

**F.NO. 14/20/2004-DGAD**  
**Government of India**  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
**(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)**

**NEW DELHI,**  
**The November 2006**

**Final Findings**

**Subject: Anti-dumping investigation concerning imports of Silk Fabrics 20-100 gms per meter from People's Republic of China.**

**F.NO. 14/20/2004-DGAD:** Having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as Rules);

**A. Background and initiation:**

2. WHEREAS, having regard to above Rules, the Designated Authority (herein after referred to as Authority), on the basis of a fully documented application filed by the Central Silk Board, Bangalore, on behalf of the following co-operative / federation / associations representing the power loom silk fabric producers in India, viz. (a) The Mysore Power Loom Silk Manufacturers Co-operative Society Ltd., Bangalore, Karnataka. (b) M/s Karnataka Weavers Federation, Bangalore, Karnataka. (c) M/s Bangalore District and Bangalore Rural District Power-Loom Weavers Production and Sales Co-operative Federation Ltd., Dodda Ballapur, Karnataka. (d) M/s Silk Trade Association (Regd), Varanasi, UP. (e) M/s Pure Silk Weavers Association, Surat, Gujarat; (herein after referred to as the applicants), alleging dumping of silk fabrics weighing 20-100 gms per meter (herein after referred to as subject goods) originating in or exported from the People Republic of China (hereinafter referred to as subject country), initiated an investigation, vide notification dated 18<sup>th</sup> May 2005, in accordance with Rules 5(5) of the said Rules to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty that would be adequate to remove the injury to the domestic industry.,

3. And whereas the Authority notified its preliminary findings, vide notification dated 27<sup>th</sup> April 2006, published in the Gazette of India Extraordinary, recommending imposition of provisional antidumping duty on the subject goods imported from the subject country. The Central Government, vide Notification No. 53/2006- Customs Dated 31<sup>st</sup> May 2006, imposed provisional antidumping duty on the subject goods.

**B. Procedure**

4 The procedure described below has been followed by the Authority in the above matter with regard to this investigation after issuance of the Preliminary Findings.

i) The Designated Authority sent copies of preliminary finding dated 27<sup>th</sup> April 2006 to all interested parties to this investigation, including the Embassy of the subject country in India, cooperating exporters from the subject country, domestic industry and the importers participating in the investigation requesting them to make their views known in writing within 40 days of the notification of the preliminary findings.

ii) As recorded in the preliminary findings, the Authority resorted to sampling in terms of Rule 17 and the following sampled exporters, from the subject country, have filed their questionnaire response to the initiation of the investigation and made substantive submissions after the preliminary findings:

- a) M/s. Zhejiang G&F Foreign Trading Co. Ltd (Exporter) alongwith two of its associate producers, namely M/s Huzhou City Linghu Jinshan Yisheng Silk Woven Factory; and M/s Deqing Wenya Heat-Preservative Material & Silk Fabrics Limited Company;
- b) M/s. Sichuan Silk Export and Import (Exporter) alongwith two of its associate producers, namely M/s Deyang Bailong Lifeng Silk Co., Ltd. and M/s Deqing Wenya Heat-Preservative Material & Silk Fabrics Limited;
- c) M/s Zhejiang Cathaya International Co., Ltd. (Exporter) alongwith its 5 producers namely, M/s Deqing County Bolida Silk Co. Ltd; M/s Huzhou Huasheng Silk Factory; M/s Deqing Xinrun Silk Co. Ltd; M/s Zhejiang Yangshi Silk Co. Ltd; M/s Hangzhou Yuanyuan Silk Co. Ltd;
- d) M/s Nanjing Textiles Import & Export Corporation Ltd. along with its producers M/s Suqian Hongyun Silk Co. Ltd and Deyang Bailong Lifeng Silk Fabric Co. Ltd;
- e) M/s. Chongqing Sunfeel Shizhu Silk Weaving Co. Ltd. producer-exporter

iii) Following two other non-sampled but responding cooperating exporters also filed their request for individual treatment alongwith their questionnaire responses.

- a) M/s Guizhou Fortune Green Products Import & Export Co. Ltd , and
- b) M/s Chongqing Wintus (New Star) Trade Development Ltd (“Chongqing Wintus”) alongwith its subsidiary producer M/s Liangping Wintus Silk & Textile Ltd (“Liangping Wintus”)

Comments on the preliminary findings were also filed by the China Chamber of Commerce and Industry (CCCT).

iv) The following importers and importer’s associations also filed their comments on the preliminary findings

- a) M/s Kailpar Engineering Co. Ltd., Mumbai;
- b) M/s Tekchand International, Delhi;
- c) M/s Universal Textile Mills, Bangalore

v) As mentioned in the preliminary findings M/s Indian Silk Export Promotion Council (ISEPC) , Mumbai; M/s Silk & Textile Mercantile Traders Association (Regd), Delhi and Delhi Hindustani Mercantile Association (Regd, Delhi also made a brief submissions;

vi) The comments of the interested parties in response to the initiation of the investigation and the preliminary findings have been taken on record and the Authority has examined the issues raised therein in this disclosure statement.

vii) The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties;

viii) For the sake brevity the comments of various interested parties and issues dealt in the preliminary findings and disclosure statements, to the extent possible, have not been repeated in this finding.

ix) The Authority held a public hearing on 16.06.2006 to provide an opportunity to all interested parties to present their views. The oral submissions made by the parties during the public hearing reproduced in writing have been taken on record for the purpose of this investigation.

x) In accordance with Rule 16 of the Rules supra, the essential facts considered for these findings and basis of determination, were disclosed to known interested parties, vide general disclosure and confidential disclosures to parties involved, vide letters dated 30<sup>th</sup> October 2006. Comments to the disclosures received from the interested parties have also been duly considered in these findings to the extent the arguments and claims made by various parties are substantiated with evidence and data;

xi) The Authority has examined the confidentiality claims of various interested parties in respect of the data submitted by them. The information, which is by nature confidential or which has been provided on a confidential basis by the interested parties' alongwith non-confidential summary thereof, has been treated confidential. \*\*\* in this disclosure represents information furnished by the petitioner on confidential basis and so considered by Authority under the Rules;

xii) Investigation was carried out for the period starting from 1<sup>st</sup> April 2003 to 30<sup>th</sup> September 2004 (POI).

## **C Products under Consideration and Like Article**

5. The product involved in the present investigation is Silk Fabric of weight 20-100 gms per meter produced in the power looms only (hereinafter also referred to as subject goods). As indicated in the Initiation notice itself only silk fabrics produced by power looms are covered in the product under consideration and not the fabrics produced in the handloom sector. Silk fabric is produced from the basic raw material raw silk, which is drawn from silk cocoons. Silk Fabric is classified under Heading 5007 of the Customs Tariff Act and generally gets cleared under Sub-heading 5007 9000. The subject goods are also cleared under Sub-headings 5007 1000, 5007 2000, 5007 2010 and 5007 2090 of the Customs Tariff Act. These Classifications

are indicative only and are in no way binding on the scope of the present investigation.

6. Authority notes that different qualities of silk fabrics with weight ranging from 20-100 gms generally are used for sarees, dress materials mainly for ladies scarves, stoles, shawls, duppattas, Men's wear, ties etc. Heavy varieties (exceeding 100 gms per meter) are mainly used as furnishings, bed covers, quilts etc.

7. The applicants have claimed that goods produced by them are similar to those being exported from subject countries and there are no differences in the product produced by them and the allegedly dumped product. The production process employed by the domestic industry and by the exporters also does not have any material difference. There is no significant difference in the subject goods produced by the petitioner and those exported from subject country.

### **C.1 Views of interested parties**

8. CCCT, in its submissions, has argued that Indian Silk and Chinese Silk are not technically and commercially substitutable. 90% of Indian silk fabric production is from multi-voltine cocoons, which is of low quality, low productivity and low reelability, whereas Chinese Silk is mainly of the bi-voltine variety. Further the Chinese silk producers employ dry cocoon reeling method to obtain raw silk, which is the main raw materials of the subject goods whereas Indian producers use fresh cocoon reeling method to obtain raw silk, which creates difference in the quality. The difference is such that Domestic Industry is rarely able to produce the subject goods at a level higher than that of Level 4A as per the standard of the International Silk Association, whereas China can produce grade 7A and even above. Further it has been argued that there is also a huge difference in the production process in China and India. Indian machines are old and obsolete with low reelability whereas Chinese producers use multi-end automatic reeling machines. The Indian reeling rate is 1 kg silk from 10 kg of cocoons, whereas the reeling rate of Chinese producers is 1 kg silk from 6 kg of cocoon. The twisting machines used by Indian producers can reach 800 twists per minute at the most whereas Chinese twisting machines can reach more that 2600 twists per minute.

9. The exporters, in their various submissions, have inter alia argued

- That while defining the scope of products concerned, the Designated Authority only used the grammage as a criterion and did not set limits on other characteristics of silk fabric, which has enlarged the scope of investigation. It has been argued that India does not produce some major products of the specification of Georgette, Habutai and others. Therefore, these products should be excluded from the scope of investigation.
- That WTO AB Ruling in "EC-Bycycles" provides the disciplines that 'unlike articles' may be neither technically nor commercially substitutable in any manner whatsoever. However, this does not impede the Authority from taking cognizance of differences in each grade, type, model or weight that may result in distinct costs, prices, or uses or to effectively segment the market.

- That apart from some differences in price, the demand for each type of Subject Goods is based on end-user requirements and preferences and convenience. This indicates that the market segments served, the distribution channels and levels of trade between domestic product and exported products from China are substantially different and there is limited competition between them.
- That while product under consideration has been defined as ‘Silk Fabrics with a weight range of 20-100 grams /meter’, only power loom producers of silk have been considered to be the domestic industry. It is common knowledge that the number of handlooms far exceeds the number of power looms in India. Further, the process of manufacture cannot determine who should constitute the domestic industry. The relevant criteria are the end product. Any body, who produces the product under consideration, whether using power looms or handlooms, should be treated as the ‘domestic industry’.
- That Rule 2(b) defines domestic industry as ‘the producers as a whole engaged in the manufacture of the like article’. Rule 2(d) defines like article as an article identical or alike in all respects to the article under investigation or another article, which although not alike in all respects, has characteristics closely resembling those of the articles under investigation. Nowhere in the rule there is a reference to the process or technology used for manufacturing the articles. The authority should consider all handlooms in India that produce silk fabrics.
- That the respective Subject Goods, produced in China and India, are not treated as like articles by users/consumers in either country or in the world market. Indian silk is used more in decorations and furnishings and in certain clothing that is used for certain traditional ceremonies and functions in India. Chinese silk is more suitable for apparel and garments and for this reason user/exporters have opposed the anti-dumping duty.
- That the users and market segments and patterns of consumption of Indian and Chinese silk fabrics are different is also reasonably inferred *prima facie* from the fact that while India is the second largest producer of silk fabrics as found by the Authority, it is not the second largest exporter and has a disproportionately lower share of world exports. This is reasonably explained by the fact that most world silk fabrics trade is for international style apparel, garments while the trade in silk fabrics for furnishings and decorations and ethnic wear is much lower. Thus, it is clear that the respective markets served are substantially different. In case of any minor overlap this could not be sufficient in any case for causal injury determination. In view of differences also in quality specifications, production process, natural advantages enjoyed by China, climate and so on the Authority may find the respective Chinese and Indian Subject Goods as being not like articles.
- That the imported goods have been classified into five distinct categories namely Tassar, Crepe, Georgette/Chiffon, Habutai and others. However, the types or categories of silk produced by the domestic industry are not clear. There are several varieties of silk like Tassar, Eri and Muga, derived from

different types of silk worms are produced in different regions of India, which are not manufactured in China.

- That Habutai is a specialty of Chinese Silk and has no equivalent in Indian Silk. Habutai being a variety that is not at all manufactured in India should not be treated as a product under consideration. In respect of other varieties of silk, the authority has failed to determine the corresponding like variety in India so that the costs, prices etc of could be compared.

## **C.2 Examination by the Authority**

10. The Authority has noted various arguments of interested parties, including the arguments of CCCT on the like article issue. In respect of the scope of the product under consideration the basic issue raised by the interested parties is that the scope of the product should not be defined in terms of grammage and other characteristics should have been considered and by doing so certain varieties of the silk not produced in India but produced and exported from China and vice versa, should have been excluded. Another view has been expressed that Indian handloom fabrics being dominant segment and being a like product to the fabrics manufactured in the powerloom sector, should have been covered under the scope of product under consideration or treated as like article for determination of standing of the applicant domestic industry.

11. While it has been argued that Indian silk fabrics, major portion of which comes from handloom sector, are coarse and used in a different segment do not compete with the Chinese silk, at the same time it has been argued that for the domestic like product determination handloom silk should also be included irrespective of the grammage since end product, and not the process of manufacturing, is the criteria for like product determination.

12. The Authority is of the view that the product under consideration has been defined in this case keeping in view the type of product being imported from the subject country and the segment of the domestic industry it is affecting. It is clearly the case that only the Indian powerloom sector is affected by import of silk fabrics within 20-100 gms per meter range. Silk fabrics above this range has a different usages and do not compete with the fabrics in the range below 100 gms per meter. Handloom fabrics manufactured in India has a different market segment and therefore, do not compete with power-loom products which is the mainline fabrics. In view of the above, the arguments of the interested parties in respect of the product under consideration are not valid. Therefore, the Authority holds that the product under consideration has been correctly defined as power-loom silk fabrics within weight range of 20 to 100 gms per meter.

13. As far as various types of silk in India is concerned, as per Ministry of Textile Annual Report in 2003-04, India has the distinction of cultivating all the four commercially known varieties of silk namely, Mulberry, Tasar, Eri and Muga. Mulberry accounted for 88.7% of total silk production in India. Other Indian indigenous varieties are Tassar (2.0%), Eri (8.6%), Muga (0.7). These varieties constitute a small proportion of the silk produced in India and are mainly used in handloom sector for traditional products. However, the Authority notes that though the initiation notification described the product as fabrics in the weight range of 20-

100 gms, the product has been categorized into six distinct types viz. Tasar, Crepe, Chiffon, Georgette, Habutai and others. Investigation reveals that fabrics made out of Tasar has not been imported from China PR during the POI. Since Tasar accounts for a very small product segment (2%) of the total silk production in India, in the absence of any import of fabrics of made out of Tasar, the Authority is of the view that there is no justification to keep this category of fabric within the product under consideration. The share of this product type is very small and therefore, it would not affect the composition of the domestic industry and its standing. Accordingly, Tasar has been taken out of the scope of the product under consideration of this investigation.

14. As far as domestic like product determination, for the purpose of determination of the scope of domestic industry and standing is concerned, the interested parties have argued that fabrics produced by the Indian handloom sector should also be treated as like product to the powerloom product and therefore, the handloom producers should also included in the domain of the domestic industry for standing and injury determination. For the reasons explained in the foregoing paragraphs, the Authority hold that the fabric manufactured in the handloom sector in India is clearly not a like article to the fabric manufactured in the powerloom sector. They have different end use and cater to a different market segment altogether and therefore, do not compete with each other in the same market segment. Therefore, the Authority holds that the powerloom fabrics and Indian handloom fabrics cannot be treated as like articles for the above purpose as argued by the interested parties.

15. As regard the likeness of Indian silk fabrics and Chinese silk fabrics, as a whole and some specific varieties in particular, the Authority notes that as far as the source raw material is concerned, cocoon of the silk worms is the basic raw material for silk production. While bi-voltine cocoons (harvested only twice in a year) is produced in China, 90% of Indian cocoon production is of multi-voltine type (continuously harvested throughout the year). Technical institutions in India, in collaboration with international agencies, like JICA, have produced certain hybrid strains, which are popular among seri-culturists in India as it gives higher yield and productivity. While reeling in India is done from the fresh cocoons immediately after harvesting and before pupation occurs, reeling in China is done from the dried cocoons. The fresh cocoons are boiled, dried and stored for reeling at a later stage as cocoons are produced only during two seasons in a year. Dried cocoons are again boiled and used in multi-end reeling machines for drawing the fibre. However, drying process involves additional handling and associated expenses. It was further stated that since reeling in India is done from fresh cocoon by hand the reeling rate is normally 800% which means that 100 kg of silk yarn is obtained from 800 kgs of fresh cocoons. Whereas all silk reeling units in China are automated and the reeling rate is about 300%. However, the Authority notes that Chinese silk industry uses dried cocoon for reeling, which is only 40% of the weight of the fresh cocoon. Therefore, reeling rate from fresh cocoon in China would also work out to about 750-800%, which is same as in India. However, it has been further argued that though reeling rate could be similar there are inherent cost implication because of storage and wastage of fresh cocoons and inefficiencies associated with manual reeling. The Authority notes that entire reeling in India is not by hand, as has been argued by the interested parties. A significant portion of the reeling is also done by using semi-automated and automated multi-end reeling machines. Moreover, the cost

associated with drying, handling and storage, and boiling for reeling purpose is also substantial to neutralize the cost advantage, if any, otherwise.

16. As regards the gradation and difference in quality of silk in India and China is concerned, though China has claimed that their quality of cocoons and process used allows them to produce silk up to 7A grade, the verification process in China revealed that Grade 3A and B are the most popular grades in China and the exports to India is below 3A grades only. Indian raw silk production is in the range of 2A-4A grade. The Authority notes that Indian power-looms use both Indian silk yarn, as well as Chinese silk yarn, as India is a net importer of silk yarn for weaving the fabrics. Therefore, quality difference in the Indian and Chinese silk yarns is not much relevant for determination of like article issue for silk fabrics.

17. Examination of claim of technical superiority in plant and machinery also revealed that most of the production units of silk fabrics and reeling units in China use very old machineries taken over from the erstwhile state-owned units and use similar technologies. Therefore, the arguments of superiority in technology and quality over Indian silk do not appear to be correct. As far as equivalent types of certain varieties of Chinese silk fabrics are concerned, the Authority is of the view that the all varieties of silk fabrics covered in this investigation have significant degree of technical and commercial substitutability though the type of fabrics vary depending upon the twisting and weaving methods used. The Authority also notes that Habutai is made out of untwisted yarn and Indian silk has similar products, made out of untwisted yarn and is commercially known as soft silk. Therefore, Habutai has been treated as a like article to the fabrics produced by the domestic industry.

18. In their post disclosure comments some of the exporters have argued that certain types of products or products of weight ranges not exported by them during the POI should be excluded for the purpose of imposition of duty on them, if the Authority proceeds to impose duty. The Authority notes that the product under consideration includes the silk fabrics in the weight range specified, except fabrics made out of Tasar and accordingly, duty is required to be imposed on the entire product under consideration exported from the subject country. Therefore, exclusion requested by the individual exporters is not possible.

19. Examination of the above indicates that though Chinese silk industry produces silk fabrics from silk yarn using a different process of reeling from dried cocoons in place of fresh cocoons, there is no significant difference in weaving process. There is also no significant difference between the silk fabrics exported to India, majority of which conforms to below 3A category. The silk fabrics exported from China and manufactured by the Indian power looms are technically and commercially substitutable and used interchangeably. Therefore, the Authority holds that the silk fabric exported from China and the same manufactured by the domestic industry are 'like product' within the meaning of the term as defined in the Rules.

## **D DOMESTIC INDUSTRY AND STANDING**

20. The application has been filed by the Central Silk Board, Bangalore on behalf of the following co-operative / federation / associations representing the power loom silk fabric producers in India viz.

- a) The Mysore Power Loom Silk Manufacturers Co-operative Society Ltd., Bangalore, Karnataka;
- b) M/s Karnataka Weavers Federation, Bangalore, Karnataka;
- c) M/s Bangalore District and Bangalore Rural District Power-Loom Weavers Production and Sales Co-operative Federation Ltd., Dodda Ballapur, Karnataka;
- d) M/s Silk Trade Association (Regd), Varanasi, UP;
- e) M/s Pure Silk Weavers Association, Surat, Gujarat.

21. On the basis of information available with the Authority, about the capacity and production of the members of these co-operative / federation / associations of power looms expressly supporting the application, the Authority, in its preliminary findings held that these producers accounted for more than 50 percent of total production of the like article produced by the domestic industry. Accordingly, the Authority held that aforesaid applicants satisfied the criteria of standing to file the application on behalf of the domestic industry in terms of Rule 5(3) (a) and represent the domestic industry within the meaning of Rule 2 (b) of the Rules supra. However, the interested parties have raised several objections to the standing and domestic industry determination which have been examined as follows:

#### **D.1 Views of exporters and other interested parties on standing**

22. The exporters and other interested parties in their submissions have, *inter alia*, argued

- That identification of the domestic industry depends on the identification of different varieties of Indian silk that is manufactured in India. The current application is made by power loom weavers located in Karnataka, Tamil Nadu, UP and Gujarat. However, different varieties of silk are being manufactured at a number of other states also covering several variety of silk, which has not been taken into account.
- That out of the five petitioners, one is a cooperative society, two are associations and two are federations. Since none of the 5 petitioners are themselves the producers of the subject goods, the names of their constituent members who are producers of the subject goods should have been given in the petition. It has been argued that Rule 5(3) specifically requires determination of 'share of the petitioners' in total domestic production. Total production referred to in this rule implies 'actual' production. It cannot be estimated or based on some theoretical assumptions. However, in the petition production based on some theoretical assumption alone has been given.
- That the Authority has not examined the standing requirement with respect to support or opposition to the petition filed by the applicants before the Authority. No statistically valid sampling techniques were used to determine the support for the application, in violation of Footnote 13 of Anti-Dumping Agreement.
- That even if an Association can represent a fragmented industry the applicant in this case is not an Association but a Government body charged with supervising the development of the silk industry in India and it is neither a producer nor an Association of producers. Thus, the Central Silk Board

cannot be eligible to qualify as the applicant particularly since there are Associations of producers they could have filed the Petition instead.

- That the WTO Appellate Body in the case of US-Hot-Rolled Steel ruled that investigating authorities can undertake "an evaluation of particular parts, sectors or segments within a domestic industry", provided they respect the fundamental obligation in Article 3.1 to conduct an "objective assessment", The investigating authorities are not entitled to conduct their investigation in such a way that it becomes more likely that, as a result of the fact-finding or evaluation process, they will determine that the domestic industry is injured. Therefore, it is essential that Designated Authority identifies the domestic industry as a whole and then use the data from such domestic industry to determine the existence of dumping and injury. Without an objective assessment of domestic industry data, there can be no valid determination of injury or anti-dumping duty. And such objective assessment requires prior clear identification of the domestic industry.
- It has also been argued that import of the subject goods 'may' and not 'shall' exclude the importer/producer from the scope of domestic industry. Hence, the Authority must first decide whether it will include or exclude producers that may also be importers from the scope of domestic industry. It is only then that the domestic industry standing of applicants may be determined.
- Admittedly, the Authority has departed from the normal standards on the basis of the industry being a fragmented industry. No legal basis is provided for changing the 'goalposts' for a fragmented industry.
- That the substance of the fairness of the said process are vitiated when the Applicant is a Government body and the Authority is seen to waive or reduce the normal standards and make assumptions in favour of the Applicant's information on the basis that it is a Government body supervising the concerned industry.

## **D.2 Examination by the Authority**

23. The authority notes that the fabric manufactured only in the power-looms are the subject matter of this investigation and the fabric manufactured in the handlooms are not like articles to the product under consideration. Therefore, the production volume of the silk fabrics manufactured in the powerloom sector is the criteria for deciding the scope of the domestic industry, as well as the standing of the applicants in this case. The application has been filed by the Central Silk Board, Bangalore on behalf of certain co-operatives / federations / associations representing the power loom silk fabric producers in India. Interested parties have argued that CSB, being a Government body, and not a producer or association of the producers, is not eligible to file the application. In this connection Rule 5 (1) of the Rules provide that

24. "Except as provided in sub-rule (4), the designated authority shall initiate an investigation to determine the existence, degree and effect of any alleged dumping only upon receipt of a written application by or on behalf of the domestic industry."

*Explanation: – "For the purpose of this rule the application shall be deemed to have been made by or on behalf of the domestic industry, if it is supported by those*

*domestic producers whose collective output constitute more than fifty per cent of the total production of the like article produced by that portion of the domestic industry expressing either support for or opposition, as the case may be, to the application.”*

25. Therefore, the Rule as such does not bar filing of an application by an agency other than the domestic producers, as long as it is filed on behalf of the domestic industry. In the instant case the federations/associations named above, accounting for more than 50% of the production of the subject goods in India, are the applicants and CSB, the nodal agency looking after the silk industry in the country, has only facilitated the filing of the application in view of the very nature of the industry. It is well known that silk industry in India is extremely fragmented and unorganized. The industry is basically in the form of tiny, family based cottage industries, spread out in various regions. This industry could not have been able to organize itself to file an application, even with the help of their associations, unless the activity is coordinated by an agency conversant with the procedure and legal issues involved. Therefore, CSB as the nodal agency has facilitated the process of filing, and to the extent possible, provided the data support for this purpose. Therefore, the Authority holds that the initiation itself cannot be treated as vitiated because of the involvement of the CSB.

26. As far as support and opposition to the application is concerned, since the federations/ associations represent almost 100% of the powerloom producers in various regions of the country they were deemed to have commanded the support of the entire domestic producers and therefore, command the standing for the purpose of the above Rules. Reference has been drawn to footnote 13 of ADA, which provides that in the case of fragmented industries involving an exceptionally large number of producers, authorities may determine support and opposition by using statistically valid sampling techniques. However, the Authority notes that when the producers have been represented through their respective associations, accounting for almost entire production of the subject goods in the country, the internal decision making procedure and support and opposition within the associations/federations is not the subject of the Authority's examination. Moreover, no producer or any representative body of the producers has filed any objection to the investigation. Therefore, the Authority holds that the application has been supported by major proportion of the domestic producers and therefore, valid.

27. As far as the scope of domestic industry for the purpose of injury examination is concerned, Rule 2 (b) defines domestic industry 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 which case [such producers may be deemed] not to form part of domestic industry:*

28. The authority notes that no material fact has been placed before the Authority to indicate that any member of the associations before the Authority have actually imported the subject goods or are related to the importers or exporters. It is also noted that the structure of the industry is such that it would not be possible for the

weavers in cottage or small sector constituting the domestic industry in this case to import the fabrics in any significant quantity, which could disqualify them for being considered as the domestic industry. Therefore, on the basis of data on production of the subject goods available the Authority holds that the members of the above associations and federations before the Authority command major proportion of the total production of the subject goods in India and therefore, constitutes the domestic industry within the meaning of the Rules.

## **E Initiation and issues related to it**

### **E.1 Views of the interested parties**

29. The exporters have raised the issue of sufficiency and accuracy of information in the application filed by the domestic industry for initiation of the antidumping investigation in this case on the grounds that sufficient information regarding the composition of the domestic industry and their production as well as information on dumping, injury and causal links were not available in the application filed by the domestic industry. Therefore, the information supplied in the application was not sufficient to justify the initiation of the anti-dumping investigation. It has been argued that the production volumes have been estimated without providing the actual production and capacities, without supporting evidence to prove the reliability of the estimated figure. It has also been argued that the allegation of dumping in the petition is based on constructed cost of production based on estimations and the domestic industry did not give its own cost of production details. Therefore, the authority should not have accepted the claims of the petitioners without examining and / or satisfying himself as to the correctness of the said information / data which is in violation of the provisions under Rule 5(3)(b). Therefore, exporters have basically questioned the initiation standards on the grounds that the application was incomplete, contained several unsubstantiated assertions and allegations on several aspects of standing, dumping, injury and causal link.

30. The domestic industry, responding to the objection raised by the interested parties about the legality and the jurisdiction of the initiation notification, has argued that the interested parties should have raised the issue of adequacy and accuracy immediately after the initiation. By raising this issue at this stage attempt is being made to subvert the proceedings. Referring to the *United States – Sunset Reviews Of Anti-Dumping Measures On Oil Country Tubular Goods From Argentina (WT/DS268/AB/R 29 November 2004)* which *inter alia* held that Articles 6.1 and 6.2 do not provide for "indefinite" rights, so as to enable respondents to submit relevant evidence, attend hearings, or participate in the inquiry as and when they choose, the domestic industry has argued that it is not open for the interested parties to raise all kinds of issues at all points of time.

31. The domestic industry has further argued that without prejudice to the impermissibility of raising issues relating to adequacy and accuracy after the prescribed time limits, the arguments fail on merits too because of the fact that all parts of the application proforma have been duly filled in by the Applicant providing sufficient information on dumping, injury and causal link. The domestic industry has argued that the decision or the judgment of the Authority cannot be questioned as long as there is sufficient information on dumping, injury and causal link to justify an investigation. In the present case, all information, which was required, has been

given by the applicants and the Authority was satisfied with the information and considered it sufficient to justify and investigation.

32. The exporters have further argued that as per the abundant jurisprudence in India, while ordinarily a party will be expected to take up any legal objection at the first instance there is no absolute bar on taking up fundamental, jurisdictional issues at any stage. It has been argued that in fact there has been no delay by Chinese cooperating Parties in taking up legal issues because of the sampling process adopted by the Authority in this case and they raised their objections at the first available opportunity. It has been argued that as per Indian jurisprudence once an argument has been raised it may be further developed, clarified, amplified and refined right through until the final decision.

## **E.2 Examination by the Authority**

33. The Authority notes that in the Guatemala – Mexico Cement case the Panel held that *it is however the sufficiency of the evidence, and not its adequacy and accuracy, per se, which represents the legal standard to be applied in the case of a determination whether to initiate an investigation.* The Panel in the said dispute held that *an anti-dumping investigation is a process where certainty on the existence of all the elements necessary in order to adopt a measure is reached gradually as the investigation moves forward. However, the evidence must be such that an unbiased and objective investigating authority could determine that there was sufficient evidence of dumping within the meaning of Article 2 to justify initiation of an investigation.* In the instant case sufficient evidence was placed by the applicants indicating prima facie existence of dumping, injury and causal link. However, in view of the nature of the structure of domestic industry, being in the un-organized sector, certain information could not have been compiled in absolute terms. The Authority notes that Article 5.2 of the Agreement provides that the application shall contain such information *as may be reasonably available to the applicants.* Considering the fact that the domestic industry is highly fragmented and unorganized, the information as was reasonably available to the applicants, were provided in the application. Having satisfied about prima facie evidence placed before it, the Authority has initiated the investigation to examine the issues in greater detail. Therefore, the objections of the interested parties are not tenable.

## **F Other issues raised by the interested parties**

34. Apart from their submissions on issues discussed in the preceding sections the interested parties, including the exporters and importers, in their post preliminary finding submissions have inter alia argued that the Preliminary Findings indicate an absence of objective assessment as required by the Authority. It has been argued that preferential treatment has been given to the Applicant by virtue of being a fellow Government body by lowering of requirements for fragmented industries and Government bodies that participate as parties to this investigation. Despite the similar fragmented nature of the respective Chinese industries, no similar waivers or concessions were extended to the fragmented Chinese industries in respect of waiver of individual responses in favour of collective response by the Chamber only or reliance on estimates instead of actual data. It has been argued that the Preliminary Findings clearly indicate the deficiencies in the information furnished by the applicants, not only at initiation, but even on the date of the Preliminary Findings.

It has been argued that even if sometimes it may be possible to use aggregate data, such aggregate information must also satisfy the tests of adequacy and accuracy. The Authority should not have accepted the information provided by the applicant, which is another Government body without further test as the estimates accepted by the Authority are in wide variance with the data provided by the Ministry of Textiles in its Annual Reports in respect of No. of Looms and fabrics produced.

35. In addition to the above arguments of the interested parties the importers in their post preliminary finding submissions have inter alia argued that majority of the members of the applicant associations are using or importing raw silk from China as enough qty of raw silk is not available in India and with Indian raw silk same quality as of Chinese crepe or georgette or habutai or tassar is not possible. The domestic industry can't produce same quality as Chinese fabric because to make the same they will need Chinese raw silk only. As anti Dumping duty has been imposed on raw silk it would not be proper to impose anti-dumping duty both on raw material and finished goods, as silk fabric prices are hugely dependent on raw silk prices.

36. It has also been argued by the importers that the reference prices arrived at in the preliminary findings for levy of anti-dumping duty are calculated wrongly and even higher than what has been demanded by the complainant/applicant and such duty structure would favour only a select group of people as well as encourage smuggling across border from India. Antidumping duty will make products more expensive for buyers and consumer and expensive prices will harm and curtail the growth of exports of silk garments, scarf and made-ups etc. High antidumping duty will reduce legal imports and the government will loose revenue.

37. It has been argued by the importers that if at all the antidumping duty is required to be imposed the Authority should take normal cost and not pass on inefficiency of Indian weavers to the consumers. The importers have further argued that Anti Dump duty, if at all to be levied, should be levied on KG basis and not on gram per meter to address price difference due to grammage and it should be same for all exporters to avoid discrimination.

38. These issues have been examined by the Authority. As far as the fragmented nature of the domestic industry and standards of examination is concerned, the Authority notes that the information filed by Central Silk Board has been examined by the Authority and other information brought to the notice of the Authority, to a large extent, corroborates with the data filed by CSB. Therefore, the Authority finds no reason to reject any data or information provided by CSB simply because the data has been filed by another government body which has coordinated the filing of the petition on behalf of the domestic industry. The Authority also notes that neither the Agreement, nor the Rules, or any other jurisprudence on the subject prohibit acceptance of the data filed by another government body. The fragmented nature of Indian silk industry is quite evident from the very structure of the industry and accordingly, various information about this industry has been collected and examined to the extent possible. Therefore, the arguments of the interested parties, that the domestic industry has been given any preferential treatment whatsoever, are not tenable.

39. As far as acceptance of estimates in respect of various injury parameters are concerned, the injury parameters have been examined afresh taking into account

various inputs received by the Authority and the same has been dealt in appropriate places in this findings.

40. The Authority has also noted the views of the importers regarding the duty on raw silk and silk fabrics and is of the view that the purpose of the antidumping duty is to remove the distortion in the market at appropriate levels and not to create shortage of the goods in terms of quality and quantity. As far as the structure and level of duty is concerned the views of the interested parties have been taken into account for determination of various elements of dumping and injury margins.

## **G. Confidentiality**

41. The exporters, importers and domestic industry have commented upon various confidentiality claims of the parties involved in the investigation and the treatment of confidential information by the Authority. The exporters have inter alia argued that

- It is accepted practice that when a party to an investigation provides confidential information, the party has also to provide meaningful non-confidential summaries thereof. In the event that information cannot be summarized, the party in question is required to state the reasons for such non-summarization. In the instant case, the Applicant has kept certain crucial information pertaining to the costing information and the methodology adopted to arrive at the normal value confidential. They did not even provide meaningful non-confidential summaries of the information it has kept confidential. Further, even the import data as sourced from DGCI&S has been kept confidential. The Applicant neither provided reasons to the basis of the confidential treatment required, nor as to why the respective summarization cannot be produced.
- that the details of estimates of Normal Value in China and of the Export Price do not contain any sensitive, proprietary business information of the applicants and being estimates only and therefore, cannot be treated as confidential and must be provided to the other parties for detailed comments through the Public File.
- Similarly, the weighted average data for the applicants can be neither proprietary to any single applicant nor sensitive to the business interests of any individual applicant. Therefore, the complete calculation showing the details of normal value determined by the authority should be made available to all the interested parties.

42. The domestic industry has argued that excessive confidentiality has been claimed by the sampled, as well as non-sampled, exporters/producers without any justification. Further, non-confidential version of the questionnaire response has not been given for all the information contained in the confidential version. It was obligatory for the producer/ exporters to give proper statement of reasons as to why confidentiality was claimed and why summarization was not possible for certain information.

43. In their post disclosure submissions the interested parties have reiterated their respective positions in respect of various confidentiality claims and disclosure of essential facts. It has been argued that all information submitted by the domestic industry or collected by the Authority during the course of investigation should be

placed in the public file. The interested parties have also asked for disclosure of the elements of determination of Normal value, NIP and injury determination. It has been argued that since NV has been constructed based on estimated data and not on the basis of any specific industry data the entire normal value calculation should be disclosed.

44. The Authority has examined the issues raised and notes that to the extent possible and practicable the confidentiality claims of various parties submitting the information have been examined and confidentiality claims admitted on the basis of nature of information provided by the parties. The Authority notes that the import data and volume statistics etc. have been placed in the public folder and no confidentiality has been admitted for such information, which is not business proprietary information or sensitive for the domestic industry. However, keeping in the view that estimation of the normal value for the Chinese exporters has been done on the basis of the operating information of the domestic industry and breakup of various elements of such an estimated value is business sensitive information for the domestic industry, detailed breakup was not provided in the public file. As far as the submissions of the exporters are concerned, the information provided by the sampled and non-sampled exporters, to the extent they are not business sensitive to the party providing the same, have been placed in the public folders.

45. The Authority notes that the methodology of computation of normal value has been explained in the disclosure and final normal values at individual PCN levels have also been disclosed. However, further details have been provided in the relevant section of this finding for a better understanding of the methodologies adopted.

46. As far as placing various government documents used by the Authority in the injury determination is concerned, the Authority notes that such reports collected by the Authority during the course of investigation have been placed in the public file and information contained in the said report to the extent they have been used in this investigation have been disclosed in the disclosure statements.

## **H. Dumping Determination**

### **H.1 Examination of Market Economy Conditions**

47. In the preliminary findings the Authority held that though the raw material for producing silk fabric is raw silk, the state control of cocoon trading has significant effect on the price of raw silk as cocoon cost constitute about 80% of the silk yarn price and silk yarn constitute about 65-70% of the price of silk fabric. The Authority also noted that that no interested party has given evidence to demonstrate that there is no linkage between the price of fresh cocoon and dried cocoon or that the price of the latter is not influenced by the price of fresh cocoon. The authority therefore, did not accept market economy claims of the sampled exporters / producers for the preliminary determination due to the fact that the cost of major raw material raw silk is affected by the Government Guidance Pricing of cocoons which constitute a significant part of the cost of raw silk. Accordingly, for the preliminary findings the normal value was determined as per para 7 of Annex I of the Anti Dumping Rules on the basis of the price actually paid or payable in India for the like product or any other reasonable basis. However, the exporters and CCCT have raised several

arguments in respect of non-market economy treatment and the arguments of the interested parties in this respect have been summarized as follows:

#### **H.1.1 Submissions on behalf of M/s Sunfeel; Wintus, Cathaya and Nantex**

48. Commenting on the non-market economy determination made by the Authority in its Preliminary Findings, the above exporters have argued that in order to prevent market failure, appropriate coordination is essential for any modern government. Cocoon is a kind of scarce resource and produced by a much fragmented, ill-equipped and financially unsecured industrial sector in any Country. In order to protect the basic survival right of the cocoon farmers, who are still in the position as disadvantaged group in China, the Government has to undertake measures to balance the price of cocoon, which also is of significance to the stability of the society and the economic development of disadvantaged territories of China. Other countries, including India, also take similar supporting policy to cocoon production. However, the practices of government guidance prices have not and will not affect the prices of silk fabric.

49. It has been argued that the guidance prices practices of China has never violated its access agreements to WTO, and it is completely in accordance with the obligations and rights of China under the framework of WTO. China has the right to undertake guidance prices on the basis of Article 9.2 of Protocol, and cocoon is one of the goods under the guidance prices demonstrated in the Annex 2, sections 52, 53, 54 and 55 have stated explicitly the extent and manner of the guidance prices undertaken by China. The guidance price is a mechanism of market-based pricing. Products and services subject to government pricing were those having a direct bearing on the national economy and the basic needs of the people's livelihood, including those products that were scarce and necessity for some farmers in China. Cocoon in any country is volatile in its production and marketing. Therefore, applying guidance price is consistent with the spirit of WTO.

50. According to the guidance price mechanism followed in China, by applying guidance price, "the competent agencies or operators could, in the light of market changes and according to relevant provisions of the Price Law, submit applications or proposals to the competent pricing authorities for pricing or adjustment of the original prices." The Government does not control prices at will, but should take factors such as "market demand and supply, operational costs, effect on consumers as well as the quality of services" into consideration in setting "guidance prices and floating ranges within which operators could determine specific prices." Therefore the guidance price is a flexible pricing mechanism, and has never been a significant interference to the operators' operation. This has been clearly reflected in the statements of the Section 54 of the Working Report

51. The general policy for the cocoon pricing managements of China, *on Reforms in Cocoon Market Mechanism* announced in 2001 *inter alia* stated that *the guideline for furthering reform in cocoon market mechanism is: according to the demands of economy market, make further transformation of Government functions, realize the deviation between the Government and enterprises, boost the free cocoon circulation, optimally allocate resources, develop the cocoon and silk fabric market, establish market-based price mechanism, exert the basic function of market in*

*allocating resources. The State shall use economic methods to adjust the cocoon and silk yarn market such as raw silk repertory, keeping the stability of the market.* Since 2001, the provincial guidance prices have been applied to fresh and dry cocoon according to the market conditions. In the light of such factors as market demand and supply, operational costs, the rate of exchange with grain and cotton, international prices the competent authorities shall propose the prices. The State no longer assigns raw silk price.

52. It has been argued that the Government corrects the distorted market price signal by exerting and spreading market signals in the form of guidance prices. Actually, the Government is more of a timely messenger rather than a guider, let alone a controller in this course of establishing market equilibrium, which has been demonstrated in the *Notification of Inspection Report Form Mechanism and Report Work on Cocoon and Silk Market by Ministry of Commerce*. It has been argued that in any case, the impact of any such price guidance on Cocoon will be to raise prices of the raw materials and raise costs. Thus, it will not be a hidden subsidy or facilitate dumping.

53. It has been argued that since the applicant, i.e., the Central Silk Board is a Government Body it would be highly objectionable for the Authority to cite partial state ownership of any producers as a ground for denying MET.

54. These exporters in their submissions have further argued that

- The exporters in China do not enjoy a monopoly on Subject Goods production, trade or exports and that there is no State/Government control on pricing and costing of the exporters. The exporters purchase the raw materials and sell the finished products at market driven prices that are not regulated by the State/Government.
- The accounting system used by the exporters in China is consistent with international norms in a market economy. The exporters do not receive any subsidies other than permitted VAT reimbursement that are levied on domestic sales and purchase its foreign exchange through the authorized dealer bank as in any other market economy.
- The decisions of the exporters in China with respect to 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 the costs of the inputs reflect market values. It has been submitted that there is neither any State regulation of costs or prices of these inputs in China, nor any system of 'administered prices'. It has also been submitted:
- That the exporters are subject to China's laws and regulations with respect to bankruptcy and property respectively. There are a number of bankruptcies in China of similar firms including in the POI.
- That full or part 'state ownership' is not listed as a published criterion relevant for price/behavior comparability in either the said Protocol or the said Rules and may not be read into the phrase 'interference by the State' since the said Protocol contemplates price comparability only and the said Rules provide for 'operate as a market economy firm' indicating behavior.

- That words ‘interference by the State’ must in accordance with the ‘Rule of Reason’ test be read to mean “State interference incompatible with a market economy’. However, state interference does not in and of itself imply that an economy is not a market economy. Thus, it is only if the concerned State interference is beyond the norms in a market economy can this criterion be applied to deny market economy treatment to an exporter from a designated non-market economy.
- That exclusion from market economy status simply due to partial state ownership and a reason that thus ‘interference by the State can not be ruled out’ is neither a good nor sufficient cause.

### H.1.2 Submissions on behalf of M/s Zhejiang G&F and M/s Sichuan Silk

55. In the submissions made on behalf of these exporters it has been argued that the authority has failed to examine how the Government Guidance Price system operates in China and whether it leads to distortions in the market. In this regard, attention has been invited to the Trade Policy Review report of WTO on China PR published on 28<sup>th</sup> February 2006 [WT/TPR/S/161] relevant portions of which reads as follows:

*“According to its Protocol of Accession to the WTO, at the time of China's accession, tobacco was subject to "state pricing" (i.e. prices fixed at the central level), and cotton, grain, silkworm cocoons, and vegetable oil to "government guidance pricing" (i.e. the Government set either a "basic price" or a price that could fluctuate within a range (generally 5% to 15%)). In the context of this review, the authorities clarified that even though cotton was included in Annex 4 (Products Subject to Government Guidance Pricing) of the Accession Protocol<sup>1</sup>, its price has been liberalized gradually starting in 1998, when state pricing was changed to a guidance price; since September 1999, it has been determined mainly by market forces.<sup>2</sup> Vegetable oil has also been removed from the list of products subject to government pricing.<sup>3</sup> As of 1 August 2001, several agricultural products, i.e. cotton, edible vegetable oil, grain, silkworm cocoons, and sugar, have been considered "important reserved materials". Reserves are sold at a statutory price, which is lower than the market price, when the market price reaches a certain level. It appears that these products are not otherwise subject to price controls (Chapter III (4)(ii))”.*

56. It has been argued that under the GGP in vogue in China, the price control extends only to the stock of the items held by the State as part of its reserves. The industry is free to fix its own prices in the market. The Government does not fix any price for these commodities. Whenever the market price of an agricultural commodity reaches above a certain level so as to be outside the reach of a common man, government would release the quantity held as reserve in its stocks at a price lower than the market price. With the infusion of the government stock at a lower price, market prices would naturally come down. Thus, it is a way of guiding the

<sup>1</sup> WTO document WT/L/432, 23 November 2001.

<sup>2</sup> Liu, Zhenwei (2002).

<sup>3</sup> WTO document G/SCM/M/48, 30 March 2004.

market prices to a level affordable by common man. This is akin to the principles on which the Indian PDS is designed. Therefore, Chinese GGP cannot be held to be distorting the market. At best, one can say that it seeks to correct inflated pricing in the market.

### **H.1.3 Submissions on behalf of CCCT**

57. China Chamber of Commerce for Textiles, in its submissions, has reiterated various arguments extended on behalf of the exporters and producers and has *inter alia* submitted that the silk sector and silk fabric producers in China are operating under market economy condition and therefore, the exporters participating in the investigation should be granted market economy status for determination of the normal value in China. CCCT has argued that basic raw material for production of silk fabrics is raw silk and not cocoons. Therefore, cocoon should not be regarded as the subject goods or its main raw material. It has been argued that the Central Government in China does not implement government guidance price by state, but only implemented annual anticipated price by state on fresh cocoons. Price of dried cocoons, raw silk and silk fabrics are not amenable to any form of governmental regulations and control. CCCT has also produced a copy of the Report of the Working Party on the Accession of China to WTO and referring to section 7 (paragraphs 52 to 55) of the same CCCT submitted that there is a significant difference between the 'price control' and 'price guidance'. While the 'price control' is government price fixed by government agencies for specified goods, 'guidance price' is a more flexible form of pricing guided by the government. In addition to the above they have also made certain arguments about the cost and price advantage of the Chinese silk producers over the Indian silk producers on the grounds that Chinese silk producers enjoy certain technical and productivity advantages over Indian producers.

### **H.1.4 Submissions on behalf of the Domestic Industry**

58. The domestic industry has argued that the Authority has rightly denied MET to all the exporters and producers, considering the conditions prevailing in the silk market, as well as the Protocol on Accession of PRC wherein China has admitted State control over the silk cocoon prices. Neither the exporters from China, nor the officials of the Chinese Embassy could give any answers to the queries raised by the Designated Authority in relation to the pricing mechanism of cocoons and the raw silk. It has also been submitted that none of the Chinese exporters/producers can be given MET for a number of other reasons. In almost all cases, the responses of the exporters and producers from china borders on mis-declaration and misrepresentation as the exporters have concealed information which is critical to their being considered for grant of MET. In response to the argument made by the exporters through their Advocates that it is to be presumed that China is a market economy unless proved otherwise the domestic industry has reiterated that the Indian law is abundantly clear that there is a legal but rebuttable presumption that China is a NME country.

## **H.2 Examination by the Authority**

59. The Authority has examined various arguments extended by the interested parties in respect of the market economy claims made by the responding exporters from China, with reference to the relevant Rules and submissions made.

60. Para 8 of Annex I of the AD Rules, as amended vide, Customs Notification No 101/2003-Cust (NT) dated 10.11.2003 reads as follows:

(1) *The term “non-market economy country” means any country which the designated authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in sub-paragraph (3);*

(2) *There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an anti dumping investigation by the designated authority or by the competent authority of any WTO member country during the three year period preceding the investigation is a non market economy country.*

*Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3).*

(3) *The designated authority shall consider in each case the following criteria as to whether:*

- (a) *the decisions of the concerned firms in such country 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 properly 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.*

*Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in*

*paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.*

*(4) Notwithstanding, anything contained in sub-paragraph (2), the designated authority may treat such country as market economy country which, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub-paragraph (3), has been, by publication of such evaluation in a public document, treated or determine to be treated as a market economy country for the purpose of antidumping investigation, by a country which is a member of the World Trade Organization”.*

61. The issues relating to granting of market economy treatment to the Chinese exporters have been examined in the light of the above Rules. The Authority notes that in case of erstwhile centrally planned economies there is a rebuttable presumption of non-market economy, unless however, the country has been granted the market economy status by any other WTO Member after evaluation of all relevant parameters laid down in the said Rules. Though the responding exporters and CCCT has claimed that China has been granted market economy status by several countries, no evidence has been provided that such treatment has been accorded after evaluation of all relevant parameters. Therefore, the rebuttable presumption remains and the individual exporters/producers were required to submit evidence in terms of para 8(2) for grant of individual market economy treatment.

62. The Authority notes that all the sampled and participating exporters/producers have submitted their NME questionnaire responses and the same have been examined through on-the-spot verifications to the extent possible. CCCT has also made submissions in respect of general market economy conditions of the sector as a whole and the issues raised by CCCT were also examined through on-the-spot verifications. On the basis of these examinations the observations of the Authority on the market economy claims of the sector as whole and individual participating exporters/producers are as follows:

### **H.2.1 General Market Economy examination of the Silk sector in China**

63. CCCT has argued that raw silk is the basic raw material for production of the silk fabrics and raw silk is produced from dried cocoons in China. Therefore, market distortion if any, in the fresh cocoon, due to alleged guidance price mechanism, should not affect the market economy claims of the fabric producers. They have also argued that the ‘guidance price’ mechanism followed for fresh cocoons are fundamentally different from ‘controlled prices’ mechanism. It has been argued that the government-controlled prices are set by price administration authorities and could not be changed without the approval of the same authorities. Products and services subject to government pricing were those having a direct bearing on the national economy and the basic needs of the people’s livelihood, including those products that were scares in China. On the other hand, under the guidance price mechanism, the price administration authorities stipulate either a basic price or floating ranges. Enterprises could, by reference to the guidance and taking into account the market situation, make their own decision on prices. In formulating government prices and government guidance prices, the administrating authorities take into account the criteria like, normal production costs, supply and demand situations, relevant government policies and price of related products. Therefore, it

has been argued that, the government guidance price is not the price arbitrarily controlled by the government, but a flexible pricing mechanism practiced by the government but mainly based on market prices. The main purpose of the guidance price is to suggest enterprises to adopt reasonable prices so as to avoid the confusion of market order, price manipulation and monopolization. However, violation of government guidance price would not attract punitive action from the state.

64. Reference has been made to 'Administrative Measure on Circulation of Cocoon and Silk by the State Economic and Trade Commission, National Development and Reform Commission, 2002'; and 'Notice on the Price Policy of Cocoon and strengthening the administration on purchase proceedings, National Development and Reform Commission, for the years 2003, 2004, 2005 and 2006' to prove that the mechanism of government controls and guidance in the silk and cocoon sector has been considerably reduced since 2002. It has been argued that the changes in the guidance mechanism is very clear in these notifications as these notifications only provide an anticipated price of fresh cocoons to encourage the farmers. The Chinese Government strongly protects the interests of the farmers through this mechanism though the pricing cannot be enforced. It was also argued that actual price of fresh cocoon in the market widely varied despite the government guidance price. In support of this argument statistics of purchase prices of fresh cocoons in China in 2003 and 2004, compiled by Chinese silk Association and monthly statistics of the price of dry cocoons and raw silk at China Cocoon and Silk Exchange, during 2003-04, were produced. Referring to these statements CCTT has submitted that the prices of fresh cocoons as well as dry cocoon and raw silk varies during different seasons and also widely varies from regions to regions. Therefore, it has been argued that the actual market price has no bearing on the guidance prices.

65. The issues have been examined by the Authority. As far as the starting point of the raw material for the manufacture of the silk fabrics is concerned, the Authority notes that silk cocoons are the basic raw material for manufacture of any silk good. Whether the silk yarn is reeled out of fresh cocoon, as is done in India, or from dried cocoon, as is done in China, is only a matter of process. Dried cocoon is nothing but the fresh cocoons dried and preserved for reeling at a later stage. Whereas reeling from fresh cocoon is done by cooking the cocoons immediately after harvesting and before pupation, the cocoons are boiled and dried and preserved for reeling at a later stage in dried cocoon process. Therefore, distinction between the use of fresh cocoon or dried cocoon does not alter the position that the basic raw material starts from cocoons. Many composite silk units do start from the cocoon reeling stage up to weaving and finishing stage. The costing of the fabrics depends largely on the cost of cocoon, and various intermediate processing costs like reeling, twisting, and weaving. As such cost of cocoons constitutes about 70% of the cost of fabrics. Therefore, it is important to understand and examine distortion, if any, in the price mechanism of fresh cocoons.

66. The Authority also notes that while one set of exporters have argued that the effect of price guidance system on Cocoon will be to raise prices of the raw materials and raise costs rather than reduce it to facilitate dumping, the other set of exporters argue that guidance price mechanism is a way of guiding the market prices to a level affordable by common man and seeks to correct inflated pricing in the market. On

the other hand CCCT has argued that the main purpose of the guidance price is to suggest enterprises to adopt reasonable prices so as to avoid the confusion of market order, price manipulation and monopolization. The Authority finds these arguments contradictory to each other and does not support the claims of the exporters that the government price mechanism of cocoons does not amount to interference of the government in free market price mechanism and does not distort the prices. On the contrary, the price guidance orders quoted above do have specific directions to all levels of government agencies to 'seriously supervise the execution of price policies' of cocoons to 'maintain normal price order to avoid extreme fluctuations of the market and promote stable and healthy improvement of cocoon and silk'. Para 2 of the 2004 order provides the general directions to the relevant administrative authorities to exercise 'supervisory functions' in this matter and defines 'legal eligibility of the silk cocoon purchasers'. Therefore, in spite of the fact that the guidance price mechanism of fresh cocoons and government controls and guidance in the silk and cocoon sector has been considerably reduced since 2002, it appears that there is significant intervention of the government in the sector, including the price of the fresh cocoons.

67. Besides the above issue, the Authority has also examined other aspects of the silk industry in China to find if significant distortions exist in the market due to the intervention of the Government, or there are significant distortions due to carryover of the non-market system adopted in the past. Therefore, the Authority has examined the structure of the silk industry in general and structure of silk fabric industry in China, in particular.

68. As far as cocoon breeding is concerned, mulberry farming and raising the silk worms (cocoon farming), in China, are done mostly by individual families. The silk worms are generally raised within the dwelling units of the farmers. The worms feed on mulberry leaves, which are grown on the land in the backyards. However, in certain areas voluntary cocoon cooperatives have been formed. Since land in China are held by the state and there is no individual holding of the land, except under leasing system, the mulberry farmers get the land from the state through the local governments for farming. The land use fees or lease rents continue to be very low in China. Since the entire capital cost of the silk farming is farmland and small dwelling units, the cost implication of low land use fee on the cost of cocoon is significant.

69. Cocoon producers sell the fresh cocoon in local areas directly to cocoon purchasing or reeling enterprises. Since there are only about 7 to 10 days between complete pupation and the emergence of moth, fresh cocoon must be reeled immediately or turned into dried cocoon by drying treatment during this period for reeling process in the future. Dried cocoon is only 40-50% of the weight of the fresh cocoon before drying treatment. However, this process involves labour and treatment process cost. The producers of cocoons, or the reelers, do the drying process. Drying and reeling units are composite or separate small or medium sized enterprises, which purchase cocoon from cocoon exchanges or breeders directly.

70. Weaving units, in China, are small or medium sized enterprises. As per the Silk Industry Report of China 2005 by National Bureau of Statistics of PRC, there are 2558 enterprises in silk industry in China. Before, the process of liberalization started in China almost all silk units in China were under the state control as Town and Village Enterprises (TVEs), managed by the local governments. Even after

liberalization started, as per the above report, 113 units continue to be state-owned or state-controlled. The rest of the units, mostly erstwhile state-owned silk enterprises, have been partially or fully privatized through corporate restructuring, associations, mergers, property lease, contracted management, joint ventures, state-owned property rights transfers or joint equities. On-the-spot verification of the sampled exporters and their supporting producers, as dealt in the following paragraphs, showed that most of the trading units were earlier fully in the state sector. In the process of restructuring, these state-owned enterprises have been transferred to different investment holding companies, dominantly controlled by the state. Most of these units were earlier in the state control and due to heavy losses they have been transferred to the current management structures through corporate restructuring, associations, mergers, property lease, contracted management, joint ventures, state-owned property rights transfers or joint equities. The valuation of assets and liabilities at the time of transfer, and the method of transfer are mostly non-transparent and do not reflect the market dynamics. The units have mostly old and secondhand plants and machineries acquired from the erstwhile state-owned enterprises at very little capital expenditure and therefore, incur very little capital and financial costs.

## **H.2.2 Examination of Individual exporters/producers**

### **a) M/s Zhejiang Cathaya and associated producers**

71. Examination of Cathaya and its five participating producers indicates that Cathaya was established as a Chinese joint stock limited company with \*\*\*\*% of share contribution from M/s Zhejiang Silk Group Company, a \*\*\*\*% state-owned holding company set up by Zhejiang Provincial Government to invest in Silk business alongwith other textile machineries and equipments. The capital contribution of the Holding Company in Cathaya is in the form of asset contributions only and no cash contribution has been made. The relationship between the holding company and Cathaya has been established through a comprehensive service agreement. Another \*\*\*\*% of shares of the Company are also held by three other state-owned entities. \*\*\*\*% of shares of the Company are owned by Shanghai Inna Investment & Development Co. Ltd. set up in 2001 with the investment from 30 employees of Zhejiang Silk Group Company, who later joined Cathaya as its employees. Management control of Cathay is in the hands of a board of Directors largely controlled by the state-owned entities.

72. Examination of participating producers of Cathaya, namely M/s Zhejiang Yangshi Silk Co. Ltd; M/S Hangzhou Yuanyuan Silk Co. Ltd.; M/s Deqing Xinrun Silk Company Ltd.; M/s Deqing County Bolida Silk Company Ltd; M/s Hozhou Huasheng Silk Factory, also shows that the factories belonging to these companies were operating as town and village enterprises or collective enterprises run by the village communities, under various local governments. Due to accumulated losses or bankruptcy of the units the units were closed and the assets of these units were later sold off to the present owners. The methods of valuation and transfer of assets have not been transparent or market driven. In view of the above the cost of production and the prices of the finished goods do not appear to reflect correct market value of the product.

**b) M/s. Sichuan Silk Export and Import and its associated producers**

73. Examination of M/s Sichuan Silk reveals that this business entity was established in 1982 under the Chinese Company Law in the name of Sichuan Silk Import & Export Corporation as a state-owned enterprise under the Provincial Government of Sichuan Province. Till 1998 it was fully owned by the provincial Government of Sichuan Province. 1998 Provincial Govt. transferred this business enterprise to another state-owned enterprise in the name of M/s Sichuan Hoist Group Inc Ltd. (Hoist). At present Hoist holds \*\*\*\*% of the shares of the enterprise and only \*\*\*\*% is held by one private individual. Hoist was established in 1994, invested by 7 state enterprises and has undergone structural changes thereafter. However, the holding company still remains dominantly under state control. The management system of the Company indicates that the Company has a Board of Directors with the Chairman and Managing Director from Hoist and other Directors represent their respective enterprises including the university research institute, which holds \*\*\*\*% share in the parent Company.

74. Examination of participating producers of Sichuan namely, M/s Deyang Bailong Lifeng Silk Co., Ltd. and M/s Sichuan Lezhi Longtai Silk Fabric Co. Limited indicates that Sichuan province Deyang City Bailong Silk Factory was operating under the Sichuan provincial Government till 2003. The factory was making huge losses under the state control and the net worth of the factory was negative. Some of them employees of this factory bought the factory from the county government and M/s Deyang Bailong Lifeng Silk Fabric co., Ltd. was established as a private company in 2004. The valuation report shows that the company had a negative net-worth as on 31-03.2004. The new investors took over a part of the assets and liabilities and rest of the assets and liabilities still stand in the name of the original factory, which does exist on the paper only. Therefore, practically nothing has been paid for the plant and machineries acquired.

75. Examination of M/s Sichuan Lezhi Longtai Silk Fabric Co. Limited also shows that the factory was originally operating in the name of 'Shuguang Silk Factory' producing the subject goods. However, the factory ran into financial problems and the main banker i.e., Agricultural Bank of China seized the assets of the said plant for non-payment of debts owed to them. Initially, four individuals entered into an agreement in November 2000 with the bank to run the factory on rental basis. The agreement was renewed in 2003. The factory had been mortgaged to the Lezhi sub-branch in question and declared bankrupt by the court subsequently. Specifically, entrusted by Lezhi sub-branch of the Agricultural Bank of China, Sichuan Chengdu Hualian Auction Co., Ltd held an auction to sell the Shuguang Silk Mill on February 27, 2004 in Lezhi County. The same four individuals participated in the auction and secured the bid and took over the factory from the bank to establish the present Company.

76. The above examination indicates that the exporting company is dominantly under state control. The cost and prices of the producers have also been significantly distorted due to non-transparent conversion of erstwhile state-owned or state-controlled units into private enterprises.

**c) M/s. Zhejiang G&F Foreign Trading Co. Ltd. and its associated producers**

77. Examination of the status of this exporter revealed that this company was formed in 1995 promoted by a state-owned enterprise in the name of M/s Zhejiang Native Produce and Animal By-Products Co Ltd, owned by the Provincial Government. This investment company was established in 1975 under a Holding Company in the name of Zhejiang Province Grand Glory Holding Company Limited, controlled by the Zhejiang Provincial Government. Till 1995 M/s Zhejiang Native Produce and Animal By-Products Co Ltd, was doing import and export business in various natural products as a state trading company. Thereafter it became only an investment company and trading was handed over to other invested companies. M/s. Zhejiang G&F Foreign Trading Co. Ltd is one of those divested companies. The manner of transition and divestment was also examined to find whether the Government continues to have significant presence in the company. It was noticed that the new entity i.e. M/s. Zhejiang G&F Foreign Trading Co. Ltd was formed in 1999 out of an agreement between the labour union and the promoter i.e., state-owned M/s Zhejiang Native Produce and Animal By-Products Co Ltd in the ratio of \*\*\*\*-\*\*\*\*%. The Labour union exists as a separate legal entity as per the Trade Union Law of the PR China and represents the legal rights of the employees in terms of Article 2 of the said Law. The contribution of the employees have been collected by the labour union and invested in the new company. For all practical purposes the new company is a venture between the State-owned Zhejiang Native Produce and Animal By-Products Co Ltd, and the labour union of the same company. The Chairman of the Board of Directors represents M/s Zhejiang Native Produce and Animal By-Products Co Ltd, owned by the Provincial Government. Other directors are elected by the employees in the shareholding meeting. General Manager is elected by the board of directors to look after the day-to-day affairs of the Company.

78. Examination of the participating producers of this exporter, namely, M/s Huzhou City Linghu Jinshan Yisheng Silk Woven Factory; and M/s Deqing Wenya Heat-Preservative Material & Silk Fabrics Limited Company shows that Yisheng's manufacturing facilities were set up in 2002 by an individual investor with secondhand plants and machineries. Previous history of the original factory from which the plants and machineries have been sourced is not known. The other producer was in the heat preservative business and has added silk business in 2002. The land has been leased out from the Economic Cooperative Society of Zhongguan Village for a period of 30 years from May 2002 for an annual rent of RMB\*\*\*\*/-. The production unit has 351, mostly secondhand, looms with annual production capacity of \*\*\*\*mtrs of fabric during the POI. The source of plants and machineries is not known.

79. The above examination indicates that the exporter continues to be significantly under state control and the method of establishment of the production units is non-transparent. Therefore, the cost and prices of the subject goods producers and exported by the above producers and exporters appear to have been significantly distorted.

**d) M/a Nanjing Textiles Export Import Corporation and its associated producers**

80. Examination of the status of this exporter reveals that this company is a listed joint stock company since Feb 5<sup>th</sup> 2001. Originally Nantex was a State Trading Company dealing with the export of silk fabrics, \*\*\*\*% owned by Nanjing Municipality. First restructuring of the SOE was done in 1994. As per the above restructuring approved by the Nanjing Economy System Reform Committee the SOE became a joint stock Company and the employees of the company took over \*\*\*\*% of the shares. As per asset valuation report dated 30<sup>th</sup> April 1994 net assets of the Company after valuation was capitalized and retained by the State through the Nanjing State-owned Asset Management (Holding) Co. Ltd. Additional capital was raised from the employees at the rate of RMB 1 per share.

81. Second capital restructuring was done in 1999 and the shares held by the employees were transferred to four other State-Owned Enterprises. The company issued RMB ordinary shares total \*\*\*\*shares first after approval by the China Securities Regulatory Commission on February 5, 2001. These issued shares have been listed and traded in Shanghai Stock Exchange on March 6, 2001.

82. The shareholding pattern of the Current Company shows that state still holds about \*\*\*\*% of the total shares of this Company through the Nanjing State-owned Assets Management (Holding) CO.,Ltd. and other state-owned entities. Balance \*\*\*\*% of the company's shares are negotiable shares and are traded in the Shanghai Stock Exchange.

83. The management structure and management control of the Company indicates that out of 11 Directors 2 are from the State asset management (Holding Company) and 2 are independent directors. Others directors are elected by the shareholders, including the other state-owned enterprises.

84. Examination of the participating producers of this exporter, namely, M/s Suqian Hongyun Silk Co., Ltd and M/s Deyang Bailong Lifeng Silk Fabric Co., Ltd indicates that Suqian Hongyun Silk Co., Ltd was originally established in 1991 in the name of M/s Suqian Hongyun Silk & Degumming Co., Ltd. as a collectively owned enterprise by the Suqian County. In 2002 this company was sold to few individuals and became a privately owned enterprise. As per the valuation report of Dec 2001 net-worth of the company was negative. The old factory had about 180 Looms taken over by the new company. It reveals that the new owners of the company, established in the name of Hongyun, have basically taken over the old plants and machineries of the erstwhile state-owned-enterprise at negative net-worth. Share holding pattern of the current company indicates that the head of the erstwhile factory has taken over more than \*\*\*\*% of the shares of the company. Other 27 shareholders hold the rest of the shares of the company. All of the shareholders were the employees of the old factory and paid in cash RMB \*\*\*\* to the County Government to take over the assets of the old factory.

85. Examination of the other supporting producer reveals that Sichuan province Deyang City Bailong Silk Factory was operating under the Sichuan provincial Government till 2003. The factory was making huge losses under the state control and the net worth of the factory was negative. On 1<sup>st</sup> January 2004 Mr Zhou and 48 others (some of them employees of the earlier factory) bought the company from the county government and M/s Deyang Bailong Lifeng Silk Fabric co., Ltd. was established as a private company registered under *Company Law of P.R. China* in

2004. The new investors purchased a part of the assets and liabilities and rest of the assets and liabilities still stand in the name of the original factory, which does exist on the paper only. The producer has two production units with combined annual capacity of \*\*\*\*mtrs of fabrics per annum. The plants and machineries of the unit are old and taken over from the erstwhile factory under the provincial/county government. Practically nothing has been paid for the assets acquired.

86. The above examination indicates that the exporter continues to be significantly under state control and the method of transfer of assets of the erstwhile state-controlled production units to private enterprises has significant distorting effect on the cost and prices of the subject goods.

**e) M/s. Chongqing Sunfeel Shizhu Silk Weaving Co.,Ltd. (producer-exporter)**

87. Examination of the status of this producer-exporter reveals that M/s Chongqing Sunfeel Shizhu Silk Weaving Co. Ltd was established as private limited company under the Company Law of the PRC in May 2000 by investment from another company in the name and form of M/s Chongqing Sunfeel Industrial Group Co., Ltd together with another individual namely Mr Zhou Yongzhong who also holds major share in the Group Company. M/s Chongqing Sunfeel Industrial Group Co., Ltd holds \*\*\*\*% of the shares in M/s Chongqing Sunfeel Shizhu Silk Weaving Co., and balance \*\*\*\*% is held by Mr Zhou Yongzhong. This Company does not have a board of Directors but an executive Director Mr Zhou Yongzhong.

88. The Group Company M/s Chongqing Sunfeel Trading Company Shizhu Limited was established in 1996 as a trading Company by share contribution from 10 individual shareholders, including Mr Zhou Yongzhong and Mr Tang Lie who hold \*\*\*\*% of the share contributed in cash and kind. Though the group Company was established as a trading company it does not do any direct business now. It has different companies under it doing business in silk, wine, construction and medicine packaging etc. and the group has invested in those businesses jointly with other individual investors. In the year 2000 the name of the Company was changed to M/s Chongqing Sunfeel Industrial Group Co., Ltd. In 2000 May this Group Company established the Sunfeel Silk Weaving Company, which took over the old factory of Shizhu County to start silk fabric production business.

89. The manner of establishment of the production facility of exporter, i.e. the Sunfeel Silk Weaving Company was also examined to find out if there is any significant distortion in the capital cost of acquisition and consequent on the cost of production and selling prices. An old collectively owned silk factory, in the name of Shizhu County Silk Factory, existed in the Shizhou County under the County administration of Chongqing City Municipality. This factory had huge accumulated losses and was bankrupt. Therefore, the factory was closed and was under liquidation. M/s Chongqing Sunfeel Industrial Group Co., Ltd negotiated with the Liquidators and purchased the factory, including the plants and machineries, buildings of this old factory as well as the land use rights from the County Government for a total price of RMB \*\*\*\* Million. However, no valuation of the assets of the factory was carried out by the liquidators for the purpose of liquidation. The assets were acquired through negotiation process with the liquidators and the money was paid to the Liquidator. With the acquired assets of the erstwhile SOE unit

the new company in the name of M/s. Chongqing Sunfeel Shizhu Silk Weaving Co. was established. M/s Chongqing Sunfeel Shizhu Silk Weaving Co., is engaged in weaving operations and it has three subsidiaries producing raw silk and Cocoon.

90. The above examination indicates that though the producer-exporter at present is a fully private entity and operates as such the manner of acquisition of the plants and machineries from the state-owned enterprise has significant s\distorting effect on its cost and prices.

**f) M/s Chongqing Wintus (New Star) Trade Development Ltd and its associate producer M/s Liangping Wintus Silk & Textile Ltd**

91. M/s Chongqing Wintus (New Star) Trade Development Ltd (“Chongqing Wintus”) China PR was established as trading Company by Ms Wang Xiaohui in 1997 for trading mainly cottons products and cotton made hotel accessories in the domestic market. Till 2002 the company was engaged in trading in the domestic market only. In the year 2002 the company got its export license in 2002 and started export business including export of silk goods. \*\*\*\*% of the shares have subsequently been transferred to another individual i.e., Mr Luo Ping. This Company has three related entities involved mostly in silk and silk fabric business. M/s Wulong Wintus Silk Ltd. Is one of the subsidiaries of Chongqing Wintus established in May 2004 and is engaged in production of Cocoon in Wulong County. The Company supports the farmers for production of Cocoon and buys fresh cocoons from the farmers. The cocoon is then dried and supplied to the reeling unit of another subsidiary of Chongqing Wintus i.e. M/s Liaping Wintus.

92. M/s Liaping Wintus was established in March 2004 as the reeler and weaver of silk fabrics for export to India. Wintus has \*\*\*\*% share in this Company and promoter of Wintus has \*\*\*\*% share in this Company in individual capacity.

93. The history of the production unit and the manner of establishment of the production facility of was also examined to find out if there is any significant distortion in the capital cost of acquisition and consequently on the cost of production and selling prices of the subject goods manufactured by this unit. It was noticed that the production unit was originally operating in the name of Liangping Yuli Silk Co., Ltd. under the Chongqing Municipality as a state-owned enterprise. The unit was making heavy loss and was bankrupt. Chongqing Wintus (new star) Trade Development Ltd. rented all manufacturing equipments of this factory to produce silk fabric from July 2002 to September 2003. During this period all production and operation activities are implemented in the name of Chongqing Yuli instead of Chognqing Wintus. In September 2003, Liangping Wintus was established by the promoter Company Chongqing Wintus to operate the production unit of the old factory unit of Laiping Yuli. The production facilities (i.e. the plants and machineries, except the land, was purchased by Wintus from the Municipality in 2003 for RMB\*\*\*\*. After purchasing the old plant and machineries the production facility was set up at a new location in the name of Liangping Wintus.

94. The examination of the business operation of the group as a whole revealed that this grouop has a cocoon production support and purchasing unit in the name of Wullong Wintus who supplies dried cocoon to the reeling and weaving unit of Liaping Wintus. Chongqing Wintus purchases the subject goods from LIANGPING WINTUS

and other suppliers and sells the same in domestic and foreign markets. The exports to India are made in the name of its overseas trading arm M/s Hong Kong Wintus.

95. Therefore, the examination of the above company reveals that though the current operation of the company is as per market signals there is a significant distortion in cost and prices of the subject goods due to the manner in which the plant and machineries have been acquired from the erstwhile state-owned enterprise.

**g) M/s Guizhou Fortune Green Products Import & Export Co. Ltd , China  
PR**

96. This company is only an exporter of the subject goods without any production unit of its own. This exporter from China has not made any claim for market economy treatment. However, they have requested for acceptance of their export price for determination of a separate dumping margin for them based on normal value as may be determined by the Authority. Therefore, detailed market economy examination has not been carried out for this exporter.

### **H.3 Over all assessment of Market Economy claims of the exporters**

97. Examination of other market economy parameters as laid down in the Rules indicates that Chinese Government has progressively enacted labour laws, property and bankruptcy laws, reformed interest rates, accounting principles and marginally modified its foreign exchange regime. It has been clarified that labor law in China provides for minimum wages to be paid to the labour to protect the interest of the labour class. However, the minimum wages vary from province to province. The silk industries in different provinces fix the wages for the employees based on their productivity. Average wage for labour was in the range of 650 to 700 RMB per month.

98. The Authority notes that interested parties have not disputed the above general non-market economy examination except for individual market economy claims of few producers. The Authority notes that in addition to capital acquisition methods and involvement of Government agencies, several other factors have been taken into account in deciding that silk industry in China as a whole does not operate under market economy conditions. Examination of the status of the individual exporters have been examined carefully and the Authority is of the view that in spite of variation in the mode of transfer of assets there is significant carry over of distortions from the non-market economy systems.

99. Therefore, after examination of various issues related to the market economy parameters and backgrounds, as well as current operating conditions of the silk industry in China as a whole, and silk fabrics industry in particular, the Authority holds

- That the production costs and financial situation of the examined producers/exporters are subject to significant distortions carried over from former non-market economy system in the form of depreciation and valuation of assets, write off of liabilities and transfers of assets to new enterprises from the erstwhile SOEs, land-use rights, manufacturing and sales.

- That the cost of major inputs does not substantially reflect market value due to intervention of the State in the pricing mechanism of fresh cocoon under the guidance price mechanism followed by the Chinese Government.
- That the major exporters examined by the Authority continue to have significant presence of state-holding and state control on the affairs of these entities. In fact most of these exporters had been established as state-trading corporations and continue to have that dominant position in silk trade despite alteration of their share-holding patterns subsequently.
- The Authority also notes that in the matter of import of raw silk from China the Authority held that the Chinese raw silk producers, the major raw material for production of silk fabrics, do not operate under market economy conditions.

100. In view of the above position, the Authority holds that in term of para 8(3) of annex I of the Rules, the Chinese exporters and producers cannot be given market economy status for determination of their normal values for the subject goods.

### **Determination of Normal Value**

101. In view of provisional non-market economy determination and in the absence of an appropriate market economy third country, the Authority, in its preliminary findings, provisionally determined the normal value in China based on 'any other reasonable basis, including the price actually paid or payable in India for the like product', in terms of second part of paragraph 7 of Annex I to the Rules. For determining the price actually paid or payable in India, the authority considered the price of major raw material i.e., raw silk on the basis of silk yarn price prevailing during the period of investigation in India, conversion charges, financial cost, factory overheads, selling, general and administrative expenses, on the basis of domestic industry's cost after reasonable adjustments and a reasonable profit margin to arrive at the normal value. However, the interested parties have argued that the methodology adopted by the Authority is not in order. The comments of the interested parties have been summarized below.

#### **I.1 Views of Exporters and Interested parties**

102. The interested parties have argued that the authority has actually resorted to constructing the normal value based on the costs of the domestic industry 'after reasonable adjustments' but the preliminary finding is silent about the nature of expenses as well as the nature of the adjustments including the reasonableness of those adjustments. It has been argued that no confidentiality can be claimed by the petitioners as they have only made an estimate of their costs and have never filed their actual costs.

103. It has been argued that for determining the price actually paid or payable in India, authority has considered the price of major raw material i.e., raw silk on the basis of silk yarn price prevailing during the period of investigation in India. Since the prices of different varieties of silk yarn i.e. mulberry raw silk, Eri, Muga, Tassar etc. vary significantly it needs to be clarified which type of silk has been considered for arriving at the raw material cost. Secondly, in specialty varieties like Habutai, which is not at all manufactured in India, authority could not have got the raw material price from the Silk Yarn Exchange in India. It is not known as to how the authority determined the normal value for such varieties. It has been further argued

that in determining the 'price paid or payable in India', the authority could not have taken the cost from one source, conversion costs from another source and added a profit margin based on some other criteria. The authority is required to take the price prevalent in the market for the product concerned and add a reasonable profit margin thereto.

104. It has been further argued that once a country is chosen as a comparison market economy or for construction of normal value then aspects of public policy, regulatory environment, operations, business organization and market structure that are similar between China and the comparison market economy ought not to be identified as grounds for denying market economy treatment to Chinese producers in the spirit of national treatment principle. Given the dominant share of China in World production and trade of silk fabrics, there is no truly suitable comparable market economy. Once the Authority has chosen to construct normal value as per Indian costs and prices, it must take into account the structure and regulations of the silk industry in India and not treat as NME similar structure or regulations in China.

## **I.2 Examination by the Authority and Methodology for determination of Normal Value**

105. Having determined that the producers and exporters in China PR do not operate under market economy conditions and the cost and prices of the subject goods in the subject country does not reflect the market driven cost and prices, the Authority has determined the Normal Value for the Chinese exporters/producers in terms of para 7 of annex 1 of the Rules which reads as follows:

*Para 7: 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 for 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.*

106. As per the information available with the Authority more than 90% of total production of silk fabric in the world is accounted for by India and China, with China's share being approximately 78% and that of India being about 14%. Due to the overwhelming concentration of production of silk fabric in the two countries and other unique features of this industry, there is no other country, which can be considered as an appropriate market economy third country as per para 7 of Annexure 1 of Anti Dumping Rules. Therefore, it is not possible to select an

appropriate market economy third country for the purpose of determining Normal Value for the exporters in China. The interested parties have also agreed to the fact that there is no other third country for determination of normal value in this case.

107. Having examined various options available under the Rules and views of the interested parties, the Authority holds that the normal value of silk fabrics in China has to be based on any reasonable basis, including the price paid or payable in India, or in terms of the second proviso of the above Rules, in the absence of any other alternative in this case. The authority also notified the exporters and CCCT and sought their comments in this regard, in terms of the above Rules.

108. Therefore, for the purpose of this determination the Authority has considered the price payable in India, reasonably adjusted, as the most reasonable method in the prevailing situation. The Cost of production of different types of silk fabrics has been determined based on the average import price of raw silk during the POI. The Authority notes that China is the largest exporter of raw silk and raw silk is mostly imported to India from China. However, export of raw silk from China has also been at dumped prices as determined by the Authority in an earlier investigation and such imports are subject to antidumping duty on reference price basis at US\$27.97 per Kg. Therefore, for the purpose of determining international price of raw silk CIF price, based on this reference price (after deducting the basic customs duty), has been adopted as the reasonable input price for manufacturing the silk fabrics. The Authority notes that while computing the cost of production and normal value as disclosed in the disclosure statement the degumming loss from raw silk to fabric was erroneously not taken into account. The interested parties, in their post disclosure submissions have argued that the physical parameters of production of silk fabrics cannot be treated to be affected by the non-market economy condition and therefore, the consumption/wastage norm as per the cooperating producer's production data should be adopted for computing the input cost. The Authority has accordingly, adopted the degumming and weaving losses of the cooperating producers from China to work out the cost of raw silk consumed in the production of silk fabrics. Conversion charges, financial cost, factory-overheads, selling, general and administrative expenses have been considered on the basis of domestic industry's cost after reasonable adjustments. A reasonable profit margin of \*\*\*\*% is has been added to the cost so arrived at, for determination of the revised normal values for different product control numbers (PCNs) at ex-factory level.

109. Some of the interested parties have argued that determination of single normal value for a country is contrary to the provisions of the ADA. However, it may be noted that China has been treated as a Non-market economy country and none of the producers have passed the market economy test for determination of individual normal value based on their own cost and prices. Therefore, under the above circumstances a single normal value for the entire country is the standard norm and no provision of ADA has been violated as has been argued by the exporters.

### **I.3 Methodology and Determination of Export Prices**

110. The Authority notes that the methodology and computation sheets of export prices were communicated to the participating exporters in the disclosure statements and the comments of the exporters, including minor errors pointed out by the

exporters have been taken into account in this findings. However, the Authority notes that certain exporters have argued that as per their information the export prices of all exporters from China is in similar and as such their dumping margin should not be different with a single normal value for the whole country.

111. The Authority notes that there is a very wide range of products in terms of types and weight ranges exported from China and each of these exporters, except Cathaya, have been dealing with certain product types and weight ranges (PCNs) only, with some overlap. Therefore, the composition of products of these exporters being widely different the export prices could not be same for them. Moreover, while at the individual product levels, where there is a overlap of PCNs the DM could be in a narrow range, the DM communicated is only a weighted average DM for all products exported by the individual exporters and therefore, may not reflect correct *inter se* comparison. Therefore, the arguments and apprehensions of the exporters in this respect are not valid.

112. The Authority notes that the domestic industry has also raised the issue of export price of the cooperative exporters and it has been submitted that the Authority has considered the proceeds claimed to have been realized by the exporters irrespective of whether the same have been received through proper banking channel on account of the concerned importer who has bought the goods. It has been argued that certain export proceeds realized through TT transactions should not be considered for the purpose of computation of export price. Apart from the jurisdictional issues, as neither the ADA nor the Indian antidumping Rules provide any provision to deal with the subject, the Authority notes that since the duty has been recommended in the provisional findings on reference price basis, determination export price and landed value excluding the proceeds realized otherwise would have no impact on the reference price.

### **I.3.1 Sampled Exporters**

113. The export data of the cooperating exporters and their supporting producers were verified by the Authority to the extent possible and on the basis of such verification detailed reports were sent to each of the exporter/producers and their comments received have been taken into account for determination of their net export prices. Accordingly, export prices of the sampled exporters have been determined as described in the following paragraphs.

#### **b) M/s Zhejiang Cathaya International Co., Ltd**

114. The Authority notes that all the cooperative producers of this exporter have sold the goods domestically to this exporter and the exporter has, in turn, exported the goods to India. Since the transactions between the producers and the exporters are domestic sales and the export documents do not carry the name of the producers, the export prices for the exporter has been determined on the basis of the transaction-wise data of exports made by M/s Cathaya during the POI, duly adjusted to bring it to the ex-factory level of the producers. Cathaya has exported \*\*\*\* meters of silk fabrics during the POI covering 45 PCNs. Since the export price is at CIF level, adjustments towards inland freight, ocean freight and insurance, bank charges, storage and handling charges, packing cost and VAT adjustment, as a

difference of VAT paid at the time of purchase of the goods and refund obtained at the time of exports, etc., as verified from their records, has been carried out to arrive at net export prices for each PCN at the ex-works level of the producers. Minor error in computation of inland transportation expenses was pointed out by the exporter in its post disclosure submission and necessary correction has been carried out to arrive at revised export prices.

**b) M/s. Sichuan Silk Export and Import Group Co., Ltd**

115. The Authority notes that all the cooperative producers of this exporter have sold the goods domestically to this exporter and the exporter has, in turn, exported the goods to India. The transactions between the producers and the exporters are domestic sales and the export documents do not carry the name of the producers. Therefore, the export prices for the exporter has been determined on the basis of the transaction-wise data of exports made by M/s Sichuan during the POI, duly adjusted to bring it to the ex-factory level of the producers. Sichuan has exported \*\*\*\*meters of silk fabrics during the POI covering 12 PCNs. Since the export price is at CIF level adjustments towards inland freight, ocean freight and insurance, Bank charges, storage and handling charges, packing cost and VAT adjustment, as a difference of VAT paid at the time of purchase of the goods and refund obtained at the time of exports, etc., as verified from their records, has been carried out to arrive at net export prices for each PCN at the ex-works level of the producers.

**c) M/s. Zhejiang G&F Foreign Trading Co. Ltd.**

116. All the cooperative producers of this exporter have sold the goods domestically to this exporter and the exporter has, in turn, exported the goods to India. The transactions between the producers and the exporters have been treated as domestic sales and the export documents of the exporter do not carry the name of the producers. Therefore, the export prices for the exporter have been determined on the basis of the transaction-wise data of exports made by M/s G&F during the POI duly adjusted to bring it to the ex-factory level of the producers. G&F has exported \*\*\*\* meters of silk fabrics during the POI covering 15 PCNs. Since the export prices are at CIF level, adjustments towards inland freight, ocean freight and insurance, Bank charges, storage and handling charges, packing cost and VAT adjustment, as a difference of VAT paid at the time of purchase of the goods and refund obtained at the time of exports, etc., as verified from their records, has been carried out to arrive at net export prices, for each PCN, at the ex-works level of the producers.

**d) M/s Nanjing Textiles Export Import Corporation**

117. All the cooperative producers of this exporter have sold the goods domestically to this exporter and the exporter has, in turn, exported the goods to India. The Authority notes that the transactions between the producers and the exporters are domestic sales and the export documents do not carry the name of the producers. Therefore, the export prices for the exporter have been determined on the basis of the transaction-wise data of exports made by M/s Nantex during the POI duly adjusted to bring it to the ex-factory level of the producers. Nantex has exported \*\*\*\* meters of silk fabrics during the POI covering 18 PCNs. The export prices are at the FOB level. Therefore, only adjustments towards inland freight and other selling

expenses, and VAT adjustment, as a difference of VAT paid at the time of purchase of the goods and refund obtained at the time of exports, etc. have been carried out to arrive at net export prices, for each PCN at the ex-works level of the producers. Minor error in computation of inland transportation expenses was pointed out by the exporter in its post disclosure submission and necessary correction has been carried out to arrive at revised export prices.

**e) M/s. Chongqing Sunfeel Shizhu Silk Weaving Co.,Ltd.**

118. The above exporter is a producer-exporter of the subject goods. The records of the Company showed that they have sold \*\*\*\*meters of silk fabrics for export to India. However, out of the total 262 export transactions, \*\*\*\* meters were sold through M/s China National Export Bases Development, Tibet, Co. and \*\*\*\*meters were exported through M/s China Tibet International Economic & Technical Cooperation Co. The sales to these two traders from the responding exporters have been under domestic selling invoices in RMB and these two traders have not cooperated in the investigation. The actual export prices of these traders are also not known. Therefore, these transactions have been removed from the export transaction of this exporter for the purpose of determination of export price for this exporter.

119. Since all transactions are on CIF terms, necessary adjustments towards inland transportation, ocean freight, handling and shipping charges, bank charges, and an adjustment towards difference between the VAT paid and refund obtained, as verified from the exporter's records, have been carried out to arrive at net export prices for each PCN at the ex-works level of the producers.

### **I.3.2 Non-Sampled exporters**

120. The Authority notes that only two exporters from the subject country had filed their exporter's responses and requested for individual treatments in terms of Rule 17 (3) of the Rules. Other exporters who initially filed their request for individual treatment have either withdrawn their requests or did not file their questionnaire response. Therefore, only two requests received for individual treatments were examined and verifications were also carried out in accordance with the Rules. The export prices in respect of these two exporters have been determined as follows:

**a) M/s Chongqing Wintus (New Star) Trade Development Co. Ltd**

121. This Company has sold \*\*\*\* meters of silk fabrics for export to India against 27 export transactions through its subsidiary M/s Hong Kong Wintus (Wintus China) though all the customs documents have been filed by Chongqing Wintus and shipments have been made directly to India from Chongqing Wintus. The exporter has exported 4 types of fabrics to India. The exporter has its own production facility, though in a different name, and the goods have been shipped from their factory on payment of VAT @ 17% of the invoice value of the producer. Since the goods have been exported under Chongqing Wintus export documents and VAT refund has been claimed by Chongqing Wintus @ 15% during 2003 and 13% in 2004. Since all transactions are on CIF terms, necessary adjustments towards inland transportation, ocean freight handling charges and shipping charges, packing charges, documentation and handling charges, commodity inspection fee etc., and difference

between the VAT paid and refund obtained, as verified from the exporters records, have been applied to arrive at net export price of each PCN at ex-factory level.

**b) M/s Guizhou Fortune Green Products Import & Export Co. Ltd**

122. During the POI, this company exported 34 consignments of silk fabrics of \*\*\*\* running meters to India. The exporter has exported 11 types of fabrics during the POI. The exports are at CIF level. Therefore, adjustments towards VAT paid and refund obtained, inland transportation and ocean freights paid, ocean insurance and inspection fees, as verified from their records, have been applied to arrive at the net export price of each PCN at the ex-works level.

**I.4 Methodology and Determination of Dumping Margins**

**I.4.1 Sampled Exporters**

123. Having determined the weighted average normal values and weighted average export prices at the ex-factory levels for the individual product groups (PCNs) as explained above, they have been compared at the same level of trade for determination of dumping margins for each PCN for individual exporters. The individual dumping margins determined at product group (PCN) levels have been used to determine the weighted average dumping margins for the individual exporters, without zeroing the negative dumping margins, if any. Accordingly, the weighted average dumping margins of the individual exporters work out as given in the table at the end of this section.

**I.4.2 Exporters claiming individual dumping margins**

124. The methodology explained above has been adopted for determining the dumping margins for the non-sampled exporters who have been granted individual treatments.

**I.4.3 Non-sampled exporters**

125. The dumping margin for the following exporters who had made themselves known in response to the sampling questionnaire but were not included in the sample, has been determined as the weighted average of the dumping margins determined for aforesaid sampled exporters in terms of Rule 17(3) of the Rules. The weighted average dumping margin, determined on the basis of the above method, works out to 56%.

<b>S.No.</b>	<b>Name of Non-sampled Exporters</b>	<b>Province</b>
1	Longchang Yinhua Silk Co.	Sichuan
2	Jiangsu Hongbao Group Im. & Ex Co. Ltd.	Jiangsu
3	Chongqing Boshan Silk Co. Ltd.	Chongqing
4	Anhui Silk Co. Ltd.	Anhui
5	Xinyuan Cocoon Silk Group Co. Ltd.	Jiangsu
6	Huzhou Sentong Silk Weaving Co. Ltd.	Zhejiang
7	Shanghai Silk Group Co. Ltd.	Shanghai
8	Zhejiang Mihuang Import & Export Co. Ltd.	Zhejiang
9	Deyang Bailong Lifeng Silk Fabric Co. Ltd.	Sichuan

10	Jiangsu Soho International Group Corp.	Jiangsu
11	Guangdong Silique International Group Gold Silk Co. Ltd.	Guangdong
12	Guangdong Silique International Group Wintex Corp. Ltd.	Guangdong
13	Chengdu Investment Imp. & Exp. Co. Ltd.	Sichuan
14	Chengdu Kilter Silk Trade Corporation Ltd.	Sichuan
15	Qindao Hirun Investment Group Co. Ltd.	Shandong
16	Zhejiang Jiaxing Silk Imp. & Exp. Co. Ltd.	Zhejiang
17	Sichuan New Rise (Langzhong) Silk Co. Ltd.	Sichuan
18	Sichuan New Rise Imp. & Exp. Co. Ltd.	Sichuan
19	Sichuan Yate Silk Import/Export Co. Ltd.	Sichuan
20	ChenFeng (Jiangsu) Clothing Co. Ltd.	Jiangsu

#### I.4.4 All other exporters

126. Dumping margin for all other non-cooperating exporters has been determined on the basis of best facts available taking into account the normal values and export prices determined for the cooperating exporters.

#### I.5 Summary of Dumping Margins

127. On the basis of the above determinations the weighted average dumping margins for all exporters from the subject country works out as follows:

<b>SAMPLED EXPORTERS</b>	<b>Dumping Margins</b>
M/s. Sichuan Silk Export and Import	42%
Zhejiang G&F Foreign Trading Co. Ltd	51%
M/s Zhejiang Cathaya International Co., Ltd	51%
M/s Nanjing Textiles Import & Export Corporation Ltd	77%
M/s. Chongqing Sunfeel Shizhu Silk Weaving Co., Ltd	69%
<b>WEIGHTED AVERAGE DM</b>	<b>56%</b>
<b>All Non Sampled Exporters (As per list)</b>	<b>56%</b>
<b>Non-Sampled exporters granted Individual treatment</b>	
M/s Chongqing Wintus (New Star) Trade Development Ltd	64%
M/s Guizhou Fortune Green Products Import & Export Co. Ltd	63%
All other non-cooperative exporters	77%

#### J. Determination of Injury and Causal Links

128. The Authority, in the preliminary findings, noted that the domestic industry in the present case is highly fragmented and scattered, comprising of thousands of tiny units. Therefore, this industry is quite different in structure and composition as compared to the typical domestic industry in various other cases. The units are mainly cottage based and run by individual families. By very nature of their manufacturing activity, these units do not maintain, nor are they required to maintain, accounts under various Indian laws, as is the case for the organized industries. It was also noted that in view of the nature of operations and the size of the units, it is not possible to obtain exact details, regarding the various injury parameters, from the

domestic industry as required in the usual manner as in the case of the industry in the organized sector. The Authority also held that though it is required to examine all the parameters specified under the Rules, it is also a settled position that all parameters need not necessarily show injury to the domestic industry, in an antidumping investigation for a positive injury determination. The Authority noted that it is the overall evaluation of the factors, which would enable the Authority to take a view whether injury exists in a particular case, or not. Accordingly, the Authority made a provisional injury determination based on certain parameters. However, the exporters and other interested parties have argued that such an approach to the injury investigation is flawed. The arguments of the interested parties with regard to injury determination are summarized as follows:

### **J.1 Views of Interested parties**

129. CCCT, in its post-preliminary finding submissions, has argued *inter alia* that the entire injury analysis is grossly incomplete on account of the fact that no data has been made available by the Domestic Industry which would enable the Authority to evaluate the alleged injury to the domestic industry. They have argued that as far as the volume and price analysis is concerned, it is not only enough to return a positive finding that there has been an increase in volume of the imports of the subject goods at a price lower than its normal value, but what needs to be demonstrated is the consequent injurious impact on the domestic industry on account of the imports. The impact on the domestic industry is to be gauged with reference to certain economic parameters elucidated in *paragraph IV of Annexure II* of the Anti-Dumping Rules. It has been argued that the analysis of the domestic industry on certain named parameters is a *sine qua non* for injury determination. It has been further argued that neither in the Agreement or in the Rules there is any exception that has been carved out which would exempt domestic industry of a certain type and nature to be exempted from the requirement to provide information on economic parameters or allow the Authority to exempt the domestic industry from such requirements. Therefore, even if the Authority waives the requirement of the domestic industry to provide first hand data in connection with injury, the Authority cannot waive the requirement for at least secondary source data in support of injury. No data has been provided either from primary sources or secondary sources in support of injury analysis as required by the law.

130. The exporters, in their various submissions have reiterated the above arguments and have further argued that the Silk Board cannot substitute the records of the concerned industry for purposes of meeting the requirements of AD law. It has been argued that it is incumbent upon the Authority to objectively examine both, the volume of dumped imports and the effect of dumped imports in the domestic market for the like article and the consequent impact of these imports on the domestic producers of such products. While it is true that not all the injury parameters must establish injury, all injury parameters must be examined. It is not sufficient to find injury on some parameters and ignore the other parameters. The Domestic Industry, in its proforma IVA has failed to assess and examine all the listed factors of injury as mandated under Article 3.4 of the WTO Agreement on Anti-Dumping. The exporters have argued that Authority has not been able to carry out analysis of the mandatory parameters and the examination of the injury indices by the Authority is mostly based on estimated data, which makes the conclusion unreliable. It has been argued that the authority has examined neither actual, nor estimated production. The

authority has taken into account the claim that the number of power looms has come down from 75000 to 30000 and therefore, there should have been less capacity and less capacity utilization. Market share of the domestic industry has also been determined without considering the actual or estimated sales volume of the domestic industry.

131. The exporters have further argued that the respective Indian and Chinese Silk fabrics sell in largely different markets – Chinese silk fabrics are used for apparel and garments and Indian silk fabrics for furnishings and certain ethnic wear. The overlap, if any, for apparel and garments is very low. Thus there is no injury and no price effect as the market segments are different.

132. The exporters have also questioned the price undercutting and underselling analysis in the preliminary findings on the grounds that no domestic selling prices were available in respect of certain types of fabrics.

## **J.2 Examination by the Authority**

133. Article 3.1 of the ADA and Annexure II of the AD 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 products; 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 authorities are required to examine whether there has been a significant increase in imports, either in absolute term or relative to production or consumption in the importing member. With regard to the price effect of the dumped imports, the authorities are required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in the importing country, or whether the effect of such imports is otherwise to depress prices to a significant degree, or prevent price increase, which would have otherwise occurred to a significant degree.

134. The Authority has taken note of the arguments of the interested parties on injury examination aspect and addressed the issues raised at appropriate places in this disclosure statement to the extent these arguments are valid. The Authority has examined the injury parameters objectively, while keeping in view the structure and nature of the domestic industry. The Authority notes that while the domestic industry has provided information on various injury parameters that is reasonably available, in view of the nature of the industry, the Authority has also taken steps to corroborate the data and information through independent sources and field visits. The Authority also notes that while the Agreement on Antidumping provides for objective examination of all relevant parameters for an injury examination, it also recognizes the problem of fragmented and unorganized industries in the footnote to the Agreement.

135. In their post disclosure submissions the interested parties have reiterated their respective positions in respect of the injury and causal link determination in this case. The interested parties have argued that certain information on the number of looms and production etc. have been used in the investigation for the first time based on certain reports which have not been made available to the interested

parties. They have also questioned several observations and analysis on the injury and causal links without providing any information on the issues raised.

136. The Authority notes that the peculiarities of the domestic industry and availability of absolute data in this case have been adequately dealt in the disclosure statements and injury investigation in this case has been carried out on the basis of data provided by the domestic industry and supplemented by data from the secondary sources such as various survey reports quoted in the disclosure statement. These reports and other information made available to the Authority during the course of the investigation have been placed in the public folder and information contained in the said report to the extent they have been used in this investigation has been disclosed in the disclosure statements.

137. The Authority also notes that dumping examination concluded in the previous section clearly establishes that the goods have been exported from the subject country into Indian market at dumped prices and the dumping margins have been found to be substantial. Therefore, the effects of the dumped imports on the domestic industry have been examined as follows:

**a) Volume effects**

**i) Volume of dumped imports and impact on domestic industry**

138. In the preliminary findings the Authority had examined the volume of imports based on aggregate import data of the subject goods from two sources, i.e., DGCIS and World Trade Atlas. The volume indicated in the data sources have not been disputed by any party. Both the data sources showed significant increase in the imports from the subject country, both in absolute terms as well as relative to the total imports. The Authority also notes that there is a very high degree of participation of the exporters from China in this case, who have provided their export data. The authority has also examined the DGCIS import data at transaction level. Based on the participating exporters data, DGCIS data and World Trade atlas data the trend in import volumes of the subject goods have been analysed as follows:

**Exports of Silk Fabric from China (HSN 5007 2011 unbleached or bleached woven fabric of Mulberry Silk – Qty. in meters)**

	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
World	104,372,481	100,984,242	131,395,482	165,033,508	213,811,686
India	1,448,613	10,786,081	41,051,422	67,652,080	96,491,270
Indexed	100	745	2834	4670	6661

**Source: World Trade Atlas**

139. This data shows that between 2000-01 and 2004-05, the import of silk fabrics from China has increased over 66 times in volume terms. However, as this data is at aggregate level, the transaction-wise import data of DGCIS has also been examined to compare the same with WTA export data of China PR to India. Silk Fabric is classified under Heading 5007 of the Customs Tariff Act and generally gets cleared under Sub-heading 5007 9000. However, the subject goods have also been cleared under Sub-headings 5007 1000, 5007 2000, 5007 2010 and 5007 2090 of the Customs Tariff Act. DGCIS data, after pruning the same for unrelated products

under the above heads, shows that the imports data of the subject goods from China more or less conforms to the WTA statistics except for the year 2004-05, where the WTA data shows much higher imports. Therefore, for the purpose of injury analysis the DGCIS data has been used as a more conservative estimate.

#### DGCI&S Data

Qty in meters

Country	2000-01	2001-02	2002-03	2003-04	POI	POI annualized
<b>Total</b>	2074817	12108520	31774534	64355121	99657099	66438066
<b>Trend</b>	100	584	1531	3102	4803	3202
<b>China</b>	1184240	10508057	28806755	61361520	95182613	63455075.33
<b>Trend</b>	100	887	2433	5182	8037	5358
<b>Others</b>	890577	1600463	2967779	2993601	4474486	2982991
<b>Trend</b>	100	180	333	336	502	335
<b>Share of China</b>	57%	87%	91%	95%	96%	96%
<b>Share of others</b>	43%	13%	9%	5%	4%	4%

140. Even this conservative data shows that the imports of the subject goods have increased over 50 fold in the injury investigation period while the imports from the other countries have increased only three fold. The share of imports from China, in total imports, has increased from 57% to 96%. Therefore, the growth of imports from the subject country and its share in the total imports during the injury investigation period is overwhelming.

#### ii) Capacity and Production

141. The Authority notes that the interested parties have raised several objections to the use of estimated capacities and production based on the information made available by the Central Silk Board, who is also representing the applicants. They have also raised the issue of inconsistency of the data provided by CSB and the Ministry of Textiles on the number of looms in operation and the figures have been disputed.

142. The Authority notes that the capacity for production of the subject goods is directly proportionate to the number of looms in operation. The structure of the silk weaving industry is such that an exact estimation of actual number of looms in operation and actual production of these looms is not possible. As noted in the preliminary findings these units are small and scattered. Basically major part of the silk weaving is a kind of cottage industry in India with the size of units varying from 2 to 3 looms to 10 to 12 looms. Due to the very nature of this industry, these producers are not required to register themselves with any administrative authority and file any return of their actual production and sales, as a result of which actual data of their capacity and production is not submitted to any authority. This problem has also been recognized by the Ministry of Textiles and in its Annual Report the Textiles Ministry has recorded that as the power-looms in various segments of textile industry are spread all over the country and exact number of operating looms was not known, number of power-looms and handlooms were assessed through census from time to time. One such census was carried out way back in 1987 and the number of power-looms given in the status report available in the Textile Ministry's website, as quoted by the interested parties shows the census result of 1987. Another comprehensive survey was carried out by the Ministry of Textiles through National Council for Applied Economic Research (NCAER) in 1995-96. Joint census of the powerloom

sector, as issued by NACER, was also consulted for this purpose. However, this census covered all powerlooms including cotton and silk and does not provide desegregated data on powerlooms producing silk only.

143. A survey of Power-loom units in Karnataka, engaged in silk and art silk fabrics production, was carried out for Karnataka Power-loom Development Corporation in 2003 by Central Silk Technological Research Institute, Bangalore. This report indicates that out of 88566 power-looms, as reported in the "Census of Powerlooms-1996", only 48341 looms were working in Karnataka in 2003, covering 14951 units. Average size of the units was less than 6 looms, per unit. 83% of these units were proprietary concerns and were run as family business and 41% were working on job work basis. The Authority notes that the above report is a comprehensive one, based on actual field survey of 7 clusters in Karnataka, which is adequately representative of the silk fabrics industry in India. Therefore, estimates of the number of looms in the country, based on this report appear to be the best information available on the subject and cannot be disregarded only because CSB, one of the parties to the application, has submitted the same.

144. The Authority has also examined the Beneficiary assessment of the National Sericulture Project, Varanasi Yarn Market, compiled by Economic Development Associates in 1993. This report, on the basis of field estimates, puts the number of power-looms in UP at about 17750 in 1993. The Department of Handlooms and Textiles, Government of Karnataka, in its letter-dated 11.07.2006 has intimated that about 25000 looms are currently in operation in Karnataka Region.

145. The interested parties have not provided any concrete information that can dispute these figures. Therefore, the estimates of the number of looms during the injury information period and decline thereof is sufficiently backed up with data and hence accepted by the Authority for the purpose of injury investigation. On the basis of the above reports, number of power-looms operating in India in 2000-01 has been estimated as roughly 75000, which have come down to less than 30000 in the POI.

146. As far as capacity, actual production and capacity utilization is concerned, the said report on survey of Power-loom units in Karnataka provides the information as in 2003, based on the actual field survey, in respect of the productivity of the looms and labour productivity in terms of meters weaved per day. As per this report production per loom was around 10-15 meters in case of plain fabrics and usual warp length is 200-500 meters. One weaver per loom is common loom allocation but for cases like chiffon weaving two looms per weaver is also practiced. The mean production per loom per day is around 11 meters and mean production per labour is around 12 meters per day. As per the survey, the capacity utilization achieved by the industry, in Karnataka region, is about 78%. Karnataka region being the largest and representative of the Indian silk industry the same has been relied upon to examine the volume effects of dumped imports.

147. The interested parties have argued that CSB being the government agency in-charge of the silk sector, the Authority should not accept the data submitted by CSB. The Authority notes that CSB is the nodal agency vested with the responsibility of facilitating growth of this sector. Though it has facilitated the filing of the application on behalf of the associations of the domestic producers, it has also the responsibility of providing authentic information about various aspects of the case.

The data submitted by CSB in respect of number of looms etc. have been corroborated by various field survey reports and reports of other Government and independent agencies as noted above. Therefore, there is little ground to challenge the reliability of the information or estimation provided by CSB in this regard.

148. In view of the reasons stated above, the Authority finds that it is not possible to have the figure of looms on year-on-year basis. However, on the basis of data compiled from various sources as noted above and corroborated by the data provided by respective associations and federations, the capacities and production of the domestic industry has been estimated as follows:

<b>Particulars</b>	<b>2000-01</b>	<b>2003-04</b>
No of Power Looms	75000	29900
Capacity in MT	11250	4485
Qty of silk fabrics produced MT	10408.5	3163.2
Capacity Utilization	93%	71%

The capacity has been assessed based on average production of 10 meter of 50 gms per meter fabrics per loom per day.

149. As far as general injury parameters are concerned, the Authority has received information about the status of the silk industry from the applicants, and also commissioners of sericulture in the affected states. However, in order to independently verify the claims of the applicants about the plight of the power-loom sector and closure of units in various clusters, the authority undertook spot verification of few clusters in the state of Karnataka, having highest concentration of power-loom units, to examine the actual situation on the ground. Visits to those clusters revealed that several units have closed down and the looms have been dismantled and sold to producers of cotton and synthetic textiles in other regions. Several such closed/ displaced units, where a sizable number of looms were operating, were seen during such visits. A sizeable number of units, still operating, have shifted to job-work for art-silk or zari based products to survive. Therefore, though the accuracy of the estimated number of looms may be debatable, the fact remains that large number of looms has been closed down and shifted to other segments during this period due to the competition from the dumped imports from the subject country.

150. It has been found that there are only 3 to 4 units in the organized sector. Out of which, M/s Chamundi Silk, one of the largest units, known for its crepe fabrics, has closed down its main production unit with over 100 looms near Bangalore. About 25 looms have been leased out for contracted job work in dupion furnishing fabrics work. Rest of the looms and the entire finishing line is lying idle for a long time. M/s Karnataka Silk Industries Corporation, the largest unit in the power-loom segment, has moved away from the production of the product under consideration to high-end pure-zari based sarees. However, the unit has a huge idle capacity because the demand for zari based sarees is limited and the current price level of the fabrics, due to price pressure from dumped imports from china, is such that it is not viable to run the factory for this product even if it has idle capacity. Few medium sized units with around 10 to 20 looms were also examined and it was observed that though these units are capable of operating three shifts and produce significantly higher quantities, due to lack of orders these units are operating at lower capacities and

have significant idle capacities. Even based on single shift operation the capacity utilization of the existing looms of the domestic industry has been only about 70% during this period.

### iii) Domestic sales, Demand and Market share

151. Total demand of power-loom fabrics in India has been assessed by taking 85% of the silk fabrics production as domestic consumption (rest being for exports purpose) and adding the total imports as above. Accordingly, total demand and share of the domestic industry and the dumped imports work out as follows:

Country	2000-01	2001-02	2002-03	2003-04	POI Annualized
Total Demand	12483317	22517020	34937734	67518321	69601266
Share of China	9%	47%	82%	91%	91%
Share of DI	83%	46%	9%	5%	5%
Share of others	7%	7%	8%	4%	4%

152. The above data shows that the dumped imports have practically wiped out the Indian looms from the domestic market in terms of volume of sales and market share. The share of domestic industry has fallen from 83% to 5% whereas the share of the dumped imports has gone up from 9% to 91%.

153. However, in view of the arguments of the interested parties that the decline of the looms and the production as reported by the domestic industry is not correct in the absence of authentic data, the Authority has examined the likely demand and market share scenario assuming that all the 75000 looms are in operation, with two shift operation, for the entire injury period. The corresponding demand and market share situation shows as follows:

	Qty in Meters				
Qty of silk fabrics produced	20817000	20817000	20817000	20817000	20817000
Total import	2074817	12108520	31774534	64355121	66438066
Imports from China	1184240	10508057	28806755	61361520	63455075.33
Total Demand	22891817	32925520	52591534	85172121	87255066
Share of China	5%	32%	55%	72%	73%
Share of DI	91%	63%	40%	24%	24%
Share of others	4%	5%	6%	4%	3%

154. The above data shows that even if the existing units in the beginning of the injury period would have operated at full capacity, without any attrition, the market share would have fallen from 91% to 24% and share of the dumped imports would have increased from 5% to 73%. Therefore, the arguments of the interested parties in this regards does not seem to be valid.

## B) Price effects

### i) Trend in Import Prices

155. The price trend of the imports of the subject goods has been examined on the basis of the DGCIS data. The data shows that the average CIF price of the subject goods from the subject country has declined by over 40% and the landed value has

declined by 45%. At the same time the CIF price of imports from other countries has increased marginally though the landed value has declined by about 7% due to reduction of the import duty.

Year	2000-01	2001-02	2002-03	2003-04	POI
Average CIF China	106.11	79.32	61.64	61.21	62.09
Trend	100	75	58	58	59
Landed Value China	139.33	104.14	80.94	80.37	75.26
Trend	100	75	58	58	54
Average CIF others	87.99	89.25	79.96	88.91	88.84
Trend	100	101	91	101	101
Landed Value others	115.53	117.18	104.99	116.7454	107.68
Trend	100	101	91	101	93

## ii) Domestic selling prices and price undercutting

156. The domestic selling prices of the silk fabrics manufactured by the power-looms have been analysed on the basis of sample selling prices available from the 15 units visited and on the basis of the survey reports stated above, in order to examine the effects of the dumped imports on the domestic selling prices. The selling prices of various types of fabrics, to the extent desegregated data is available, is proposed to be compared with the import prices for various types for which the information had been made available by the cooperating exporters. On a comparison, it is noted that the import prices are substantially lower than the estimated selling prices of the domestic industry in India.

157. For the purpose of price underselling examination, the Authority proposes to determine cost of production/non-injurious price on the basis of the optimum cost of production inclusive of cost of silk yarn consumed for various types and grammages of fabrics, conversion cost, twisting and degumming cost, selling, general and administrative expenses and a reasonable amount of profit based on information received from Central Silk Board, cost Audit Reports of organized units and survey reports of field surveys quoted in this finding. This non-injurious price estimated for various types of fabrics have been compared with the landed values of imports of comparable types of imported fabrics in respect of the cooperative exporters. Based on weighted average cost of production, selling price of the domestic industry and landed value of imports from the subject countries, the price undercutting and underselling works out as under:

Year	2001-02	2002-03	2003-04	POI
Wt Avg Landed Value China	104.14	80.94	80.37	75.26
Wt Avg Domestic Selling Price of DI	****	****	****	****
Trend	100	63.41	65.703	65.703
Price Undercutting	****	****	****	****
Trend	100	31.69	40.256	51.14
Weighted Average COP of DI	****	****	****	****
Trend	100	85.37	89.34	89.34
Price Underselling	****	****	****	****
Trend	100	108.98	126.87	142

### iii) Price suppression and depression

158. The Authority notes that the average cost of production of silk fabrics, based on the data available, has declined. However, in spite of decline in the cost of production the domestic industry has not been able to realize remunerative prices, which shows a sharper decline below the cost of production, indicating significant price depression effects of the dumped imports. As recorded in the preliminary findings the Authority has also consulted the data reported in World Trade Atlas regarding the exports of silk fabric, values and average price. As per the WTA data the value of exports and average price of silk fabric exported from China is as under:

#### Value of Exports of Silk Fabric from China (HSN 5007 2011 unbleached or bleached woven fabric of Mulberry Silk – Value in million US\$)

	2000-01	2001-02	2002-03	2003-04	2004-05
World	274.65	242.683	249.106	301.669	431.639
India	3.225	19.781	58.047	92.929	163.694

#### Average price of exports of Silk Fabric from China (HSN 5007 2011 unbleached or bleached woven fabric of Mulberry Silk – Price in US\$)

	2000-01	2001-02	2002-03	2003-04	2004-05
World	2.63	2.4	1.9	1.83	2.02
India	2.23	1.83	1.41	1.37	1.7

159. The above data corroborates with the DGCIS data at aggregate level and also indicates that there was a steep reduction in the export price of silk fabric from China in the year 2003-04, which covers the twelve months of the POI, in comparison to the year 2000-01.

### c) Other injury parameters

#### i) Actual and Potential impact on Profitability, return on investment and cash flow

160. The Authority notes that the weaving industry, largely in the unorganized segment, runs purely on trust. As the units are run as tiny family based enterprises, there is no proper accounting and documentation system maintained. However, the costs of production, selling prices and other information of 15 units, for which actual data was available, have been examined. The information of the cost and prices of these units indicate that the domestic industry has suffered significant loss due to sharp decline in prices.

Rs/Kg

Year	2001-02	2002-03	2003-04	POI
Weighted Average COP of DI (Indexed)	100	85.37	89.34	89.34
Wt Avg Domestic Selling Price of DI (Indexed)	100	63.41	65.703	65.703
Avg. Profit/Loss	13.19	(21.91)	(23.93)	(23.93)
Avg. Profit/Loss (indexed)	100	-166.1	-181.4	-181.4

It has been brought to the notice of the Authority that the price pressure has been such that the domestic powerloom producers have not been able to realize the cost of production. Therefore, the impact on profitability, return on investment and cash flow has been found to be significantly adverse.

## **ii) Actual and potential effect on Employment and Wages**

161. National statistics, based on the Annual Report of the Ministry of Textiles, show that silk fabrics production sector, including the handloom sector provides employment to at least 5.5 Million people in India. In the provisional findings the Authority had observed that the employment in power loom sector is directly linked to the number of powerlooms. Direct employment in the power loom is generally of 3 persons per loom considering a composite unit of twisting and weaving. However, the powerlooms also generate indirect job for the allied activities, both in the upstream and downstream segments linked to weaving, bleaching and dyeing. Having estimated the decline of number of working looms from a level of 75,000 in 2000-01 to about 30,000 during the period of investigation, direct loss of job is about 1,35,000 and indirect job loss is estimated to be much higher than this figure. The closure of the large number of power looms is a clear and direct indicator of loss of employment in this vital traditional industry. Closure and under utilization of existing capacity has also resulted in the closure of many upstream and downstream activities like twisting, processing, printing etc. rendering many skilled labour in this segment either jobless or shifting to alternate employment.

162. The wage in this sector is generally linked to inflation and labour productivity per day. Though the productivity has not declined, due to closure of looms and consequent rise in unemployment the wage rates in these clusters have been adversely affected.

## **iii) Actual and potential impact on growth**

163. The Authority has examined the growth profile of this sector on the basis of field survey reports quoted earlier and Authority's assessment of various growth parameters. In terms of capacity, production and turnover of this sector, the decline is more than 50%. Profitability of the sector has also declined significantly due to increase in cost and decline in selling prices. The Authority also noted in the previous sections that sales, employment and market share have declined over the investigation period. The impact of volumes of imports and price levels of dumped goods has impacted the growth of the segment adversely.

## **iv) Ability to raise capital investment**

164. The Authority notes that the nature of the unit is such that it is usually the own finance, or finance through private sources, which are used for establishing and managing the units. However, for the working capitals the weavers depend upon the banks, mainly textile cooperative banks and other nationalized banks. However, due to decline in production and idle capacities, the recoveries of the loans are poor. As a result of which the banks are generally reluctant to take higher exposure in this sector. Therefore, the ability of the domestic industry to raise capital investment has been severely affected.

**v) Magnitude of dumping margin**

165. The Authority notes that dumping margins, as indicator of magnitude of effect of dumped imports on the domestic industry, are significant, ranging from 42% to 77%.

**vi) Inventory**

166. As recorded in the preliminary findings of the Authority, due to very nature of the industry, no specific data is available regarding the stocks of the domestic industry. However, analysis of stock in the present case is not relevant as most of the production of silk fabric is on job-work basis.

**vii) Productivity**

167. The productivity of the domestic industry, measured in terms of fabric production per loom per day and labour productivity per day, indicates that average production of a standard loom varies between 10 to 15 meters depending upon the type of fabric with an average productivity of 11 meters per day, with a single shift operation, which compares well with the productivity of the powerlooms in the country of exports. The labour productivity also measured in terms of production per labour per day works out to about 12 meters of fabric. Therefore, the productivity, as an indicator of injury, is not very relevant in this case.

**K Conclusion on Injury**

168. The above examination shows that there has been a tremendous increase in the imports of subject goods from the subject country. In fact the surge in imports, and consequent decline in the domestic industry's production and sales, is the single most important factor contributing to the injury cause to the domestic industry. The dumped imports represent a significant proportion of the domestic demand. The volume effect of the dumped imports is evident in the terms of significant decline in capacity, production, sales, market share, and employment. Decline in CIF and landed value of the dumped imports is significant and the price pressure in terms of price undercutting, underselling, and price suppression has resulted in significant losses and closure of large number of units. The closure of large number of looms during the injury investigation and consequent loss of employment are the most significant indicators of injury. The injury in respect of these factors has been confirmed through the field visits undertaken by the Authority.

169. The Authority has also examined the impact of dumped imports on other parameters, to the extent possible, keeping in view the nature of the industry. The Authority also notes that though the Rules provide for an objective assessment of all relevant parameters, including the parameters listed there in, it also provides that no one or several of these parameters can necessarily give decisive guidance. Neither the WTO jurisprudence quoted by the interested parties, nor the Rules require the Authority to find injury in respect of all or majority of the parameters. The injury assessment requires an overall assessment based on various parameters. In the instant case closure of large number of looms and consequent loss of employment are the most important factors and overwhelming indicators of injury suffered by the domestic industry. Therefore, on the basis of an overall assessment

of the issues involved, the authority is reasonably convinced that the domestic industry has suffered material injury.

### **K.1 Injury Margins**

170. The Authority has determined Non-injurious price for the domestic industry by adopting the information provided in respect of 13 Units and the Cost Audit Reports in respect of 2 other units. In addition to the cost of production, reasonable return has been allowed on the capital employed. Accordingly, Non-Injurious Price has been worked out in respect of different varieties of Silk Fabric namely Crepe, Georgette/Chiffon, Habutai and others for 20-100 gms/meter separately. The non-injurious price so determined has been compared with the landed prices of various types of fabrics exported by the exporters from the subject country and the margins of injury has been compared with the margins of dumping of individual exporters for application of lesser duty.

### **L Causal link**

171. Having established that dumping has taken place from the subject country and the domestic industry has suffered material injury, Rule 11 of the Rules read with Annexure II requires the Authority to examine the cause of such injury to establish causal link, if any, between the dumped imports and the injury suffered.

#### **L.1 Views of the interested parties**

172. With regard to the causal link between the dumped imports and injury suffered by the domestic industry the interested parties have, *inter alia*, argued that merely because number of power looms has come down, causal link cannot be said to have been established. The authority must examine the causes that led to the alleged closure of the power looms. It has been argued that there is no causal link between the imports of silk fabric from China and the injury of the Indian domestic industry. The reason for the injury of the domestic industry is that the Indian domestic industry failed to adapt itself to the rapid-developing market. It has also been argued that the consumption pattern has changed with shift to viscose, in particular, and polyester because of unsuitability of Indian silk fabrics for most apparel and garment users. Therefore, unsuitability of Indian silk fabrics, rather than reduction in demand is the correct inference of the shift by many weavers from silk fabrics to viscose and polyester. It has also been argued that the real cause of injury is the structure, regulatory framework, poor infrastructure of the Indian silk industry. It has been further argued that much of injury flows from the cascading effects of the anti-dumping duty earlier imposed on Mulberry Raw Silk.

#### **L.2 Examination by the Authority**

173. The interested parties have argued that the real cause of any injury appears to be a change in the pattern of consumption initially from synthetic fabrics to Indian silk fabrics for apparel and garments due to prohibitive tariffs and once imports were liberalized and tariffs declined apparel and garment makers shifted to either imported silk fabrics or synthetic fabrics thus leaving only the furnishings market segment for the Indian silk fabrics. Therefore, real cause of injury is the change in

consumption pattern rather than dumped imports. However, the Authority notes that the data on imports and domestic consumption does not support this argument at all. Demand has gone up tremendously, even if entire domestic production of silk fabrics is ignored. It is well known worldwide that India has a long tradition of affinity towards silk and the shifting of demand from silk to other fabrics is not a reality supported by data. The arguments of effect of the regulatory framework in the textile sector as the cause of injury to the powerloom sector have not been supported by any positive information or data.

174. It has also been argued that the silk industry in India is suffering because of the structure of the industry as such. The Authority notes that though there are structural issues involved, in terms of absorption of technology and scale of operation due to the very nature of small and unorganized units, this model have been efficiently servicing the Indian silk demand before the dumping began. The Authority notes that silk weaving is a tradition in India and has developed in the cottage and small sectors. Traditionally weaving units have come up in clusters in and around silk growing areas. Constant support in terms of improvement in technology and machinery is being supplied through various agencies and technical institutions, including CSB. Though the scale of operation of individual units has been small these units have significantly contributed to the silk industry and rural employment.

175. The interested parties have also argued that the domestic industry is suffering due to inverted duty structures and antidumping duty on the basic raw material. The Authority notes that antidumping duty was imposed on import of raw silk from China in order to correct the distortion caused in the raw silk market due to high degree of dumping of this product in India. After imposition of duty the price of this product has stabilized and level playing field has been created for the raw silk manufacturers as well as the fabric manufacturers. However, after imposition of duty on raw silk, the dumping has shifted to silk fabrics again causing severe distortion in the market. Therefore, the cause of injury cannot be attributed to the duty structure as has been argued by the exporters. As regards some of the arguments regarding switching over of power loom weavers to other kinds of fabrics like viscose etc., examination in the field during verifications reveal that the weavers were forced to switch over to other types of fabric due to non-availability of orders for silk fabric because of unremunerative price for Indian silk fabrics in the presence of dumped goods in the market.

176. Having examined the arguments of the interested parties in respect of the causal links between dumped imports and injury suffered by the domestic industry, the Authority has examined the mandatory factors listed in para (v) of the Annexure II of the Rules.

**a) Volume and price of imports not sold at dumped prices**

177. The Authority notes that the dumped imports from the subject country constitute about 96% of total imports of the subject goods. Un-dumped imports from other sources constitute a very small proportion of the total imports as well as total demand in the country. The average prices of un-dumped goods are also significantly higher than the prices of dumped goods. Therefore, volume and prices

of imports from other sources do not seem to have any adverse effect on the domestic industry.

**b) Contraction of demand or Changes in the pattern of consumption**

178. As noted in the previous section, even if the entire production of the domestic industry is ignored, the consumption of the silk fabrics in India, based on the imports alone, has gone up several folds. Therefore, contraction in demand or change in patterns of consumption cannot be attributed to the cause of injury of the domestic industry.

**c) Trade Restrictive practices of and competition between foreign and domestic producers**

179. The authority notes that the goods are freely importable and imported products are freely sold in the Indian market without any trade restrictive competition or restriction. It is further noted that the imported subject goods and domestically produced goods are like articles and are used for similar applications/end uses.

**c) Developments in Technology, Export performance and productivity of the Domestic Industry**

180. As far as development of technology is concerned, the domestic industry uses both ordinary powerlooms and semi-automatic looms. Technology support and services are available through a number of institutions. However, technology absorption and up-gradation has been slow due to the market condition prevailing for several years. Due to the price and volume depression in the presence of high volume of dumped goods, the weavers are not in a position to make additional investments in modernization. Therefore, the Authority notes that though there is scope and willingness for modernization the prevailing market condition does not allow the industry to invest for modernization. In view of the above the Authority is of the view that lack of absorption of technology and modernization is the effect of the injury suffered by the domestic industry, rather than the cause of the injury.

181. The productivity of the domestic industry in term of output per loom and labour output has remained high, i.e., in the range of 10 to 15 meters per day, which compares with the output in the exporting country. Therefore, productivity is not a cause of injury to the domestic industry.

182. The export performance is also linked to the number of working looms. Since the number of looms and production has declined significantly, export performance of this segment is also bound to suffer. It is further noted that the performance with respect to various economic indicators have been determined with respect to domestic sales only. Hence, the authority holds that material injury suffered by the domestic industry is not as a result of the export performance of the domestic industry. As such, as per Textile Ministry's Annual Reports, the export performance of the silk sector as a whole shows a healthy growth. Therefore, the export performance cannot be attributed to the injury.

**L.3 Conclusion on causation**

183. Examination of the volume and price effects of the dumped imports in terms of absolute and relative increase in the volume of dumped imports, significant decline in import prices from the subject country, indicates that the domestic industry's performance has been significantly affected by the dumped imports. Significant increase in the volume of dumped imports has resulted in significant decline in production and closure of large number of power looms of the domestic industry. In the face of large-scale imports of dumped imports from subject country, the weavers were forced to close down or to switch over to weaving of other fabrics. The closure of large number of silk weaving power looms is attributable to the dumped imports of subject goods from subject country. The authority finds that the closure of power looms, consequential loss of employment to the weavers and other workers engaged in allied activities, are the direct consequences of the significant increase in dumped imports of subject goods. Due to the high degree of dumping of Chinese imports, even the remaining power looms are on the verge of virtual extinction. Examination of other factors also indicates that there is no other factor that could have significantly contributed to the injury of the domestic industry. Therefore, the Authority concludes that the dumped imports from the subject country, through their volume and price effects, have caused material injury to the domestic industry, within the meaning of Rule 11 of Anti Dumping rules and article 3.5 of the Agreement of Anti Dumping.

#### **M. Indian Industry's interest**

184. The exporters have argued that there is an issue of public interest, which should be taken into account by the authority, as there is far greater investment, employment and value addition and exports earnings by the user industries that will suffer due to higher prices in case of ADD. The imposition of anti-dumping duty on the Chinese silk fabric will bring more detriments than benefit for the Indian public interest. Anti-dumping duty has been imposed on the raw silk from China. Imposing high anti-dumping duty on silk fabric from China will prevent the Chinese exporters from entering the Indian market and will accordingly do great harm to the silk industry and other down-stream industry of India. The silk fabric products of China differ with the ones of India in the quality and types and the market orientation is different. Therefore, imposing anti-dumping duty on the Chinese silk fabric products will inevitably increase the price of the silk, and the demand of the Indian consumers cannot be met. It has been argued that the growth of the powerloom silk fabrics sector will further adversely impact the conditions of competition of the Handloom silk fabrics sector leading to further misery and suicides by handloom workers.

185. The Authority notes that 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 using subject goods and consequently might have some influence on relative competitiveness of these products. However, fair competition on the Indian market will not be reduced by the anti dumping measures. On the contrary, imposition of anti dumping measures would remove the unfair advantages gained by dumping practices; prevent the decline of the domestic industry and consequent employment and livelihood; and help maintain availability of wider choice to the consumers of subject goods. Imposition of anti dumping measures would not restrict imports from

subject countries in any way, and therefore, would not affect the availability of the product to the consumers.

#### **N. CONCLUSIONS:**

186. The Authority has, after considering the foregoing, come to the conclusion that:

- (a) The subject goods have been exported to India from the subject country below its normal value;
- (b) The domestic industry has suffered material injury; and
- (c) The injury has been caused by the dumped imports from the subject country.

#### **O. Recommendation**

187. The Authority initiated and conducted the investigation into dumping, injury and causal links between dumping and injury to the domestic industry, in terms of the Rules laid down, and having established positive dumping margins against the subject countries, and having concluded that the domestic industry suffers material injury due to such dumped imports, the Authority is of the opinion that definitive measure is required to be imposed to offset dumping and injury being caused to the domestic industry. Accordingly, the Authority recommends imposition of definitive antidumping duty in the form and manner prescribed below.

188. Having regard to the lesser duty rule followed by the authority, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of definitive anti dumping duties, from the date of notification to be issued in this regard, by the Central Government, on imports of Silk Fabric of weight 20-100 gms per meter, falling under Custom Heading 5007 of Schedule 1 of Customs Tariff Act, originating in or exported from subject country, as the difference between the landed value of the subject goods and the amount indicated in Col 9 of the duty table annexed herewith, provided the landed value is less than the value indicated in Col 9. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

#### **P Further Procedures**

189. An appeal against the orders of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service tax Appellate Tribunal in accordance with the relevant provisions of the Act.

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

**Christy L. Fernandez  
Designated Authority**

**Annexure:**

- 1. Annexure –1: Duty table**
- 2. Annexure II : List of Non-sampled exporters as per duty tab**

S.No.	Sub-Heading	Description of Goods	Specification	Duty Table			Exporter	Amount	Annexure-I	
				Country of Origin	Country of Export	Producer			Unit of Measure	Currency
1	2	3	4	5	6	7	8	9	10	11
1	5007.1000 5007.20005007.20105 007.20905007.9000	Silk Fabrics	Crepe with following weight ranges	China PR	Any Country	Any	M/s Zhejiang Cathaya International Co. Ltd.	As givebn below	Meter	US\$
2	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
								1.662		
								1.833		
								2.004		
								2.175		
								2.230		
								2.518		
								2.314		
								2.818		
								2.877		
								3.203		
								3.374		
								3.426		
								3.716		
								3.887		
								4.059		
								4.230		

	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Georgette and Chiffon with following weight Ranges	China PR	Any Country	Any	M/s Zhejiang Cathaya International Co. Ltd.	As givebn below	Meter	US\$
4	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1. 689		
			Above 25 upto & Including 30					1.882		
			Above 30 upto & Including 35					2.072		
			Above 35 upto & Including 40					2.180		
			Above 40 upto & Including 45					2. 186		
			Above 45 upto & Including 50					2. 396		
			Above 50 upto & Including 55					2.832		
			Above 55 upto & Including 60					2.954		
			Above 60 upto & Including 65					3.003		
			Above 65 upto & Including 70					3.272		
			Above 70 upto & Including 75					3. 562		
			Above 75 upto & Including 80					3. 601		
			Above 80 upto & Including 85					3.971		
			Above 85 upto & Including 90					4.160		
			Above 90 upto & Including 95					4.351		
			Above 95 upto & Including 100					4.526		

5	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Habutai with following weight Ranges	China PR	Any Country	Any	M/s Zhejiang Cathaya International Co. Ltd.	As givebn below	Meter	US\$
6	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.690		
			Above 25 upto & Including 30					1.867		
			Above 30 upto & Including 35					2.044		
			Above 35 upto & Including 40					2.221		
			Above 40 upto & Including 45					2.174		
			Above 45 upto & Including 50					2.575		
			Above 50 upto & Including 55					2.752		
			Above 55 upto & Including 60					2.929		
			Above 60 upto & Including 65					3.106		
			Above 65 upto & Including 70					3.283		
			Above 70 upto & Including 75					3.460		
			Above 75 upto & Including 80					3.637		
			Above 80 upto & Including 85					3.814		
			Above 85 upto & Including 90					3.991		
			Above 90 upto & Including 95					4.168		
			Above 95 upto & Including 100					4.344		

7	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Others (Except tasar) with following weight Ranges	China PR	Any Country	Any	M/s Zhejiang Cathaya International Co. Ltd.	As givebn below	Meter	US\$
8	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.665		
			Above 25 upto & Including 30					1.837		
			Above 30 upto & Including 35					2.009		
			Above 35 upto & Including 40					2.181		
			Above 40 upto & Including 45					2.353		
			Above 45 upto & Including 50					2.525		
			Above 50 upto & Including 55					2.697		
			Above 55 upto & Including 60					2.869		
			Above 60 upto & Including 65					3.041		
			Above 65 upto & Including 70					3.213		
			Above 70 upto & Including 75					3.385		
			Above 75 upto & Including 80					3.557		
			Above 80 upto & Including 85					3.713		
			Above 85 upto & Including 90					3.901		
			Above 90 upto & Including 95					3.848		
			Above 95 upto & Including 100					4.245		

9	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Crepe with following weight ranges	China PR	Any Country	Any	M/s Zhejiang G&F Foreign Trading Co. Ltd.	As givebn below	Meter	US\$
10	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.662		
			Above 25 upto & Including 30					1.833		
			Above 30 upto & Including 35					1.898		
			Above 35 upto & Including 40					2.175		
			Above 40 upto & Including 45					2.347		
			Above 45 upto & Including 50					2.518		
			Above 50 upto & Including 55					2.689		
			Above 55 upto & Including 60					2.860		
			Above 60 upto & Including 65					3.031		
			Above 65 upto & Including 70					2.997		
			Above 70 upto & Including 75					3.374		
			Above 75 upto & Including 80					3.054		
			Above 80 upto & Including 85					3.716		
			Above 85 upto & Including 90					3.887		
			Above 90 upto & Including 95					4.059		
			Above 95 upto & Including 100					4.230		

11	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Zhejiang G&amp;F Foreign Trading Co. Ltd.</b>	As givebn below	Meter	US\$
12	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.692		
			Above 25 upto & Including 30					1.882		
			Above 30 upto & Including 35					2.057		
			Above 35 upto & Including 40					2.262		
			Above 40 upto & Including 45					2.452		
			Above 45 upto & Including 50					2.642		
			Above 50 upto & Including 55					2.724		
			Above 55 upto & Including 60					3.022		
			Above 60 upto & Including 65					3.212		
			Above 65 upto & Including 70					2.945		
			Above 70 upto & Including 75					3.591		
			Above 75 upto & Including 80					3.204		
			Above 80 upto & Including 85					3.971		
			Above 85 upto & Including 90					4.160		
			Above 90 upto & Including 95					4.351		
			Above 95 upto & Including 100					4.526		

13	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Habutai with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Zhejiang G&amp;F Foreign Trading Co. Ltd.</b>	As givebn below	Meter	US\$
14	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.690		
			Above 25 upto & Including 30					1.867		
			Above 30 upto & Including 35					2.044		
			Above 35 upto & Including 40					2.221		
			Above 40 upto & Including 45					2.398		
			Above 45 upto & Including 50					2.575		
			Above 50 upto & Including 55					2.284		
			Above 55 upto & Including 60					2.929		
			Above 60 upto & Including 65					3.106		
			Above 65 upto & Including 70					3.283		
			Above 70 upto & Including 75					3.460		
			Above 75 upto & Including 80					3.637		
			Above 80 upto & Including 85					3.814		
			Above 85 upto & Including 90					3.991		
			Above 90 upto & Including 95					4.168		
			Above 95 upto & Including 100					4.344		

15	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Others (except tasar) with following weight ranges	China PR	Any Country	Any	M/s Zhejiang G&F Foreign Trading Co. Ltd.	As givebn below	Meter	US\$
16	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.665		
			Above 25 upto & Including 30					1.837		
			Above 30 upto & Including 35					2.009		
			Above 35 upto & Including 40					2.181		
			Above 40 upto & Including 45					2.353		
			Above 45 upto & Including 50					2.525		
			Above 50 upto & Including 55					2.697		
			Above 55 upto & Including 60					2.869		
			Above 60 upto & Including 65					3.041		
			Above 65 upto & Including 70					2.916		
			Above 70 upto & Including 75					3.385		
			Above 75 upto & Including 80					3.557		
			Above 80 upto & Including 85					2.878		
			Above 85 upto & Including 90					3.901		
			Above 90 upto & Including 95					4.073		
			Above 95 upto & Including 100					4.245		

17	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Crepe with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Sichuan Silk Export and Import</b>	As givebn below	Meter	US\$
18	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.662		
			Above 25 upto & Including 30					1.833		
			Above 30 upto & Including 35					2.004		
			Above 35 upto & Including 40					2.175		
			Above 40 upto & Including 45					2.347		
			Above 45 upto & Including 50					2.518		
			Above 50 upto & Including 55					2.689		
			Above 55 upto & Including 60					2.860		
			Above 60 upto & Including 65					3.031		
			Above 65 upto & Including 70					3.203		
			Above 70 upto & Including 75					3.374		
			Above 75 upto & Including 80					2.590		
			Above 80 upto & Including 85					3.716		
			Above 85 upto & Including 90					3.887		
			Above 90 upto & Including 95					4.059		
			Above 95 upto & Including 100					4.230		

19	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Sichuan Silk Export and Import</b>	As givebn below	Meter	US\$
20	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.692		
			Above 25 upto & Including 30					1.882		
			Above 30 upto & Including 35					1.958		
			Above 35 upto & Including 40					2.262		
			Above 40 upto & Including 45					2.452		
			Above 45 upto & Including 50					2.642		
			Above 50 upto & Including 55					2.791		
			Above 55 upto & Including 60					3.022		
			Above 60 upto & Including 65					3.212		
			Above 65 upto & Including 70					3.401		
			Above 70 upto & Including 75					3.591		
			Above 75 upto & Including 80					3.781		
			Above 80 upto & Including 85					3.971		
			Above 85 upto & Including 90					4.160		
			Above 90 upto & Including 95					4.351		
			Above 95 upto & Including 100					4.526		

21	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Habutai with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Sichuan Silk Export and Import</b>	As givebn below	Meter	US\$
22	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.690		
			Above 25 upto & Including 30					1.867		
			Above 30 upto & Including 35					2.044		
			Above 35 upto & Including 40					1.970		
			Above 40 upto & Including 45					2.283		
			Above 45 upto & Including 50					2.575		
			Above 50 upto & Including 55					2.655		
			Above 55 upto & Including 60					2.929		
			Above 60 upto & Including 65					3.106		
			Above 65 upto & Including 70					3.283		
			Above 70 upto & Including 75					3.460		
			Above 75 upto & Including 80					3.637		
			Above 80 upto & Including 85					3.814		
			Above 85 upto & Including 90					3.991		
			Above 90 upto & Including 95					4.168		
			Above 95 upto & Including 100					4.344		

23	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Others (except tasar) with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Sichuan Silk Export and Import</b>	As givebn below	Meter	US\$
24	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.665		
			Above 25 upto & Including 30					1.837		
			Above 30 upto & Including 35					2.009		
			Above 35 upto & Including 40					2.181		
			Above 40 upto & Including 45					2.353		
			Above 45 upto & Including 50					2.525		
			Above 50 upto & Including 55					2.284		
			Above 55 upto & Including 60					2.590		
			Above 60 upto & Including 65					3.041		
			Above 65 upto & Including 70					3.213		
			Above 70 upto & Including 75					3.385		
			Above 75 upto & Including 80					3.557		
			Above 80 upto & Including 85					3.730		
			Above 85 upto & Including 90					3.901		
			Above 90 upto & Including 95					4.073		
			Above 95 upto & Including 100					4.245		

25	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Crepe with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Nanjing Textiles Import Export Corporation Ltd.</b>	As givebn below	Meter	US\$
26	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.662		
			Above 25 upto & Including 30					1.833		
			Above 30 upto & Including 35					2.004		
			Above 35 upto & Including 40					2.165		
			Above 40 upto & Including 45					2.347		
			Above 45 upto & Including 50					2.518		
			Above 50 upto & Including 55					2.689		
			Above 55 upto & Including 60					2.799		
			Above 60 upto & Including 65					3.031		
			Above 65 upto & Including 70					3.203		
			Above 70 upto & Including 75					3.374		
			Above 75 upto & Including 80					3.415		
			Above 80 upto & Including 85					3.716		
			Above 85 upto & Including 90					3.887		
			Above 90 upto & Including 95					4.059		
			Above 95 upto & Including 100					4.230		

27	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Nanjing Textiles Import Export Corporation Ltd.</b>	As givebn below	Meter	US\$
28	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.692		
			Above 25 upto & Including 30					1.882		
			Above 30 upto & Including 35					2.072		
			Above 35 upto & Including 40					2.178		
			Above 40 upto & Including 45					2.452		
			Above 45 upto & Including 50					2.642		
			Above 50 upto & Including 55					2.832		
			Above 55 upto & Including 60					3.022		
			Above 60 upto & Including 65					3.212		
			Above 65 upto & Including 70					3.401		
			Above 70 upto & Including 75					3.591		
			Above 75 upto & Including 80					3.608		
			Above 80 upto & Including 85					3.971		
			Above 85 upto & Including 90					4.160		
			Above 90 upto & Including 95					4.351		
			Above 95 upto & Including 100					4.526		

							M/s Nanjing Textiles Import Export Corporation Ltd.	As givebn below	Meter	US\$
29	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Habutai with following weight ranges</b>	China PR	Any Country	Any				
30	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.690		
			Above 25 upto & Including 30					1.867		
			Above 30 upto & Including 35					2.044		
			Above 35 upto & Including 40					2.221		
			Above 40 upto & Including 45					2.398		
			Above 45 upto & Including 50					2.575		
			Above 50 upto & Including 55					2.752		
			Above 55 upto & Including 60					2.929		
			Above 60 upto & Including 65					3.106		
			Above 65 upto & Including 70					3.283		
			Above 70 upto & Including 75					3.460		
			Above 75 upto & Including 80					3.637		
			Above 80 upto & Including 85					3.814		
			Above 85 upto & Including 90					3.991		
			Above 90 upto & Including 95					4.168		
			Above 95 upto & Including 100					4.344		

31	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Others (except Tasar) with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Nanjing Textiles Import Export Corporation Ltd.</b>	As givebn below	Meter	US\$
32	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.665		
			Above 25 upto & Including 30					1.837		
			Above 30 upto & Including 35					2.009		
			Above 35 upto & Including 40					2.181		
			Above 40 upto & Including 45					2.353		
			Above 45 upto & Including 50					2.525		
			Above 50 upto & Including 55					2.697		
			Above 55 upto & Including 60					2.869		
			Above 60 upto & Including 65					3.041		
			Above 65 upto & Including 70					3.150		
			Above 70 upto & Including 75					3.385		
			Above 75 upto & Including 80					3.557		
			Above 80 upto & Including 85					3.730		
			Above 85 upto & Including 90					3.901		
			Above 90 upto & Including 95					4.073		
			Above 95 upto & Including 100					4.245		

33	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Crepe with following weight ranges</b>	China PR	Any Country	Any	<b>M/s. Chongqing Sunfeel Shizhu Silk Weaving Co. Ltd</b>	As givebn below	Meter	US\$
34	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.662		
			Above 25 upto & Including 30					1.833		
			Above 30 upto & Including 35					2.004		
			Above 35 upto & Including 40					2.175		
			Above 40 upto & Including 45					2.347		
			Above 45 upto & Including 50					2.518		
			Above 50 upto & Including 55					2.689		
			Above 55 upto & Including 60					2.851		
			Above 60 upto & Including 65					3.031		
			Above 65 upto & Including 70					3.203		
			Above 70 upto & Including 75					3.374		
			Above 75 upto & Including 80					3.382		
			Above 80 upto & Including 85					3.716		
			Above 85 upto & Including 90					3.887		
			Above 90 upto & Including 95					4.059		
			Above 95 upto & Including 100					4.230		

35	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>M/s. Chongqing Sunfeel Shizhu Silk Weaving Co. Ltd</b>	As givebn below	Meter	US\$
36	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.692		
			Above 25 upto & Including 30					1.882		
			Above 30 upto & Including 35					2.072		
			Above 35 upto & Including 40					2.198		
			Above 40 upto & Including 45					2.452		
			Above 45 upto & Including 50					2.642		
			Above 50 upto & Including 55					2.832		
			Above 55 upto & Including 60					2.905		
			Above 60 upto & Including 65					3.212		
			Above 65 upto & Including 70					3.401		
			Above 70 upto & Including 75					3.591		
			Above 75 upto & Including 80					3.781		
			Above 80 upto & Including 85					3.971		
			Above 85 upto & Including 90					4.160		
			Above 90 upto & Including 95					4.351		
			Above 95 upto & Including 100					4.526		

37	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Habutai with following weight ranges</b>	China PR	Any Country	Any	<b>M/s. Chongqing Sunfeel Shizhu Silk Weaving Co. Ltd</b>	As givebn below	Meter	US\$
38	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.690		
			Above 25 upto & Including 30					1.867		
			Above 30 upto & Including 35					2.044		
			Above 35 upto & Including 40					2.221		
			Above 40 upto & Including 45					2.398		
			Above 45 upto & Including 50					2.575		
			Above 50 upto & Including 55					2.752		
			Above 55 upto & Including 60					2.929		
			Above 60 upto & Including 65					3.106		
			Above 65 upto & Including 70					3.283		
			Above 70 upto & Including 75					3.460		
			Above 75 upto & Including 80					3.637		
			Above 80 upto & Including 85					3.814		
			Above 85 upto & Including 90					3.991		
			Above 90 upto & Including 95					4.168		
			Above 95 upto & Including 100					4.344		

39	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Others (except Tasar) with following weight ranges	China PR	Any Country	Any	M/s. Chongqing Sunfeel Shizhu Silk Weaving Co. Ltd	As givebn below	Meter	US\$
40	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.665		
			Above 25 upto & Including 30					1.837		
			Above 30 upto & Including 35					2.009		
			Above 35 upto & Including 40					2.181		
			Above 40 upto & Including 45					2.353		
			Above 45 upto & Including 50					2.525		
			Above 50 upto & Including 55					2.697		
			Above 55 upto & Including 60					2.869		
			Above 60 upto & Including 65					3.041		
			Above 65 upto & Including 70					3.213		
			Above 70 upto & Including 75					3.385		
			Above 75 upto & Including 80					3.557		
			Above 80 upto & Including 85					3.730		
			Above 85 upto & Including 90					3.694		
			Above 90 upto & Including 95					4.073		
			Above 95 upto & Including 100					4.245		

41	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Crepe with following weight ranges</b>	China PR	Any Country	Any	<b>Exporters As per list attached</b>	As givebn below	Meter	US\$
42	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.662		
			Above 25 upto & Including 30					1.833		
			Above 30 upto & Including 35					1.983		
			Above 35 upto & Including 40					2.173		
			Above 40 upto & Including 45					2.323		
			Above 45 upto & Including 50					2.518		
			Above 50 upto & Including 55					2.614		
			Above 55 upto & Including 60					2.838		
			Above 60 upto & Including 65					3.001		
			Above 65 upto & Including 70					3.162		
			Above 70 upto & Including 75					3.374		
			Above 75 upto & Including 80					3.173		
			Above 80 upto & Including 85					3.716		
			Above 85 upto & Including 90					3.887		
			Above 90 upto & Including 95					4.059		
			Above 95 upto & Including 100					4.230		

43	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>Exporters As per list attached</b>	As givebn below	Meter	US\$
44	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.674		
			Above 25 upto & Including 30					1.882		
			Above 30 upto & Including 35					2.046		
			Above 35 upto & Including 40					2.216		
			Above 40 upto & Including 45					2.442		
			Above 45 upto & Including 50					2.642		
			Above 50 upto & Including 55					2.802		
			Above 55 upto & Including 60					2.985		
			Above 60 upto & Including 65					3.170		
			Above 65 upto & Including 70					3.284		
			Above 70 upto & Including 75					3.591		
			Above 75 upto & Including 80					3.631		
			Above 80 upto & Including 85					3.971		
			Above 85 upto & Including 90					4.160		
			Above 90 upto & Including 95					4.351		
			Above 95 upto & Including 100					4.526		

45	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Habutai with following weight ranges</b>	China PR	Any Country	Any	<b>Exporters As per list attached</b>	As givebn below	Meter	US\$
46	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.690		
			Above 25 upto & Including 30					1.867		
			Above 30 upto & Including 35					2.044		
			Above 35 upto & Including 40					2.171		
			Above 40 upto & Including 45					2.330		
			Above 45 upto & Including 50					2.575		
			Above 50 upto & Including 55					2.639		
			Above 55 upto & Including 60					2.929		
			Above 60 upto & Including 65					3.106		
			Above 65 upto & Including 70					3.283		
			Above 70 upto & Including 75					3.460		
			Above 75 upto & Including 80					3.637		
			Above 80 upto & Including 85					3.814		
			Above 85 upto & Including 90					3.991		
			Above 90 upto & Including 95					4.168		
			Above 95 upto & Including 100					4.344		

47	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Others (except Tasar) with following weight ranges</b>	China PR	Any Country	Any	<b>Exporters As per list attached</b>	As givebn below	Meter	US\$
48	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.665		
			Above 25 upto & Including 30					1.837		
			Above 30 upto & Including 35					2.009		
			Above 35 upto & Including 40					2.181		
			Above 40 upto & Including 45					2.353		
			Above 45 upto & Including 50					2.525		
			Above 50 upto & Including 55					2.615		
			Above 55 upto & Including 60					2.813		
			Above 60 upto & Including 65					3.041		
			Above 65 upto & Including 70					3.141		
			Above 70 upto & Including 75					3.385		
			Above 75 upto & Including 80					3.557		
			Above 80 upto & Including 85					3.556		
			Above 85 upto & Including 90					3.860		
			Above 90 upto & Including 95					4.028		
			Above 95 upto & Including 100					4.245		

49	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Crepe with following weight ranges	China PR	Any Country	Any	M/s Chongqing Wintus (New Star) Trade Development Ltd	As givebn below	Meter	US\$
50	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.662		
			Above 25 upto & Including 30					1.833		
			Above 30 upto & Including 35					2.004		
			Above 35 upto & Including 40					2.175		
			Above 40 upto & Including 45					2.347		
			Above 45 upto & Including 50					2.518		
			Above 50 upto & Including 55					2.689		
			Above 55 upto & Including 60					2.860		
			Above 60 upto & Including 65					3.031		
			Above 65 upto & Including 70					3.203		
			Above 70 upto & Including 75					3.374		
			Above 75 upto & Including 80					3.518		
			Above 80 upto & Including 85					3.716		
			Above 85 upto & Including 90					3.887		
			Above 90 upto & Including 95					4.059		
			Above 95 upto & Including 100					4.230		

51	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Chongqing Wintus (New Star) Trade Development Ltd</b>	As givebn below	Meter	US\$
52	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.692		
			Above 25 upto & Including 30					1.882		
			Above 30 upto & Including 35					2.072		
			Above 35 upto & Including 40					2.262		
			Above 40 upto & Including 45					2.452		
			Above 45 upto & Including 50					2.642		
			Above 50 upto & Including 55					2.832		
			Above 55 upto & Including 60					2.980		
			Above 60 upto & Including 65					3.212		
			Above 65 upto & Including 70					3.401		
			Above 70 upto & Including 75					3.591		
			Above 75 upto & Including 80					3.781		
			Above 80 upto & Including 85					3.971		
			Above 85 upto & Including 90					4.160		
			Above 90 upto & Including 95					4.351		
			Above 95 upto & Including 100					4.526		

53	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Habutai with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Chongqing Wintus (New Star) Trade Development Ltd</b>	As givebn below	Meter	US\$
54	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.690		
			Above 25 upto & Including 30					1.867		
			Above 30 upto & Including 35					2.044		
			Above 35 upto & Including 40					2.221		
			Above 40 upto & Including 45					2.398		
			Above 45 upto & Including 50					2.575		
			Above 50 upto & Including 55					2.752		
			Above 55 upto & Including 60					2.929		
			Above 60 upto & Including 65					3.106		
			Above 65 upto & Including 70					3.283		
			Above 70 upto & Including 75					3.460		
			Above 75 upto & Including 80					3.637		
			Above 80 upto & Including 85					3.814		
			Above 85 upto & Including 90					3.991		
			Above 90 upto & Including 95					4.168		
			Above 95 upto & Including 100					4.344		

55	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Others (except Tasar) with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Chongqing Wintus (New Star) Trade Development Ltd</b>	As givebn below	Meter	US\$
56	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25					1.665		
			Above 25 upto & Including 30					1.837		
			Above 30 upto & Including 35					2.009		
			Above 35 upto & Including 40					2.181		
			Above 40 upto & Including 45					2.353		
			Above 45 upto & Including 50					2.525		
			Above 50 upto & Including 55					2.697		
			Above 55 upto & Including 60					2.869		
			Above 60 upto & Including 65					3.041		
			Above 65 upto & Including 70					3.213		
			Above 70 upto & Including 75					3.385		
			Above 75 upto & Including 80					3.557		
			Above 80 upto & Including 85					3.730		
			Above 85 upto & Including 90					3.901		
			Above 90 upto & Including 95					4.073		
			Above 95 upto & Including 100					4.245		

57	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Crepe with following weight ranges	China PR	Any Country	Any	M/s Guizhou Fortune Green products Import Exports Co. Ltd.	As givebn below	Meter	US\$
58	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.662			
			Above 25 upto & Including 30				1.833			
			Above 30 upto & Including 35				2.004			
			Above 35 upto & Including 40				2.175			
			Above 40 upto & Including 45				2.347			
			Above 45 upto & Including 50				2.518			
			Above 50 upto & Including 55				2.689			
			Above 55 upto & Including 60				2.718			
			Above 60 upto & Including 65				3.031			
			Above 65 upto & Including 70				3.203			
			Above 70 upto & Including 75				3.374			
			Above 75 upto & Including 80				3.545			
			Above 80 upto & Including 85				3.716			
			Above 85 upto & Including 90				3.887			
			Above 90 upto & Including 95				4.059			
			Above 95 upto & Including 100				4.230			

59	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Guizhou Fortune Green products Import Exports Co. Ltd.</b>	As givebn below	Meter	US\$
60	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.692			
			Above 25 upto & Including 30				1.882			
			Above 30 upto & Including 35				2.072			
			Above 35 upto & Including 40				2.262			
			Above 40 upto & Including 45				2.452			
			Above 45 upto & Including 50				2.642			
			Above 50 upto & Including 55				2.832			
			Above 55 upto & Including 60				3.022			
			Above 60 upto & Including 65				3.212			
			Above 65 upto & Including 70				3.401			
			Above 70 upto & Including 75				3.591			
			Above 75 upto & Including 80				3.781			
			Above 80 upto & Including 85				3.971			
			Above 85 upto & Including 90				4.160			
			Above 90 upto & Including 95				4.351			
			Above 95 upto & Including 100				4.526			

61	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Habutai with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Guizhou Fortune Green products Import Exports Co. Ltd.</b>	As givebn below	Meter	US\$
62	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.690			
			Above 25 upto & Including 30				1.867			
			Above 30 upto & Including 35				2.044			
			Above 35 upto & Including 40				2.081			
			Above 40 upto & Including 45				2.398			
			Above 45 upto & Including 50				2.575			
			Above 50 upto & Including 55				2.752			
			Above 55 upto & Including 60				2.929			
			Above 60 upto & Including 65				3.106			
			Above 65 upto & Including 70				3.283			
			Above 70 upto & Including 75				3.460			
			Above 75 upto & Including 80				3.637			
			Above 80 upto & Including 85				3.814			
			Above 85 upto & Including 90				3.991			
			Above 90 upto & Including 95				4.168			
			Above 95 upto & Including 100				4.344			

63	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Others (except Tasar) with following weight ranges</b>	China PR	Any Country	Any	<b>M/s Guizhou Fortune Green products Import Exports Co. Ltd.</b>	As givebn below	Meter	US\$
64	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.665			
			Above 25 upto & Including 30				1.837			
			Above 30 upto & Including 35				2.009			
			Above 35 upto & Including 40				2.181			
			Above 40 upto & Including 45				2.353			
			Above 45 upto & Including 50				2.525			
			Above 50 upto & Including 55				2.697			
			Above 55 upto & Including 60				2.869			
			Above 60 upto & Including 65				3.041			
			Above 65 upto & Including 70				3.213			
			Above 70 upto & Including 75				3.385			
			Above 75 upto & Including 80				3.557			
			Above 80 upto & Including 85				3.730			
			Above 85 upto & Including 90				3.901			
			Above 90 upto & Including 95				4.073			
			Above 95 upto & Including 100				4.245			

65	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Crepe with following weight ranges	China PR	Any Country	Any	Other than Above	As givebn below	Meter	US\$
66	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.662			
			Above 25 upto & Including 30				1.833			
			Above 30 upto & Including 35				2.004			
			Above 35 upto & Including 40				2.175			
			Above 40 upto & Including 45				2.347			
			Above 45 upto & Including 50				2.518			
			Above 50 upto & Including 55				2.689			
			Above 55 upto & Including 60				2.860			
			Above 60 upto & Including 65				3.031			
			Above 65 upto & Including 70				3.203			
			Above 70 upto & Including 75				3.374			
			Above 75 upto & Including 80				3.545			
			Above 80 upto & Including 85				3.716			
			Above 85 upto & Including 90				3.887			
			Above 90 upto & Including 95				4.059			
			Above 95 upto & Including 100				4.230			

67	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	<b>Georgette &amp; Chiffon with following weight ranges</b>	China PR	Any Country	Any	<b>Other than Above</b>	As givebn below	Meter	US\$
68	Do	Do	<b>Do</b>	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.692			
			Above 25 upto & Including 30				1.882			
			Above 30 upto & Including 35				2.072			
			Above 35 upto & Including 40				2.262			
			Above 40 upto & Including 45				2.452			
			Above 45 upto & Including 50				2.642			
			Above 50 upto & Including 55				2.832			
			Above 55 upto & Including 60				3.022			
			Above 60 upto & Including 65				3.212			
			Above 65 upto & Including 70				3.401			
			Above 70 upto & Including 75				3.591			
			Above 75 upto & Including 80				3.781			
			Above 80 upto & Including 85				3.971			
			Above 85 upto & Including 90				4.160			
			Above 90 upto & Including 95				4.351			
			Above 95 upto & Including 100				4.526			

69	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Habutai with following weight ranges	China PR	Any Country	Any	Other than Above	As givebn below	Meter	US\$
70	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.690			
			Above 25 upto & Including 30				1.867			
			Above 30 upto & Including 35				2.044			
			Above 35 upto & Including 40				2.221			
			Above 40 upto & Including 45				2.398			
			Above 45 upto & Including 50				2.575			
			Above 50 upto & Including 55				2.752			
			Above 55 upto & Including 60				2.929			
			Above 60 upto & Including 65				3.106			
			Above 65 upto & Including 70				3.283			
			Above 70 upto & Including 75				3.460			
			Above 75 upto & Including 80				3.637			
			Above 80 upto & Including 85				3.814			
			Above 85 upto & Including 90				3.991			
			Above 90 upto & Including 95				4.168			
			Above 95 upto & Including 100				4.344			

71	5007.1000 5007.20005007.20105007.20905007.9000	Silk Fabrics	Others (except Tasar) with following weight ranges	China PR	Any Country	Any	Other than Above	As givebn below	Meter	US\$
72	Do	Do	Do	Any	China PR	Any	Do	As givebn below	Meters	US\$
			Above 20 upto & Including 25				1.665			
			Above 25 upto & Including 30				1.837			
			Above 30 upto & Including 35				2.009			
			Above 35 upto & Including 40				2.181			
			Above 40 upto & Including 45				2.353			
			Above 45 upto & Including 50				2.525			
			Above 50 upto & Including 55				2.697			
			Above 55 upto & Including 60				2.869			
			Above 60 upto & Including 65				3.041			
			Above 65 upto & Including 70				3.213			
			Above 70 upto & Including 75				3.385			
			Above 75 upto & Including 80				3.557			
			Above 80 upto & Including 85				3.730			
			Above 85 upto & Including 90				3.901			
			Above 90 upto & Including 95				4.073			
			Above 95 upto & Including 100				4.245			
<p><b>Note:</b> All Weight Ranges are in Grammes per Meter List of Exporters as per Annexure II</p>										

		<b>Annexure II</b>
<b>List of Non-sampled exporters</b>		
<b>S.No.</b>	<b>Name of Non-sampled Exporters</b>	<b>Province</b>
1	Longchang Yinhua Silk Co.	Sichuan
2	Jiangsu Hongbao Group Im. & Ex Co. Ltd.	Jiangsu
3	Chongqing Boshan Silk Co. Ltd.	Chongqing
4	Anhui Silk Co. Ltd.	Anhui
5	Xinyuan Cocoon Silk Group Co. Ltd.	Jiangsu
6	Huzhou Sentong Silk Weaving Co. Ltd.	Zhejiang
7	Shanghai Silk Group Co. Ltd.	Shanghai
8	Zhejiang Mihuang Import & Export Co. Ltd.	Zhejiang
9	Deyang Bailong Lifeng Silk Fabric Co. Ltd.	Sichuan
10	Jiangsu Soho International Group Corp.	Jiangsu
11	Guangdong Silique International Group Gold Silk Co. Ltd.	Guangdong
12	Guangdong Silique International Group Wintex Corp. Ltd.	Guangdong
13	Chengdu Investment Imp. & Exp. Co. Ltd.	Sichuan
14	Chengdu Kilter Silk Trade Corporation Ltd.	Sichuan
15	Qindao Hirun Investment Group Co. Ltd.	Shandong
16	Zhejiang Jiaxing Silk Imp. & Exp. Co. Ltd.	Zhejiang
17	Sichuan New Rise (Langzhong) Silk Co. Ltd.	Sichuan
18	Sichuan New Rise Imp. & Exp. Co. Ltd.	Sichuan
19	Sichuan Yate Silk Import/Export Co. Ltd.	Sichuan
20	ChenFeng (Jiangsu) Clothing Co. Ltd.	Jiangsu