under the Rules. Since none of the exporters from China PR responded to the initiation notification and provided information in the form and manner prescribed, the Authority has determined the Normal Value in respect of China PR under para 7 of Annexure I of Anti-dumping Rules, considering China PR as non-market economy. Under the Rules, the normal value in China can be determined on any of the following basis:
  - (a) the price in a market economy third country,
  - (b) constructed value in a market economy third country,
  - (c) the price from such a third country to other country, including India.
  - (d) the price actually paid or payable in India, adjusted to include a reasonable profit margin.

23. The Authority notes that the petitioner has not been able to provide normal value on the basis of price in a market economy third country, or constructed value in a market economy third country. The Petitioner claimed that neither the prices of the subject goods in any market economy third country are publicly available nor the information with regard to the price from market economy third countries to other countries. Even though there are imports of the subject goods from third countries, the domestic industry claimed that these were actually transshipment of Chinese product. The Authority notes that the price from market economy third countries to India can be adopted only if such prices are above estimates of cost of production. Under the above-mentioned circumstances and in view of non-cooperation from the concerned exporters from China PR and since no other information having been made available by the interested parties, the Authority is constrained to determine normal value on the basis of price paid or payable in India, duly adjusted, to include profit margin. The normal value accordingly has been determined considering cost of production in India, duly adjusted to include selling, general & administrative expenses and reasonable profit. For this purpose, Authority has considered international prices of major raw materials, consumption factors of domestic industry and conversion cost of domestic industry.

#### **G5. Normal Value in Chinese Taipei**

24. None of the exporters/producers in Taiwan have submitted any information as required under the exporter's questionnaire. The domestic industry provided an evidence in the form of an email communication showing prices of the product under consideration in the domestic market in Taiwan. In the absence of any cooperation from the Taiwanese producer, the Authority has relied upon this evidence as the domestic price of the product under consideration in Taiwan and has determined normal value accordingly. Further, the Authority determined normal value additionally on the basis of estimates of cost of production in Taiwan, including selling, general & administrative expenses and reasonable profit. It was found that such normal value was higher than their domestic selling price as evidenced in e-mail communication as stated above. Therefore, the Authority has relied upon the domestic selling price as evidenced in e-mail communication as the conservative estimate of normal value in the absence of cooperation from Taiwanese producers.

#### **H.4. Export Price**

25. None of the exporters from China PR and Chinese Taipei have responded to the initiation notification and provided information in the form and manner prescribed. None of the other interested parties (except domestic industry) have provided any other information that can be used for determination of export price. In the absence of information in the prescribed format from foreign producers, the Authority has determined export price on the basis of weighted average import price of the product under consideration in India. The weighted average import price has been

determined after detailed examination of the bill of entry-wise import data provided by the DGCI&S. The Authority called information from DGCI&S in respect of imports falling under customs classification no. 5801, 5804, 5805, 5806, 5807, 5808 and identified imports of the product under consideration. Imports in such identified transactions only have been considered for determination of volume, value and average import price of the product under consideration. The export price has been determined on the basis of weighted average import price of all these imports. Separate export price has been determined for Chinese Taipei and China PR.

26. The following adjustments have been made to arrive at the net ex-factory export price in the absence of any questionnaire response from the foreign producers and on the basis of best available information.

- (a) Ocean freight @ US\$ 60 per MT
- (b) Insurance @ 0.5% of CIF
- (c) Port expenses @ 0.5% of FOB
- (d) Inland freight @ 0.5% of FOB
- (e) Bank commission @ 0.05% of FOB

**I. Dumping Margin**

27. On the basis of normal values and net export prices determined as explained above at ex-factory level, the dumping margin during POI for all exporters are as per table below:

Particulars	Units	China PR	Chinese Taipei
Normal Value	US\$/KG	****	****
Export Price	US\$/KG	****	****
Dumping Margin	US\$/KG	****	****
Dumping Margin	%	40-45	25-27

**J. Injury and Causal Link Determination:**

J.1 Submissions made by the domestic industry:

28. The submissions made by the domestic industry with regard to injury and causal link are summarized below:

- a) Imports from subject countries have increased substantially. The increase in imports are inspite of existing anti-dumping duty;

- b) Imports are undercutting the prices of the domestic industry to a significant extent. The price undercutting is in spite of low prices already kept by the domestic industry;
- c) The prices of the domestic industry are quite comparable to the landed price of imports after addition for anti-dumping duty. This clearly establishes that the domestic industry is fixing its selling price based on landed price of imports after addition for anti dumping duty;
- d) Imports are resulting in price underselling;
- e) The selling price of the domestic industry is significantly different in the OEM and after-market segment. The price in the after-market segment is reflective of the import prices whereas the prices in the OEM are unaffected by dumping;
- f) Performance of the domestic industry has got impacted in respect of production, capacity utilization, sales volumes, and market share because of dumped imports.
- g) Performance of the domestic industry continues to be adverse in terms of profits, return on investments, cash flow. The domestic industry is suffering significant financial losses in respect of sales in the aftermarket, negative return on investments and cash flow.
- h) Growth of the domestic industry continues to suffer due to presence of dumped imports and inspite of significant demand in the market.

## **J.2 Submissions made by the Exporters/Importers/Other interested parties**

29. Neither any response has been filed by any producer/exporter from China PR and Chinese Taipei nor any argument has been advanced on any aspect of the present investigations, including injury & causal link.

## **J.3 Examination of the Authority**

30. Article 3.1 of the WTO Agreement and Annexure-II of the Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like product; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.

31. As regards the impact of the dumped imports on the domestic industry para (iv) of Annexure-II of the Anti Dumping Rules states 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 margin of dumping actual and potential negative effects on cash flow, inventories, employment wages growth, ability to raise capital investments.”*

32. The Authority has taken note of the arguments on injury examination and addressed the issues raised at appropriate places. The Authority has examined the injury parameters objectively taking into account the facts and the arguments of the interested parties. For the purpose of current injury analysis the Authority has examined the volume and prices effects of imports of the subject goods from the subject countries on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal link between dumping and injury, if any. In this case, it has been noted that the subject goods has been sold at two distinct market segments i.e OEM ( original equipment manufacturer or wholesale and after market ( also known as retail level). It is recalled that in the original investigations also, these two market segments existed. As was done in original investigations, the injury determinations have been done taking into account both the market segments. The segment wise analysis has been done as it was claimed that the domestic industry is significantly injured on account of dumped imports of subject goods which are entering into aftermarket segment. However, the combined effect or impact of injury on both the segments together in the final findings as was done in original investigations was taken into account.. For this purpose, the injury margin and price undercutting has been determined by taking into account weighted average Non Injurious price and weighted average selling price for both market segments together.

### **Assessment of Demand**

33. The Authority has determined demand or apparent consumption of the product in the Country as the sum of domestic sales and imports from all sources. The demand so assessed can be seen in the table below.

Particulars	Unit	2005-06	2006-07	2007-08	2008-09 (POI)
Demand					
Domestic industry	MT	518	611	616	614
Other Indian Producers	MT	132	193	209	260
Subject imports from subject countries	MT	265	441	520	430

Other countries imports	MT	99	201	168	203
Demand/consumption	MT	1,013	1,447	1,513	1,508
Trend	Index	100	143	149	149

The Authority notes that the demand of the product in the country has shown a positive trend and growth over the injury period. The demand for the product under consideration has increased by 49% as compared to the base year.

### **Import Volume & market share**

34. With regard to the volume of the dumped imports, it has been examined whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. Annexure- (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 a significant increase in the dumped imports, either in absolute term or relative to production or consumption in India .....*”

35. The information regarding the imports volume and market share is given in the following table:

Particulars	Unit	2005-06	2006-07	2007-08	2008-09
China PR	MT	251	414	494	412
Taiwan	MT	13	27	26	19
Imports from subject countries	MT	265	441	520	430
Trend	Index	100	167	196	163
Other countries	MT	99	201	168	203
Total imports	MT	364	642	688	633
Trend	Index	100	177	189	174
Sale of Domestic industry	MT	518	611	616	614
• OEM segment		****	****	****	****
• Aftermarket segment		****	****	****	****

Sale of Other Indian Producers	MT	132	193	209	260
Demand/consumption	MT	1014	1447	1513	1508
Trend	Index	100	143	149	149
Imports from subject countries in relation to production	MT	45	67	75	62
<b>Market Share in demand</b>					
Imports from subject countries	%	26.10	30.48	34.34	28.55
Other countries	%	9.78	13.92	11.13	13.46
Total imports		35.88	44.39	45.47	42.01
Domestic industry	%	51.10	42.23	40.72	40.72
• OEM segment	%	****	****	****	****
• Aftermarket segment	%	****	****	****	****
Other Indian Producers	%	13.02	13.37	13.81	17.27
Domestic producers as a whole	%	64.12	55.61	54.53	57.99
Total	%	100.00	100.00	100.00	100.00

36. It is noted from the above that

- (a) Imports from subject countries have increased significantly during the injury period.
- (b) The increase in imports is in spite of existing anti dumping duties.
- (c) There are imports reported from third countries as well. The domestic industry has claimed that these were all transshipments of Chinese material aimed at avoiding anti dumping duties. The domestic industry has further claimed that imports have been reported from countries having no or insignificant production.
- (d) It is noted that the weighted average import price reported from subject countries is higher than the export price from these third countries. This might be explained as the product is attracting benchmark form of duty.
- (e) The share of imports from subject countries remained very significant. In fact, the same has increased further in spite of existing anti dumping duties.
- (f) The share of domestic industry declined significantly in spite of existing anti dumping duties.

- (g) The share of domestic industry in aftermarket segment declined more significantly. The domestic industry argued that imports have been reported only in aftermarket segment.

### **Price Effect**

37. With regard to the effect of the dumped imports on prices, Annexure (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 under cutting 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 other wise would have occurred to a significant degree.”*

38. In the present case, it is noted from the table below that :

#### Without prevailing anti dumping duties

SN	Particulars	Unit	China	Taiwan	Total
1	Import Volume	MT	411.81	18.67	430.48
2	Assessable Value	Rs.Lacs	1,292.55	60.71	1,353.26
3	Assessable Price	Rs./KG	313.87	325.10	314.36
4	CIF export price	Rs./KG	310.77	321.88	311.25
5	Customs Duty (Rate)	%	10.00%	10.00%	10.00%
6	Customs Duty	Rs./KG	31.39	32.51	31.44
7	Landed price of imports	Rs./KG	342.15	354.39	342.68
8	Average Net Selling Price	Rs./KG	****	****	****
9	Total Price Undercutting	Rs./KG	****	****	****
10	Total Price Undercutting	%	42-47	40--45	42-47

#### After including prevailing anti dumping duties

SN	Particulars	Unit	China	Taiwan	Total
1	Import Volume	MT	411.81	18.67	430.48
2	Assessable Value	Rs.Lacs	1,292.55	60.71	1,353.26
3	Assessable Price	Rs./KG	313.87	325.10	314.36
4	CIF export price	Rs./KG	310.77	321.88	311.25
5	Customs Duty (Rate)	%	10.00%	10.00%	10.00%
6	Customs Duty	Rs./KG	31.39	32.51	31.44
7	Landed price of imports before	Rs./KG	342.15	354.39	342.68

	ADD				
10	Landed price of imports after ADD	Rs./KG	367.30	348.52	366.48
11	Average Net Selling Price	Rs./KG	****	****	****
12	Total Price Undercutting(	Rs./KG	****	****	****
13	Total Price Undercutting	%	35-40	38-43	35-40

It is noted from the above table that:

- (a) The landed price of imports of the subject goods was below than the domestic selling price of the domestic industry, thus resulting in significant price undercutting.
- (b) The price undercutting is positive in both the situations – inclusive of anti dumping duty and excluding anti dumping duty.
- (c) The domestic industry has argued that the imports of the product under consideration are entirely in the aftermarket segment. Therefore, the price undercutting was examined additionally by considering the landed price of imports and selling price of the domestic industry separately in the after market segment and OEM market segment. It was found that the even though the price undercutting after adding prevailing customs duties and anti dumping duties were lower than the selling price of the domestic industry in the aftermarket segment, the extent of the difference was much lower. Further, the extent of price difference was very significant in the OEM segment.
- (d) It is also noted that the domestic industry prices in the aftermarket are benchmarked to the landed price of imports after adding anti dumping duties. This is established by the comparison of landed price of imports with selling price of the domestic industry in the aftermarket segment.

### **Economic Parameters relating to the Domestic Industry**

39. Annexure II to the Rules requires that a determination of injury shall involve an objective examination of the consequent impact of the 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.

### **Production, sales, capacity and capacity utilization**

40. Actual production, capacity and capacity utilization of the domestic industry increased between the base year and the period of investigation as shown in the following table-

SN	Particulars	Unit	2005-06	2006-07	2007-08	2008-09 (POI)
1	Sales volume					
2	Domestic	MT	517.67	611.43	615.85	614.49
3	• After Market	MT	****	****	****	****
4	• OEM	MT	****	****	****	****
5	Captive	MT	-	-	-	-
6	Exports	MT	106.78	104.39	108.18	60.38
7	Total Sales	MT	624.45	715.82	724.03	674.87
8	Capacity (effective capacity)	MT	652.80	739.20	739.20	739.20
9	Production	MT	582.91	658.25	695.97	697.00

41. The Authority notes that overall production, sales and consequently capacity utilization of the domestic industry has shown an increase in the POI as compared to the base year though the production has stagnated from 2006-07 onwards, particularly after showing increase in 2005-06. It is also noted that the sales for aftermarket has declined after increasing during 2006-07. The domestic industry has claimed that imports are occurring only in this segment. The sales for OEM segment increased throughout the injury period. The Domestic industry has claimed that there is no known competition to the domestic industry from dumped imports in the OEM. This increase in sales and production is therefore in the absence of competition from dumped imports. It is also noted that export volumes of the domestic industry declined during the POI. The domestic industry has claimed that this is due to Chinese and Taiwanese competition in the global market and recession. However, since the domestic industry has segregated production for exports, the production in the export market has not been considered in the injury assessment.. It is noted that the capacity utilization of the domestic industry improved till 2007-08 but has stagnated during the POI.

### **Market share**

42. The Share of the domestic industry, other domestic producers and exporters from subject countries in demand in India was as under:

SN	Market Share in demand	Unit	2005-06	2006-07	2007-08	2008-09 (POI)
1	Imports from subject countries	%	26.10	30.48	34.34	28.55
2	Imports from other countries	%	9.78	13.92	11.13	13.46
3	Total imports		35.88	44.39	45.47	42.01
4	Domestic industry	%	51.10	42.23	40.72	40.72
5	Other Indian Producers	%	13.02	13.37	13.81	17.27
6	Domestic producers as a whole		64.12	55.61	54.53	57.99
7	Total	%	100.00	100.00	100.00	100.00

43. The Authority notes that the share of the domestic industry in demand in India declined over the injury period. In this regard, the petitioner has submitted that this decrease in the share in demand is due to the significant increase in the volume of imports that is in spite of the existing anti-dumping duty. Further, the market share declined steeply in aftermarket segment where the imports are being made. Market share of domestic producers as a whole has declined significantly over the period.

#### **Profit/loss, return on investment and cash flow**

44. The return on investment, profit/loss before and after interest and cash profit is shown in the table below:

#### **OEM**

Particulars	Unit	2005-06	2006-07	2007-08	2008-09
Cost of sales	Rs/kg	***	***	***	***
Trend	Index	100	91	94	94
Selling price	Rs/kg	***	***	***	***
Trend	Index	100	98	99	106
Profit/( Loss)	Rs/kg	***	***	***	***
Trend	Index	100	126	119	155
Profit/( Loss)	Rs.Lacs	***	***	***	***
Trend	Index	100	153	147	207

#### **After Market**

Particulars	Unit	2005-06	2006-07	2007-08	2008-09
Cost of sales	Rs/kg	****	****	****	****
Trend	Index	100	91	94	94
Selling price	Rs/kg	****	****	****	****
Trend	Index	100	103	92	102
Profit/( Loss)	Rs/kg	****	****	****	****
Trend	Index	(100)	(57)	(100)	(71)
Profit/( Loss)	Rs.Lacs	****	****	****	****
Trend	Index	(100)	(66)	(116)	(77)

### **Combined (All domestic sales)**

Particulars	Unit	2005-06	2006-07	2007-08	2008-09
Cost of sales	Rs/kg	****	****	****	****
Trend	Index	100	91	94	94
Selling price	Rs/kg	****	****	****	****
Trend	Index	100	101	97	107
Profit/( Loss)	Rs/kg	****	****	****	****
Trend	Index	(100)	66	(56)	113
Profit/( Loss)	Rs.Lacs	****	****	****	****
Trend	Index	(100)	77	(66)	134
Profit before Interest and Tax	Rs.Lacs	****	****	****	****
Trend	Index	(100)	567	41	851
Cash Profit	Rs.Lacs	****	****	****	****
Trend	Index	(100)	392	16	546
Return on Investment	%	****	****	****	****
Trend	Index	(100)	432	25	486

45. The Authority notes that the domestic industry is suffering significant financial losses in the aftermarket segment. These financial losses are in spite of the existing anti-dumping duty. However, the domestic industry is able to earn reasonable profits in its sales in the OEM segment. This profitability helped the domestic industry to survive in the market and its overall profitability improved. Further, it is noted that though the domestic industry has earned profits during the POI, it has incurred losses during much of the injury period of the review investigations.

### **Inventories**

46. Average stock of finished products with the domestic industry has shown a declining trend, as shown below:

Particulars	Unit	2005-06	2006-07	2007-08	2008-09
Average	MT	****	****	****	****

<i>Trend</i>	Index	100.00	84.90	58.98	57.18
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This parameter does not show injury to the domestic industry.

### **Employment, wages and productivity**

47. Employment levels of the domestic industry have shown a significant decline during the POI as compared to the base year. Productivity has improved over the period, as given in the following table. Wages paid by the domestic industry have shown a significant increase over the period. This parameter does not show injury to the domestic industry.

Particulars	Unit	2005-06	2006-07	2007-08	2008-09
No of Employees	Nos	***	***	***	***
Trend	Index	100	99	90	84
Wages	Rs.Lacs	***	***	***	***
Trend	Index	100	122	122	124
Productivity	MT/Nos.	***	***	***	***
Trend	Index	100	114	133	142

### **Growth**

48. The Authority notes that the domestic industry had some positive growth in volume parameters upto 2006-07. However, the domestic industry's growth has stagnated thereafter due to presence of dumped import. In respect of price parameters, the growth of the domestic industry continues to be adverse in the after market segment, whereas the same is positive in respect of OEM segment. The overall growth in price parameters was positive during the POI though during most of the injury period, the domestic industry continued to be in losses.

Growth	Unit	2005-06	2006-07	2007-08	2008-09
Production in Kg	%	-	12.92	5.73	0.15
Domestic Sales in Kg	%	-	18.11	0.72	(0.22)
Capacity Utilization	%	-	(0.27)	5.73	0.15
Cost of Sales Rs/Kg	%	-	(8.91)	3.49	0.03
Selling Price Rs/Kg	%	-	0.78	(4.08)	10.82
Profit /Loss Rs/Kg	%	-	165.57	(184.72)	303.5

### **Dumping margin**

49. The dumping margin determined in the previous investigation was quite significant. The dumping margin determined in the present review investigation shows continued significant dumping by the producers/exporters of the subject countries.

### **Ability to raise capital investments**

50. The Authority notes that the petitioner is unable to plan any further investments in view of the significant dumped imports from the subject countries. The domestic industry has submitted that the anti-dumping duty on the subject goods may be continued further and form of duty may be modified; so that the domestic industry is able to expand capacities further.

### **Level of Injury margin**

51. The injury margin in this review investigation has been determined as follows:

Particular	Units	China	Taiwan
Non injurious price	Rs/Kg	****	****
Landed Price	Rs/Kg	****	****
Injury Margin	Rs/Kg	****	****
Injury Margin (%)	%	****	****
Injury Margin (%)	Range	30-34	28-32

### **J.4 Likelihood of continuation or recurrence of dumping and injury**

52. The present investigation is a review investigation and the Designated Authority is required to examine whether revocation of duty is likely to lead to continuation or recurrence of dumping and injury. There are continued dumped imports in the present case. The Designated Authority examined whether revocation of duty is likely to lead to continued dumping of the product. The exporters and producers from the subject countries are exporting subject goods to India for the past several years. The current dumping margin is very significant. In the previously concluded investigation also dumping margin was significant. Though some of the injury parameters of the domestic industry have improved during the POI, the overall condition of the domestic industry remains fragile. In such a situation, there is reason to believe that the dumping and consequent injury may intensify with the revocation of duty. Following are the factors, which reflect that the dumping and consequent injury might continue or even occur at aggravated level in the event anti-dumping duty ceases at this stage.

#### **(a) Exports to other countries**

The Domestic industry has argued that the exporters from the subject countries are exporting the subject goods in the third countries in significant volumes at dumped prices. They have substantiated their argument from the fact that Turkey has imposed anti-dumping duty on the subject goods from the subject countries.

It has been submitted that imposition of anti-dumping duty by Turkey will lead to continued or intensified dumping in the case the current anti dumping duties ceases.

(b) **Surplus capacities with Chinese producers**

The domestic industry has argued that the capacities created by producers in the subject countries are significantly high. It has been added that huge volume of exports being made by such producers to third country markets makes it evident that the volume of imports into India would increase significantly in the event of revocation of ADD. Information provided by the domestic industry based on select few producers in China PR and Chinese Taipei shows existence of significant capacities in the subject countries.

Sl. No	Name of Company	Place/Country	Annual Capacity	
			Lac mtrs	kgs
1	Lihua Textile Union Ltd	Guangdong, China PR	600	480,000
2	Chico Textile Ind Co	Chinese Taipei	3,000	2,400,000
3	Paiho Group	Chinese Taipei	879	702,874
4	Zhongshan Chukuang Textile Co., Ltd.	China PR	546	436,800
5	Zhejiang Hongming Weaving Ribbon Co Ltd	China PR	5,000	4,000,000
6	Dongguan Paiho Textile Ltd	Donnguan , China PR	3,726	2,980,454
7	Paiho Group	Shanghai, China PR	3,763	3,010,560
		<b>Total</b>	<b>17,513</b>	<b>14,010,688</b>

Given the low demand in India as compared to capacity in the subject countries, the domestic industry has argued that the Indian Producers can be completely wiped out by the subject countries' dumping.

(c) **Situation at the time of previous dumping and level of current dumping margin**

The circumstances existed at the time of original investigation are still in existence. Even though dumping margins have declined in the present case, the same are still quite significant.

Dumping margin	Original Investigation	Present Investigation
China PR	355	40-45
Chinese Taipei	298	25-27

The domestic industry has argued that the circumstances which were prevalent at the time of earlier investigations are very much in existence even in the present period.

**K. CAUSAL LINK**

53. As per the AD Rules, the Authority is, inter alia, required to examine any known factors other than the 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 dumped 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. These parameters are as follows:

**(a) Imports from third countries**

The Authority notes that the imports of the product from other countries are also significant. The imports from each of the third countries having individual share in excess of 3% were examined in detail. The domestic industry has argued that imports have been reported from some of the countries where these countries have no/little production capacities. In view of the above, it could be inferred that most of the subject goods have come from the subject countries and much of the other imports coming from 3<sup>rd</sup> countries could be merely transshipments as has been alleged by the domestic industry.

**(b) Trade restrictive practice and competition between the foreign and domestic producers**

The Authority has not found any trade restrictive practice followed by the domestic industry and other Indian producers. The Authority notes that the subject goods are freely importable and there are no restrictive trade restrictive practices in the domestic market.

### **(c) Contraction of demand or Changes in the pattern of consumption**

There is no contraction in demand of the subject product. There is no argument by the interested parties regarding the change in the pattern of consumption, nor does it appear that changes in the pattern of consumption could have inflicted the injury to the domestic industry.

### **(d) Export performance**

The Authority notes that claimed injury to the domestic industry is on account of domestic operations to the extent information could be separately identified. The Authority has relied upon the data with respect to domestic sales and has examined the same separately.

### **(e) Developments in technology**

The technology for production of the product has not undergone any change. Developments in technology are, therefore, not a factor of injury.

### **(f) Performance of other products being produced and sold by the domestic industry:**

The Authority has examined injury to the domestic industry with regards to product under consideration only.

54. The Authority thus concludes that other listed known factors have not caused injury to the domestic industry.
55. Thus, the Authority concludes that the dumped imports originating in or exported from the subject territory have caused material injury to the domestic industry within the meaning of Rule 11 read along with Annexure II of the AD Rules.

### **L. Likelihood of recurrence of dumping and injury**

56. The present investigation is a sunset review investigation and the Designated Authority is required to examine whether revocation of duty is likely to lead to continuation or recurrence of dumping and injury. To examine the margin of dumping in a sunset review investigation, the Authority applied the same methodology and the procedure as were applied in the original investigations. The dumping margin is thus recalculated for the POI and it shows continuation of dumping during the POI and the margin is considered significant. With regards

to determination whether revocation of duty is likely to lead to continued dumping of subject goods and consequent injury to the domestic industry, it is noted that the current dumping margins are very significant. It is also noted that in the previously concluded investigation also dumping margins were significant. Further, it is noted that the subject goods are still being exported to India in significant volumes and exporters from subject countries have continued dumping even after the imposition of anti-dumping duties. It has been claimed that the present situation is clearly suggestive that (a) the dumping would continue in the event of revocation of anti dumping duty; (b) the volumes would further increase, once the present anti dumping duties are revoked. The matter has been examined and it is noted that dumping margins are not only more than de-minimus but also significantly high during the review POI. It is, thus, noted that the circumstances, which were prevalent at the time of original investigations, are very much in existence even in the present review period.

57. With regards to likelihood of recurrence of injury, it has been examined whether the dumping and consequent injury would re occur rather at aggravated level in the event that anti-dumping duties are revoked or not extended for the next five years, It has been noted from the examination of above injury parameters that though the domestic industry has achieved positive growth in some of the parameters, the domestic industry continues to suffer material injury due to such dumped imports and the situation of the domestic industry remains fragile.. Further, dumping of the subject goods from the subject countries and consequent injury to the domestic industry is likely to continue, if the anti-dumping duties in force cease to operate.

## **M. CONCLUSIONS**

58. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority as recorded in the above findings and on the basis of the above analysis of the state of continuation of dumping and consequent injury and likelihood of continuation of dumping and injury, the Authority concludes that:
- i. The subject goods are entering the Indian market at dumped prices and dumping margin of the subject goods imported from subject countries are significant and above the de-minimis limits prescribed. The subject goods continue to be exported to India at dumped prices in spite of existing anti dumping duties.
  - ii. The domestic industry continues to suffer material injury in spite of the existing anti dumping duties. Further, it is noted that in the event that the present anti dumping duties are revoked, injury to the domestic is would likely to continue and intensify.
  - iii. The anti-dumping duty is required to be extended and modified.

## **N. RECOMMENDATIONS**

59. Having concluded that the subject goods continues to be exported at dumped prices, the current dumping margin and injury margin establishes the need for revision in the anti-dumping duty in force. It is further noted that the situation of the domestic industry continues to be vulnerable and there is likelihood of continuation of dumping and consequent injury on account of imports from subject territory, if the duties are revoked. Thus, the Authority is of the opinion that the measure is required to be extended and the quantum of Anti-dumping duty is required to be modified in respect of imports from subject countries as specified in the duty table below.

60. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of the margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, antidumping duty as per amount specified in Col 9 of the table below is recommended to be imposed in the event of acceptance of these recommendations by the Central Government, on all imports of the subject goods originating in or exported from the subject territory.

S. No	Heading	Description of goods	Specification	Country of origin	Country of Export	Producer	Exporter	Amount	Unit of measurement	Currency
-1	-2	3	-4	-5	-6	-7	-8	-9	-10	-11
1	5806	Narrow woven fabrics having pile weave, made up of manmade fibres (also known as hook and loop tape fasteners or Velcro tapes or fastening tape)	Any	Any country	Chinese Taipei	Any Producer	Any Exporter	1.75	kg	US Dollars
2	5806	-do-	Any	Chinese Taipei	Any	Any Producer	Any Exporter	1.75	kg	US Dollars
3	5806	-do-	Any	Any Country	China PR	Any Producer	Any Exporter	2.87	kg	US Dollars
4	5806	-do-	Any	China PR	Any	Any Producer	Any Exporter	2.87	kg	US Dollars

61. Landed value of imports for the purpose shall be the assessable value as determined by the Customs under the Customs Act, 1962 and all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.
62. An appeal against this order shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

P.K. Chaudhery  
The Designated Authority