

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

**Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)**

Notification

Dated 12th November, 2015

Preliminary Findings

Subject: Anti-dumping investigation concerning imports of 'Purified Terephthalic Acid' (PTA), originating in or exported from China PR, Iran, Indonesia, Malaysia & Taiwan.

No.14/8/2015-DGAD: - Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the Act), and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, (hereinafter also referred to as the Rules) thereof;

Background of the case

2. Whereas M/s MCC PTA India Corp. Pvt. Ltd (MCPI), and M/s Reliance Industries Limited (RIL) (hereinafter also referred to as the applicants) jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as the Act), and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the Rules), for initiation of anti-dumping investigation concerning imports of Purified Terephthalic Acid (hereinafter also referred to as the subject goods or PTA), originating in or exported from China PR, Iran, Indonesia, Malaysia & Taiwan (hereinafter also referred to as the subject countries), alleging dumping and consequent injury and requested for levy of anti-dumping duties on the imports of the subject goods, originating in or exported from the subject countries. The application was supported by M/s Indian Oil Corporation Limited (IOCL), the other producer of the subject goods in the country.

3. And whereas, the Authority on the basis of sufficient evidence, submitted in the above stated application issued a public notice vide Notification No.14/8/2015-DGAD dated 18th June, 2015 published in the Gazette of India, Extraordinary, initiating the present investigation in accordance with the sub Rule 5 of the Rules, to determine the existence, degree and effect of the alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry. Although a joint application was filed by M/s MCC PTA India Corp. Pvt. Ltd (MCPI), and M/s Reliance Industries Limited (RIL), since M/s Reliance Industries Ltd has a subsidiary company in Malaysia which exported significant volume of subject goods to India during the POI, the Authority did not consider it appropriate to accept Reliance Industries Ltd as an eligible domestic industry in terms of Rule 2(b) of the Anti-dumping Rules. In the initiation notification, the Authority held that M/s MCC PTA India Corp. Pvt. Ltd (hereinafter also referred to as the applicant) constituted domestic industry within the meaning of Rule 2 (b) of the Anti-dumping Rules as eligible domestic industry and the application, after excluding M/s Reliance Industries Ltd, satisfied the criteria of standing in terms of Rule 5 (3) of the Rules supra.

A. PROCEDURE

4. The procedure described herein below has been followed by the Authority with regard to the subject investigation:
 - i. The Authority notified the embassies/representatives of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
 - ii. The Authority sent a copy of the initiation notification dated 18th June, 2015 to the embassies/representatives of the subject countries in India, known producers/exporters from the subject countries, known importers/users and the domestic industry as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification.
 - iii. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the embassies/representatives of the subject countries in India in accordance with Rule 6(3) of the Rules supra.
 - iv. The embassies/representatives of the subject countries in India were informed about the initiation of the investigation in accordance with Rule

6(2) of the Rules with a request to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject countries.

- v. The Authority sent exporter's questionnaires (EQ) to elicit relevant information to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the Rules:
 - a. BP Zhuhai Chemical Co. Ltd, China PR
 - b. Xianglu Petrochemicals Co., Ltd, China PR
 - c. Jiaxing Petrochemical Co., Ltd., China PR
 - d. Zhejiang Yisheng Petrochemical Co., Ltd., China PR
 - e. Zhejiang Yuandong Petrochemical, China PR
 - f. Yisheng Dahua Petrochemical Co., Ltd. , China PR
 - g. Hengli Petrochemical, China PR
 - h. Jinan Shijitongda Chemical Co., Ltd., China PR
 - i. Shahid Tondgooyan Petrochemical Company, Iran
 - j. Petrochemical Commercial Company(PCC), Iran
 - k. Malaysian Petrochemicals Association (MPA), Malaysia
 - l. Amoco Chemical, Malaysia
 - m. RP Chemicals (Malaysia) Sdn. Bhd, Malaysia
 - n. BP Taiwan Marketing Limited, Taiwan
 - o. China American Petrochemical Co., Ltd (CAPCO), Taiwan
 - p. Formosa BP Chemicals Corporation (FBPC), Taiwan
 - q. PT Amoco Mitsui PTA (AMI), Indonesia
 - r. PT Asia Pacific Fibers Tbk, Indonesia
 - s. PT Indorama Petrochemicals, Indonesia
- vi. The following producers/exporters from the subject countries filed exporters questionnaire response in the prescribed format:
 - a. Xianglu Petrochemicals Co. Ltd., China PR.
 - b. Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR.
 - c. BP Zhuhai Chemical Company Limited, China PR.
 - d. Yisheng Dahua Petrochemical Co., Ltd, China PR.
 - e. Zhejiang Yisheng Petrochemical Co., Ltd, China PR.
 - f. Hainan Yisheng Petrochemical Co., Ltd, China PR.
 - g. Ningbo Hengyi Trading Co., Ltd, China PR.
 - h. Hengli Petrochemical (Dalian) Co., Ltd., China PR.
 - i. Hongkong Tianyi International Holding Company Limited, Hongkong.
 - j. BP Asia Ltd, Hongkong.

- k. Oriental Petrochemicals (Taiwan) Co. Ltd, Taiwan.
 - l. Formosa Chemicals & Fibre Corporation, Taiwan.
 - m. Methyl Company Limited, Taiwan.
 - n. Itochu Taiwan Corporation, Taiwan (Sourced from Sourced from Oriental Petrochemical Taiwan Co Ltd, Taiwan).
 - o. China American Petrochemical Co., Ltd (CAPCO), Taiwan.
 - p. Dinowic Pte. Ltd., Singapore (Sourced from Formosa Chemicals & Fibre Corporation, Taiwan) .
 - q. Mitsui & CO., Ltd, Japan (Sourced from Oriental Petrochemical Taiwan Co Ltd, Taiwan).
 - r. Daewoo International Corporation, Korea.
 - s. SK Networks Co. Ltd., Korea (Sourced from Oriental Petrochemical Taiwan Co Ltd, Taiwan.)
 - t. Hyosung Corporation, Korea.
 - u. SK Networks Co. Ltd., Korea (Sourced from Zhejiang Yisheng Petrochemical Co., Ltd, Yisheng Dahua Petrochemical Co., Ltd and Hainan Yisheng Petrochemical Co., Ltd China PR)
 - v. PT. BP Petrochemicals, Indonesia.
 - w. Recron (Malaysia) Sdn. Bhd, Malaysia.
- vii. The following producers/exporters from China PR filed Market Economy Treatment (MET) questionnaire response and claimed MET :
- a. Zhejiang Yisheng Petrochemical Co. Ltd.
 - b. Ningbo Hengyi Trading Co. Ltd.
 - c. Yisheng Dahua Petrochemical Co. Ltd.
 - d. Hainan Yeshing Petrochemical Co. Ltd.
- viii. The Authority sent Importer's Questionnaires to the following known importers/users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules:
- a. Wellknown Polyster Ltd., Mumbai
 - b. JBF Industries Ltd., Mumbai
 - c. Alok Industries Ltd., Mumbai
 - d. Indo Rama Synthetics (India) Ltd., Gurgaon, Haryana
 - e. The Bombay Dyeing & Mfg. Company Ltd., Mumbai
 - f. Dhunseri Petrochem & Tea Ltd., Kolkata
 - g. Garden Silk Mills Ltd., Mumbai
 - h. Filatex India Ltd., New Delhi
 - i. Jindal Poly Films Ltd., New Delhi
 - j. Nakoda Ltd., Mumbai
 - k. Sumeet Industries Ltd., Surat
 - l. Association of Synthetic Fiber Industry (ASFI), New Delhi.
 - m. PTA Users Association of India, New Delhi.

- n. Easter Industries Ltd, Gurgaon, Haryana
 - o. Polyplex Corpn Ltd, G. B. Nagar, UP
- ix. The following importers/users filed importer's questionnaire response in the prescribed format:
- a. The Bombay Dyeing & Manufacturing Co. Ltd.
 - b. JBF Industries Ltd.
 - c. Indo-Rama Synthetics (India) Ltd.
 - d. Filatex India Ltd.
- x. Post-initiation, submissions have also been made by the domestic industry and other interested parties namely PTA Users Association on behalf of importers/users.
- xi. 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.
- xii. The petitioner had submitted the petition alleging dumping of the subject goods from the subject countries relying upon transaction wise imports data sourced from the DGCI&S and IBIS. The petitioner has relied upon import data provided by DGCI&S till February 2015 and IBIS for March 2015 due to unavailability of DGCI&S data beyond February 2015 at the time of filing the petition. The Authority has relied upon the said imports data provided by the petitioner for the purpose initiation of the present investigation.
- xiii. Post initiation, request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide details of imports of subject goods for the past three years, including the period of investigation. The Authority has relied upon DGCI&S data in the preliminary findings.
- xiv. The Non-injurious Price based on the cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-dumping Rules has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- xv. Information provided by the domestic industry was verified by the Authority to the extent considered necessary. Only such verified

information with necessary rectification, wherever applicable, has been relied upon for the purpose of present disclosure statement.

- xvi. The Period of Investigation for the purpose of the present investigation is from 1st April 2014 to 31st March 2015 (12 Months). The injury investigation period has however, been considered as the period from 1st April 2011 to the end of the POI, i.e., 2011-12, 2012-13, 2013-14 and POI.
- xvii. The submissions made by the domestic industry and other interested parties during the course of the investigation and considered relevant have been examined and addressed by the Authority in this preliminary findings.
- xviii. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority considered such interested parties as non-cooperative and recorded these disclosures on the basis of the facts available.
- xix. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis and the same were kept in the public file maintained by the Authority as per the Rules.
- xx. *** in this notification represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxi. The exchange rate adopted by the Authority for the subject investigation is 1 US \$ = Rs 61.69.

B. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

- 5. The Product under Consideration (PUC) in the present investigation is Purified Terephthalic Acid (PTA), including its variants - Medium Quality Terephthalic Acid (MTA) and Qualified Terephthalic Acid (QTA). Purified Terephthalic Acid (PTA) is a white, free flowing crystalline powder, free from any visual contamination. Terephthalic Acid is an organic compound whose chemical formula is $C_6H_4(COOH)_2$. It sublimates at 402°C and is poorly soluble in water

and alcohol. PTA is the primary raw material for the manufacturing of polyester chips which in turn is used in a number of applications in textiles, packaging, furnishings, consumer goods, resins and coatings. Since QTA, MTA and PTA are chemically the same product and further since they are interchangeably used, the scope of the product under consideration covers QTA and MTA as well. As claimed by the applicants and not disputed by interested parties, Di-Methyl Terephthalate (DMT) is chemically a different product and therefore not covered in the scope of the product under consideration. The product under consideration is classified under subheading 29173600 of the Customs Tariff Act. However, the customs classification is indicative only and in no way it is binding on the scope of the present investigation.

Submissions made by the Domestic industry

6. The submissions made by the domestic industry and considered relevant by the Authority with regard to product under consideration and like articles are as follows:
 - i) The product under consideration in the present petition is Purified Terephthalic Acid, including its variants Medium Quality Terephthalic Acid (MTA) and Qualified Terephthalic Acid (QTA).
 - ii) PTA is a white, free-flowing crystalline powder free from any visual contamination. Terephthalic acid is an organic compound whose chemical formula is $C_6H_4(COOH)_2$. It sublimates at $402^\circ C$ and is poorly soluble in water and alcohols.
 - iii) It is classified under subheading 29173600 of the Customs Tariff Act.
 - iv) PTA is a primary raw material in the manufacture of polyester chips which in turn has number of applications in textiles, packaging, furnishings, consumer goods, resins and coatings.
 - v) MTA and QTA are chemically the same as PTA. The only difference between PTA, MTA and QTA is in the level of impurities present in the QTA and MTA. PTA, MTA & QTA are produced using the same production technology, plant & equipment, manufacturing process, raw materials. The three perform the same function. These fall under same customs classifications. In fact, producer such as SK Chemical produces MTA, but literature states PTA.
 - vi) Although PTA and Di-Methyl Terephthalate (DMT) are interchangeably used in some applications, DMT is a chemically different product than PTA. The production technology, manufacturing process, plant & equipment, raw

materials, technical specifications of DMT and PTA are different. DMT cannot replace/substitute PTA in all the applications.

- vii) There is no production of DMT in India, nor there import of DMT in India.
- viii) The product scope does not cover DMT, there being no imports into India and no production in India.
- ix) Since QTA, MTA and PTA are chemically the same product and further since they are interchangeably used, the scope of the product under consideration covers QTA and MTA as well.
- x) The subject goods produced by the domestic industry and that imported from subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. The consumers importing the product under consideration have also purchased the same from the domestic industry. Therefore, the subject goods produced and supplied by the applicant are like article to the product under consideration imported from subject countries.

Submissions made by Exporters, Importers, Users and other Interested Parties

- 7. No relevant submission has been made by the exporters, importers, users and other interested parties with regard to product under consideration and like article.

Examination of the Authority

- 8. The submissions made by the interested parties with regard to the scope of product under consideration and considered relevant by the Authority are examined and addressed as follows:
 - i. The product under consideration in the present investigation, as defined by the Authority in the initiation notification is Purified Terephthalic Acid (PTA), including its variants - Medium Quality Terephthalic Acid (MTA) and Qualified Terephthalic Acid (QTA). The PUC is a white, free flowing crystalline powder, free from any visual contamination. Terephthalic Acid is an organic compound whose chemical formula is $C_6H_4(COOH)_2$. It sublimes at $402^{\circ}C$ and is poorly soluble in water and alcohol. PTA is primary raw material in the manufacture of polyester chips which in turn is used in a number of applications in textile, packaging, furnishings, consumer goods, resins and coatings. Since QTA, MTA and PTA are chemically the same product and further since they are interchangeably

used, the scope of the product under consideration covers QTA and MTA as well. The product under consideration is classified under subheading 29173600 of the Customs Tariff Act. However, the customs classification is indicative only and in no way it is binding on the scope of the present investigation.

- ii. Di-Methyl Terephthalate (DMT) is chemically a different product and therefore not covered in the scope of the product under consideration.
- iii. With regard to like article, Rule 2(d) of the AD Rules provides as under: -

"like article" means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;

- iv. The Authority notes that the subject goods produced by the domestic industry and that imported from subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. The consumers importing the product under consideration have also purchased the same from the domestic industry. In view of the same, the subject goods produced by the domestic industry are being treated as domestic like article to the product under consideration imported from subject countries in terms of the Rules.

C. SCOPE OF DOMESTIC INDUSTRY & STANDING

Submissions made by Exporters, Importers, Users and other Interested Parties

- 9. The submissions made by the producers/exporters/importers/other interested parties during the course of the investigation with regard to scope of domestic industry & standing and considered relevant by the Authority are as follows:
 - i. The authority's decision to exclude Reliance from the purview of domestic industry, due to exports of product under consideration to India, by their subsidiary company in Malaysia, one of the subject countries, is incorrect and arbitrary. In the present investigation, investigation is also to be conducted against imports of the subject goods from other subject countries i.e. China PR, Iran, Indonesia and Taiwan and not alone from Malaysia. RIL has not imported the subject goods from any of other subject countries.

- ii. The DA has not conducted examination to show that RIL turned into a trader or behaved otherwise which requires its exclusion. An arbitrary decision to exclude or include a domestic producer within the scope of the Domestic Industry is illegal.
- iii. The disqualification, if applicable should be respect of Malaysia only. RIL may be included for the determination of injury and causal link in respect of imports from countries other than Malaysia.
- iv. If the investigation is terminated against Malaysia, then whether RIL will be included within the scope of the Domestic Industry and the interested parties will get an opportunity to make submission based.
- v. RIL is operating at more than 100% capacity whereas MCPL is operating at a capacity of 76% due to its inherent faulty technology. IOCL is also operating at its full capacity. Losses to MCPL are not due to imports but for reasons of faulty technology and other operational inefficiencies of MCPL.
- vi. Mere support without data by IOCL indicates that import has not affected IOCL.

Submissions made by the Domestic industry

10. The submissions made by the domestic industry during the course of the investigation with regard to scope of domestic industry & standing and considered relevant by the Authority are as follows:
- i. The domestic industry is not determined country wise. The law states that the injury to the domestic industry has to be determined cumulatively which means the domestic industry has to be determined with respect to product under consideration from subject countries as a whole. There cannot be domestic industry separately for separate subject countries.
 - ii. Parties contending that RIL is eligible domestic industry for countries other than Malaysia, had contended in the previous investigation that MCPI should be treated ineligible because of alleged relationship with Korean producer and never contended that this ineligibility should be qua Korea only
 - iii. The Petitioners provided detailed injury parameters in its petition based on (a) both RIL and MCPL and (b) for only MCPL. Both the statement shows injury being suffered by the domestic industry.

- iv. The domestic industry has not claimed volume injury. The domestic industry has claimed adverse price effect of dumping on the domestic industry.
- v. Profits, cash flow and return on investment for the new plant of the MCPI will show deterioration even if the new plant is normatted (had the plant produced at the level at which the old plant has produced).
- vi. A decision to include or exclude a company cannot be taken on the basis of whether it benefits one party or goes against other party. It has to be an unbiased decision. Assuming though not accepting, even if the injury margin determined only for MCPI is higher, that does not entitle the Designated Authority to include RIL when it has been determined as ineligible domestic industry.
- vii. The domestic industry has established that the imports from Malaysia are above de minimus and are at dumped prices. It is presumptive on the part of the interested parties that the investigations shall be terminated
- viii. Normal value has been determined by the domestic industry as per the prescribed law and practice
- ix. IOCL support is relevant with regard to standing of the petition. Petitioners have not contented injury on the basis of data relating to IOCL.

Examination of the Authority

11. The submissions made by the producers/exporters/importers/other interested parties with regard to the scope of domestic industry & standing and considered relevant by the Authority are examined as below:

- i) The application in the present investigation was filed jointly by MCC PTA India Corp. Pvt. Ltd and Reliance Industries Limited on behalf of the domestic industry. Apart from the above domestic producers there is one more producer of PTA in India, namely Indian Oil Corporation Limited (IOCL), which supported the application. M/s MCC PTA India Corp. Private Limited furnished a declaration stating that they have not imported the PUC from the subject countries. They further declared that they are not related either to any exporter or producer of the PUC in the subject countries or any importer of the PUC in India. However, the co-applicant i.e. Reliance Industries Ltd furnished a declaration stating that they have imported insignificant volume of subject goods from Malaysia through an unrelated Malaysian trader under Advance Authorization Scheme. They further declared that they have an associate company in Malaysia as the sole producer of the subject goods in

Malaysia and also a subsidiary company in Malaysia who exported the subject goods to India during the POI.

ii) Rule 2(b) of Anti-dumping Rules provides as follows

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

- iii) On the basis of examination of the information and declaration furnished by the applicants, the Authority noted in the initiation notification that M/s Reliance Industries Ltd has a subsidiary company in Malaysia which has exported significant volume of subject goods to India during the POI. In view of the said position, the Authority did not consider it appropriate to accept Reliance Industries Ltd as an eligible domestic industry in terms of Rule 2(b) of the Rules.
- iv) The Authority therefore holds that M/s MCC PTA India Corp. Pvt. Ltd, which constituted applicant in the present investigation and whose data was considered by the authority prima facie for initiating this investigation, accounts for a major proportion of the total domestic production of the subject goods during the POI and constitutes domestic industry within the meaning of Rule 2 (b) of the Anti-dumping Rules and the application, after excluding M/s Reliance Industries Ltd, satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.
- v) The contention of certain opposite interested parties that authority should conduct injury analysis by including RIL for the subject countries other than Malaysia is not acceptable as per Rules. When more than one country is involved in an anti-dumping investigation and dumped imports are alleged to be responsible for causing injury to the domestic industry, injury analysis will be done in a cumulative manner. Any domestic producer which is declared ineligible for being treated as domestic industry as per the Rules cannot be treated as a domestic industry in respect of certain subject countries for only injury analysis. The law states that the injury to the domestic industry has to be determined cumulatively which means the domestic industry has to be determined with respect to product under consideration from subject countries as a whole. There cannot be domestic industry separately for separate

subject countries. As per the laid down Rules, injury on account of dumping of the subject goods from the subject countries is to be determined in respect of domestic industry only. In the present case, RIL has been disqualified as an eligible domestic industry.

- vi) As regards the contention that authority has not conducted a proper examination to exclude RIL from the purview of domestic industry, it is noted that the reasons for exclusion of RIL from the purview of domestic industry has been well explained in the initiation notification. Reliance Industries Ltd was excluded from the purview of domestic industry on account of having a related entity in Malaysia, which is not only the sole producer of the product under consideration in the said country, but has also exported significant volume of product under consideration to India during the POI. Therefore, inclusion of RIL for the purpose of determination of injury and causal link in respect of imports from subject countries excluding Malaysia, as requested by the opposite interested parties, may not be appropriate under the law.
- vii) M/s MCC PTA India Corp. Pvt. Ltd is the only eligible domestic producer which constitutes domestic industry within the meaning of Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

D. CONFIDENTIALITY

Submissions made by Exporters, Importers, Users and other Interested Parties

12. The following are the submissions made by the exporters, importers, users and other interested parties regarding confidentiality during the course of the investigation and considered relevant by the Authority:
- i. The petitioners have claimed excessive confidentiality for methodology and calculation of normal value.
 - ii. The authority must evaluate the claim of confidentiality and not designate information as confidential without a proper examination.

Submissions made by the Domestic industry

13. The submissions made by the domestic industry with regard to confidentiality during the course of the investigation and considered relevant by the Authority are as follows:
- i. The petitioner has claimed only such information as confidential, confidentiality of which has been permitted under the rules and as per consistent practice of the Authority.

- ii. No interested party has been able to point out any specific instance of information which has been claimed confidential and confidentiality of which is not justified under the rules.
- iii. The petitioner has only claimed those information as confidential, which are business sensitive information and otherwise not available in the public domain.
- iv. The petitioner has provided sufficient non confidential summaries to the information provided except for those which are not susceptible to summarization unlike the responding interested parties who have resorted to excessive confidential information.

EXAMINATION BY THE AUTHORITY

14. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provides as follows:-

Confidential information: (1) Notwithstanding anything contained in sub-rules and (7) of rule 6, sub-rule(2),(3)(2) of rule 12, sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.

15. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not

disclosed to other interested parties. Wherever possible, parties providing information on confidential basis was directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences submitted by various interested parties in the form of public file. The Authority notes that any information which is available in the public domain cannot be treated as confidential.

E. MISCELLANEOUS SUBMISSIONS

Submissions made by Exporters, Importers, Users and other Interested Parties

16. The miscellaneous submissions by the producers/exporters/importers/other interested parties and considered relevant by the Authority are as follows:
- i. The petition is misleading and the data provided by the Applicant Domestic Producers is not reliable. The Applicant Domestic Producers have provided different data at different places in the petition relating to the profits, cash flow, and Return on Capital, etc. Authority should have examined the accuracy and adequacy of the evidence provided in the application as to whether there is sufficient evidence to justify the initiation of an investigation.
 - ii. The Designated Authority has wrongly acquired the jurisdiction to conduct the investigation because the petition filed by the Domestic Producers does not meet the requirement of law.
 - iii. Petitioners have provided the import data for DGCIS till February 2015 and IBIS data for March 2015. There is no consistency in the data provided by the petitioner. Neither the petitioner nor the authority has made available the DGCI&S transaction-wise import data.
 - iv. The application did not contain any evidence and the Authority could not have satisfied itself as to the sufficiency of such evidence. There is no proof of dumping of the subject goods from the countries under investigation furnished with the Application.
 - v. There is no justification for imposition of retrospective anti-dumping duty.

Submissions made by the Domestic industry

17. The miscellaneous submissions made by the domestic industry during the course of the investigation and considered relevant by the Authority are as follows:

- i. The Designated Authority has satisfied himself on the accuracy and adequacy of information on the basis of the confidential data of the domestic industry. The decision of the Designated Authority for initiation of the investigation is based on the confidential data. Any indexation error cannot be the basis of termination of investigation.
- ii. The petitioners have provided all the relevant information sufficient for initiation or determination in the present investigation.
- iii. Efforts were made to get evidence of price of product concerned in the domestic market of subject countries. There is sufficient reason to consider that the producers in these countries could not have been selling the product under consideration at prices above cost of production, or domestic prices are significantly higher. It is thus, evident that the selling price in the domestic market of the exporting countries may not be in the ordinary course of trade during this period.
- iv. As regards evidence regarding raw material cost, the petitioners have provided the details in the non confidential version of the petition. As regards adjustments on export price, the same is third party information and petitioner is not obliged to provide the same.
- v. There is indexation error in as much as positive figures have been reported as negative figures at one place when the same have been correctly reported at other place. The Designated Authority has satisfied himself on the accuracy and adequacy of information on the basis of the confidential data of the domestic industry. The decision of the Designated Authority for initiation the investigation is based on the confidential data. Any indexation error cannot be the basis of termination of investigation
- vi. The petitioner has provided information pertaining to the previous period. The reports clearly show that the Purified Terephthalic Acid producers are suffering financial losses. The performance of the domestic industry in the POI clearly establishes that domestic industry is unable to increase its prices to the level of costs due to PTA –PX delta. Further none of the interested parties have established that the performance of the PTA producers globally has improved after 2013.

- vii. The petitioners have considered information published by the Directorate General of Commercial Intelligence & Statistics (DGCI&S) upto February 2015 and IBIS for March 2015 for the reason that DGCI&S data was not available for the period March 2015 at the time of filing of the petition. There is no reason why this should be considered inappropriate. However, the transaction-wise DGCIS imports data has been furnished to the authority vide letter dated 16.10.2015 for making available in public file without prejudice to the contention that such transaction wise data is not required to be made available to the interested parties.
- viii. Section 9 A (3) is with reference to history of dumping of the product and not dumping from a country. The previous investigation has established that there is a history of dumping of the product and the claim of the domestic industry for retrospective duty is valid and legal. Further, the importer was, and should have been aware that the exporters are practicing dumping.

EXAMINATION BY THE AUTHORITY

18. The present investigation has been initiated on the basis of prima facie analysis of the information/data furnished by the applicant showing dumping of subject goods from the subject countries, injury to the applicant on account of the said dumping and causal link between the two. The contention of the opposing interested parties that the initiation of investigation is bad in law due to misleading data furnished by the applicant and improper evaluation of data by the Authority is without any basis as the Authority has prima facie satisfied itself about the accuracy and adequacy of information on the basis of information furnished by the petitioner.
19. Regarding the submission of opposite parties that the transaction-wise DGCIS imports data should be made available, the Authority notes that the transaction-wise DGCIS imports data contains business sensitive confidential information and therefore the said data cannot be divulged. However the domestic industry vide letter dated 16.10.2015 has submitted the non-confidential version of the said data and the same has been placed in public file.
20. As regards the request for retrospective imposition of anti-dumping duty, Section 9A(3) of Customs Tariff Act provides as follows:

If the Central Government, in respect of the dumped article under inquiry, is of the opinion that -

(i) there is a history of dumping which caused injury or that the importer was, or should have been, aware that the exporter practices dumping and that such dumping would cause injury; and

(ii) the injury is caused by massive dumping of an article imported in a relatively short time which in the light of the timing and the volume of imported article dumped and other circumstances is likely to seriously undermine the remedial effect of the anti-dumping duty liable to be levied,

the Central Government may, by notification in the Official Gazette, levy anti-dumping duty retrospectively from a date prior to the date of imposition of anti-dumping duty under sub-section (2) but not beyond ninety days from the date of notification under that sub-section, and notwithstanding anything contained in any law for the time being in force, such duty shall be payable at such rate and from such date as may be specified in the notification.

21. The Authority would examine the matter concerning retrospective imposition of anti-dumping duty at the stage of final finding.

F. MARKET ECONOMY TREATMENT (MET), NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

Submissions made by Exporters, Importers, Users and other Interested Parties

22. Various submissions made by the interested parties with regard to MET, Normal value, export price and dumping margin and considered relevant by the Authority are examined and addressed as follows:

- i. The Domestic producers have not provided evidence regarding the prices prevailing in a market economy third country or the reasons for impossibility to provide the said information. The Domestic producers instead of adducing any evidence in respect of prices in the domestic market just stated that they are unable to get price in the domestic markets of those countries.
- ii. The Domestic producers have not provided information about the value of domestic production of the like product accounted for by domestic producers. The Application has provided the Normal Value based on assumed cost of production. Such an attempt is clearly inconsistent with the requirement of the law.
- iii. The Petitioners have provided monthly details of country wise imports. It is difficult to understand how they have calculated the Ocean freight,

Marine insurance, VAT loss, Inland Transportation, Sales commission, and Bank charges to arrive at Export Price.

- iv. An attempt has been made to compare prices on monthly basis by ignoring the fact of time lag in delivery of the goods by exporters. It is an admitted fact that prices are negotiated based on international price and time lag in delivery will further affect the comparison in prices by such fashion.

Submissions made by the Domestic industry

23. Submissions made by the domestic industry with regard to MET, Normal value, export price and dumping margin during the course of the investigation and considered relevant by the Authority are as follows:

- i. Efforts were made to get evidence of price of product concerned in the domestic market of subject countries. There is sufficient reason to consider that the producers in these countries could not have been selling the product under consideration at prices above cost of production, or domestic prices are significantly higher. It is thus, evident that the selling price in the domestic market of the exporting countries may not be in the ordinary course of trade during this period.
- ii. The prices prevailing in the domestic market of the exporting countries are not in the ordinary course of trade for the reason that the said price does not permit recovery of cost of production in the domestic market. Faced with high PX prices, low product prices, and additional capacities being brought on line in China and other countries in the region, PTA producers in the region are running into significant financial losses.
- iii. Considering the conversion cost from Paraxylene to PTA at the least at US\$ 140-150 per MT for these foreign producers and further considering the PTA and Paraxylene prices prevailing during the period of investigation, the exporters could not have recovered their cost of production while exporting to India. Thus, if selling prices in the domestic market are comparable or lower than export price to India, it follows that the exporters are suffering financial losses.
- iv. None of the Chinese producers can satisfy market economy status. None of the WTO Member countries have granted market economy status to Chinese producers on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub paragraph 8(3). China is a non-market economy. No country has granted market

economy country status to China after following detailed evaluation procedure and examination.

- v. Unless the responding Chinese exporters conform to the standards laid down under the Rules, the Designated Authority is required to determine normal value in accordance with Para 7 of Annexure-I to the Rules.
- vi. Market economy status cannot be given in a situation where one of the major shareholders is a State owned/controlled entity – The Designated Authority and the EC has consistently held that possibilities of State interference cannot be ruled out in such cases. It is being held that it is not only the question of past interferences alone, but also possibilities of potential State interference in the future after the imposition of anti dumping duties that is relevant to market economy treatment. Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs “substantially reflect market values”.
- vii. Market economy status cannot be given unless the responding exporter establishes that their books are audited in line with international accounting standards.
- viii. Market economy status cannot be granted even if one of the parameters is not satisfied – market economy status cannot be granted unless the responding Chinese exporters pass the test in respect of each and every parameter laid down under the rules. This situation is just the opposite of the test required for material injury. It is well acknowledged position that a positive finding of injury can be recorded even if one single parameter established injury. Thus, while one parameter is sufficient to establish existence of injury, failure to pass one single parameter is sufficient to reject the claim of market economy status.
- ix. VAT adjustment has been done for export price and not normal value. It seems the interested parties while arguing that if costs are rejected then export price should also be rejected. The argument of the interested parties tantamount to stating that the individual dumping margin should not be determined for the responding exporters
- x. The Marine insurance, VAT loss, Inland Transportation, Sales commission, and Bank charges to arrive at Export Price has been calculated on the basis of market intelligence. However the petitioner has provided evidence of Ocean Freight. The amounts of expenses on these accounts have been deducted from the CIF import price.

Examination of the Authority

24. As regards the contention that petitioner has not provided evidence regarding the prices prevailing in a market economy third country, the Authority notes that it has been amply clarified by the petitioner that despite their best efforts they could not gather the said information. They further submitted that there is sufficient reason to consider that the producers in these countries could not have been selling the product under consideration at prices above cost of production, or domestic prices are significantly higher resultantly may not be in the ordinary course of trade during this period. However, it is not mandate of the authority to scout for information; the opposing parties can also make this information available.
25. In the present investigation, due to wide fluctuation of raw material prices, the Authority considers it appropriate to make month wise analysis.
26. The Authority notes that in the past three years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters in terms of the Rules.
27. As per Paragraph 8 of Annexure I of the Anti-dumping Rules, the presumption of a non-market economy can be rebutted, if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) of Paragraph 8 and establish the facts to the contrary. The responding exporters/producers of the subject goods from People's Republic of China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Authority to consider the following criteria as to whether:
- a. the decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
 - b. the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy, system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;

- c. such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and
 - d. the exchange rate conversions are carried out at the market rate.
- 28. The Authority notes that the following Chinese producers/exporters have filed only exporters questionnaire response and have not rebutted the non-market economy presumption:
 - a. Xianglu Petrochemicals Co. Ltd., China PR.
 - b. Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR.
 - c. BP Zhuhai Chemical Company Limited, China PR.
 - d. Hengli Petrochemical (Dalian) Co., Ltd., China PR.
- 29. The Authority notes that consequent upon issue of the initiation notification, the following Chinese producers/exporters submitted the exporters questionnaire response along with market economy questionnaire responses and sought to rebut the non-market economy presumption, which are examined as below:
 - a. Hainan Yisheng Petrochemical Co. Ltd.
 - b. Zhejiang Yisheng Petrochemical Co. Ltd.
 - c. Ningbo Hengyi Trading Co. Ltd.
 - d. Yisheng Dahua Petrochemical Co. Ltd.
- 30. As per the information available, the Authority notes that all the above stated respondent companies are related to each other and are involved in the subject goods. While Zhejiang Yisheng Petrochemical Co. Ltd, Hainan Yisheng Petrochemical Co. Ltd and Yisheng Dahua Petrochemical Co. Ltd., are producers/exporters of PTA, Ningbo Hengyi Trading Co. Ltd is a trading company. Zhejiang Yisheng is a subsidiary of Zhejiang Hengyi, which is wholly owned by Hengyi Petrochemical Co., Ltd, which is state-owned company. Mr. Qiu Jianlin is the ultimate owner and actual controller of the stated companies. As per the auditor's report furnished by the Company, Zhejiang Yisheng Petrochemical Co., Ltd. was set up in 2003 as a Chinese-foreign joint venture funded by Zhejiang Hengyi Group Co., Ltd. China PR, Rongsheng Chemical Fiber Group Co., Ltd. China PR, and Hong Kong Development Investment Co., Ltd. as per the approval of Ningbo Municipal People's Government. It has been stated that the ultimate parent company of the entire group is Zhejiang Hengyi Group Co., Ltd.
- 31. The Authority notes that the companies have gone through several ownership changes over the years, the details of which have not been furnished by the

respondent companies. Further, the ultimate parent company of the entire group is stated to be Zhejiang Hengyi Group Co., Ltd, which has not filed MET response. As per the web based information, the Authority notes that Zhejiang Hengyi Group Co. Ltd was founded on October 18, 1994. Hengyi's core businesses are PTA (Purified Terephthalic Acid) manufacturing, polyester spinning and chemical fiber elasticizing. Further, Zhejiang Rongsheng Holding Group, which is also a share holder, was established in 1989 and is involved in the subject goods through its subsidiaries, has over 10 subsidiaries, including PTA production bases in Ningbo, Dalian and Hainan. Further, as per the web based information, Yisheng Dahua Petrochemical Co. Ltd, one of the related respondent group companies in the present investigation was set up by Hengyi Group, Rongsheng Group and the State owned enterprise Dahua Group.

32. The Authority has taken cognizance of the information provided by the respondent Chinese companies who have filed MET response with which they sought to rebut the presumptions as mentioned in para 8 of Annexure 1 of the Anti-dumping Rules and Non Market Economy questionnaire sent to them regarding grant of market economy status to their company. However, the responding companies have failed to provide sufficient evidence to establish their market economy claim. Pending examination of the issues regarding ownership and control, its impact on the cost and prices and business decisions of the company, transformation of ownership from time to time, evaluation of assets, land use rights, the Authority is of the view that all these Chinese companies cannot be granted market economy status for the preliminary determination of its Normal Value. The Authority further notes that the responding companies have not provided sufficient details in their response in respect of their Holding/group companies and other relevant information to establish their market economy claim. In view of the above position, the Authority does not grant market economy treatment to the above stated respondent Chinese companies for the purpose of preliminary findings pending verification.

33. In the earlier investigation also, consequent upon issue of the initiation notification, the above stated Chinese companies had sought to rebut the non-market economy presumption. In the preliminary finding issued by the Authority vide No. No.14/7/2013-DGAD dated 19th June, 2014, the Authority had made similar observations and did not grant MET status to the above stated Chinese Companies.

G. Determination of Normal Value

G.1. Determination of Normal Value for producers and exporters in China PR

34. The Authority notes that none of the producers/exporters from China PR have been found to be operating under market economy condition for determination of normal value in China in terms of Para-6 of Annexure-1 to the Rules. Under the circumstances, the Authority is not in a position to apply Para 8 of Annexure 1 to the Rules to the above named Chinese companies and the Authority has to proceed in accordance with Para 7 of Annexure - I to the Rules.

35. Paragraph-7 of the Annexure-1 to the Anti-dumping Rules provides as follows:

“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”.

36. According to these Rules, the normal value in China PR can be determined on any of the following basis:

- a) On the basis of the price in a market economy third country, or
- b) The constructed value in a market economy third country, or
- c) The price from such a third country to other countries, including India.
- d) If the normal value cannot be determined on the basis of the alternatives mentioned above, the Designated Authority may determine the normal value on any other reasonable basis including the price actually paid or payable in India for the like product duly adjusted to include reasonable profit margin.

37. The Authority notes that for determination of normal value based on third country cost and prices, the complete and exhaustive data on domestic sales or third country export sales, as well as cost of production and cooperation of such producers in third country is required. No such information with regard to prices and costs prevalent in these markets have been provided either by the applicant or by the responding exporters, nor any publicly available information could be accessed, nor the responding Chinese companies have made any claim with regard to an appropriate market economy third country at this stage. Pending further examination of the issues, for the purpose of preliminary determination,

the Authority proceeds to construct the normal value based on any other reasonable basis.

38. The Authority proceeds to provisionally determine the Normal value for China PR on available facts basis in terms of second proviso of Para 7 of Annexure 1 to the Anti-dumping Rules. Accordingly, the ex-works Normal Value of the product under consideration has been determined based on constructed costs of production, duly adjusted to include selling, general & administrative costs and profits. The normal value so determined provisionally is US\$^{***}/MT.

G.2. Determination of Normal Value for producers and exporters in Iran, Indonesia, Malaysia & Taiwan

39. Under section 9A (1) (c), the normal value in relation to an article means:

(i) The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or

(ii) When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:

(a) Comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or

(b) The cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section(6):

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of exporter there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

Taiwan

40. The Authority notes that consequent upon issue of the initiation notification, the following producers/exporters from Taiwan have filed exporters questionnaire response:

- a. Oriental Petrochemicals (Taiwan) Co. Ltd (OPTC), Taiwan (Producer).
- b. Formosa Chemicals & Fibre Corporation (FCFC), Taiwan (Producer).
- c. China American Petrochemical Co., Ltd (CAPCO), Taiwan (Producer)
- d. Methyl Company Limited, Taiwan (Sourced from Oriental Petrochemical Taiwan Co Ltd, Taiwan).
- e. Itochu Taiwan Corporation, Taiwan (Sourced from Oriental Petrochemical Taiwan Co Ltd, Taiwan).
- f. Dinowic Pte. Ltd., Singapore (Sourced from Formosa Chemicals & Fibre Corporation, Taiwan) .
- g. Mitsui & CO., Ltd, Japan (Sourced from Oriental Petrochemical Taiwan Co Ltd, Taiwan).
- h. SK Networks Co. Ltd., Korea (Sourced from Oriental Petrochemical Taiwan Co Ltd, Taiwan.)

Normal value of co-operating exporters

Normal Value of Oriental Petrochemical (Taiwan) Co Ltd.

41. From the EQ response, the Authority notes that Oriental Petrochemicals (Taiwan) Co. Ltd (OPTC), Taiwan is a producer of subject goods from Taiwan. As stated in the EQ response, during the POI, in the domestic market of Taiwan, OPTC has sold the subject goods through two channels i.e. (a) directly to end-users in the home market which purchase the product concerned for producing downstream products and (b) traders which purchased the product concerned for resale to end-users.

42. As regards exports to India, as stated in the EQ response, during the POI, OPTC has only one channel of export i.e. through traders. While the product concerned has been shipped by OPTC directly to India, the commercial invoicing has been done through the trading companies as mentioned below :

Sl. No	Name of the Trader	Volume of Export (MT)	Remarks
1	***, Taiwan	***	Exported *** MT directly, *** MT through *** and *** MT through ***.
2	***, Japan	***	
3	***, Korea	***	
4	***, Taiwan	***	***MT directly and *** MT through ***, Hong Kong
5	***, Taiwan	***	
6	***, Taiwan	***	

43. First of all, the Authority notes that while EQ response has been filed by ***, Taiwan, ***, Japan, ***, Korea and ***, Taiwan, the other trading companies involved in the channel of exports of product concerned made by OPTC to India during the POI have not filed EQ response. From the information furnished in the EQ responses, the Authority notes that out of *** MT of exports made through ***, Taiwan, ***MT was further exported through ***and *** MT was exported through **. While, ***, Taiwan has filed EQ response, the other sub trading entities involved in the transactions namely ***and ***have not filed EQ response in the present investigation and therefore such unrepresented transactions cannot be taken in to consideration. Thus, the total exports of product concerned made by OPTC through ***, Taiwan, for which EQ response has been filed, is *** MT.
44. Further, from the information available in the EQ responses, the Authority notes that during POI, OPTC exported *** MT of product concerned through ***, Taiwan, out of which *** MT was exported by Itochu directly and *** MT through another trading entity namely ***, Hong Kong, which has not filed EQ response in the present investigation. Further, while ***, Japan is involved in the commercial transactions, *** Taiwan has filed the EQ response, which cannot be accepted. Therefore such unrepresented transactions also cannot be taken in to consideration.
45. From the information available in the EQ responses filed and in view of the above position, the Authority notes that out of the total claimed exports of *** MT of product concerned by OPTC during POI to India, only *** MT accounting for a mere 33% of the total claimed exports have been brought before the Authority by OPTC and other trading entities involved in the exports and the balance exports have gone unrepresented. In view of the above position, the exports and export price claimed by OPTC cannot be considered as representative of OPTC.
46. The EQ responses filed by OPTC and the involved exporters were examined and deficiency letters issued. Despite the opportunity provided by the Authority, the concerned exporters did not file the EQ response and the complete information concerning exports of product concerned by OPTC to India during the POI was not brought before the Authority. Moreover, as per information available in the EQ response filed by OPTC, the Authority notes that there are many related companies of OPTC, Taiwan which are also engaged in the production and sale of PTA and have not filed exporter's questionnaire response in the present investigation.

47. Since, in the absence of the complete information in respect of substantial volume of exports of subject goods made by OPTC to India during the POI, the Authority is not in a position to determine and grant individual margins to OPTC, the Authority does not consider it relevant to determine the normal value in respect of OPTC, Taiwan.

Normal value of Formosa Chemicals & Fibre Corporation (FCFC), Taiwan

48. From the EQ response, the Authority notes that Formosa Chemicals & Fibre Corporation (FCFC), Taiwan is a producer/exporter of subject goods. As stated in the EQ response, during the POI, in the domestic market of Taiwan, FCFC has sold the subject goods directly to end-users.

49. As regards exports to India, during the POI, as stated in the EQ response, FCFC has exported through two channels i.e. direct exports and through trading entities. From the information furnished in the EQ response, the Authority notes that during POI FCFC has exported *** MT of product concerned directly. FCFC has also exported product concerned through other trading entities by commercial invoicing, while shipping the goods directly, as per the details given below:

Sl. No	Name of the Trader	Volume of Export (MT)	Remarks
1	***, Taiwan	***	EQ response not filed
2	***, Japan	***	EQ response not filed
3	***, Taiwan	***	
4	***, Taiwan	***	

50. First of all, the Authority notes that while EQ response has been filed by ***, Taiwan and ***, Taiwan, the other trading companies involved in the exports of product concerned by FCFC to India during the POI, namely ***, Taiwan and *** Japan, have not filed EQ response.

51. Vide the deficiency letter, the Company was requested to clarify whether all such related/unrelated entities have filed EQ response, and if not, why. In reply, the Company informed that the traders who resold FCFC's PUC to Indian market were *** ("***"), *** ("***"), ***. ("***") and *** ("***"). *** and *** have submitted EQ responses. The Company further informed that all such traders are not (and had not been) related to FCFC and as such FCFC does not control them, nor is in a

position to compel these unrelated traders to cooperate in this proceeding, despite FCFC's repeated efforts made to persuade them to cooperate.

52. From the exporter's questionnaire response, the Authority notes that during POI FCFC exported ***MT of subject goods to India. Out of the same, only *** MT was exported by FCFC directly and ***MT of product concerned was exported through trading entities namely ***, ***, *** and ***, out of whom only ***and ***accounting for *** MT and *** MT respectively have filed exporter's questionnaire response. Thus, the Authority notes that while FCFC has claimed to have exported ***MT of subject goods to India during the POI directly and also thorough the above named traders, only 64% of the said exports by FCFC have been brought before the Authority and remaining 36% exports have been kept beyond the scrutiny of the Authority. Moreover, while ***, Taiwan has filed EQ response in respect of exports of product concerned of OPTC, Taiwan in the present investigation, it preferred not to file EQ response in respect of exports of product concerned of FCFC, Taiwan, meaning thereby that it is the conscious decision of the concerned trading entity to keep itself away from the scrutiny of the Authority for obvious advantages.
53. The EQ responses filed by FCFC and the involved exporters were examined and deficiency letters issued. Despite the opportunity provided by the Authority, the concerned exporters did not file the EQ response and the complete information concerning exports of product concerned by FCFC to India during the POI was not brought before the Authority.
54. Since, in the absence of the complete information in respect of substantial volume of exports of subject goods made by FCFC, Taiwan to India during the POI, the Authority is not in a position to determine and grant individual margins to FCFC, Taiwan, the Authority does not consider it relevant to determine the normal value in respect of FCFC, Taiwan.

Normal value of China American Petrochemical Co Ltd, Taiwan

55. Pursuant to the initiation of present investigation, exporter questionnaire response was filed by China American Petrochemical Co Ltd (CAPCO), Taiwan along with its related trading company BP Asia Ltd (BPAL), Hongkong. Exporter questionnaire response has also been filed by its other related companies namely PT BP Petrochemicals, Indonesia and BP Zhuhai Chemical Company Limited, China PR in the present investigation. As stated in the exporter's questionnaire response, during the POI, CAPCO made all domestic sales directly to the end users. As regards exports to India, as stated in the EQ

response, during the POI, CAPCO had no direct exports to India and exported the entire volume of product concerned through its related trading company i.e. BP Asia Ltd (BPAL), Hongkong. As claimed by CAPCO, during the POI it exported *** MT of subject goods to India through BPAL, Honkong.

56. The Authority notes that revised information in the form of appendices has been filed on behalf of the above stated related companies vide email dated 27.10.2015. In view of this belated filing of revised information, the Authority is not in a position to examine the same and determine normal value for CAPCO Taiwan for the purpose of preliminary finding.

Normal Value for Non Cooperative exporters from Taiwan

57. The Authority notes that no other producer/exporter from Taiwan has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Taiwan, the Authority has determined the normal value as US\$ ***/MT on the basis of best available information.

Malaysia

Normal value of Recron Malaysia Sdn Bhd, Malaysia

58. As stated in the exporter's questionnaire response, Recron Malaysia Sdn Bhd, Malaysia is a producer/exporter of product concerned from Malaysia. As stated in the EQ response, Recron Malaysia has sold the product concerned in the domestic market as well as to India and other countries both directly and also through distributors/traders. While examining the EQ response filed by the Company, the Authority noted that many vital information concerning costing and injury and also details of related entities engaged in production and sales of subject goods, etc have not been provided. Deficiency letter was issued to Recron Malaysia Sdn Bhd, Malaysia requesting to furnish the required information. But, in response to the deficiency letter issued by the Authority, Recron Malaysia expressed its inability to furnish the required information within the stipulated time and informed that they would provide further information in due course and after issuance of preliminary findings. They further informed that the Authority may consider preliminary findings on the basis of questionnaire response itself or apply best available information, wherever necessary. Consequently and in view of the above position, in the absence of complete information, the Authority is not in a position to determine normal value for Recon Malaysia Sdn Bhd, Malaysia for the purpose of this preliminary finding.

Normal Value for Non Cooperative exporters from Malaysia

59. The Authority notes that no other producer/exporter from Malaysia have responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Malaysia, the Authority has determined the normal value as US\$ ***/MT on the basis of best available information.

Indonesia

Normal Value of PT BP Petrochemicals

60. Pursuant to the initiation of the present investigation, PT BP Petrochemicals, Indonesia along with its related trading company in Hongkong namely BP Asia Ltd, Hongkong (BPAL) filed exporter's questionnaire response. Exporter questionnaire response has also been filed by its other related companies namely China American Petrochemical Co Ltd (CAPCO), Taiwan and BP Zhuhai Chemical Company Limited, China PR in the present investigation. As per the exporter questionnaire response filed by PT BP Petrochemicals, Indonesia, during the POI, the entire domestic sales were claimed to have been made directly to the end users. As regards exports sales to India, during the POI, the company claimed to have exported *** MT of subject goods through BP Asia Ltd, Hongkong, a related trading entity.

61. Although it is claimed in the EQ response that PT BP Petrochemicals, Indonesia has exported the entire volume of product concerned to India, during the POI, through BPAL, Hongkong, from the information available in the EQ response the Authority notes that *** MT has also been exported through ***, Singapore as well, which has not filed EQ response in the present investigation.

62. The Authority notes that revised information in the form of appendices has been filed on behalf of the above stated related companies vide email dated 27.10.2015. In view of this belated filing of revised information, the Authority is not in a position to examine the same and determine normal value for PT BP Petrochemicals, Indonesia for the purpose of preliminary finding.

Normal Value for Non Cooperative exporters from Indonesia

63. The Authority notes that no other exporter/producer from Indonesia has responded to the Authority in present investigation. For all the non-cooperative exporters/ producers in Indonesia, the Authority determines the normal value as US\$ ***per MT on the basis of best available information.

Determination of Normal Value for producers and exporters in Iran

64. The Authority notes that no producer/exporter from Iran has filed exporters questionnaire response in the present investigation. Therefore, for all the producers/exporters in Iran, the Authority determines the normal value as US\$ ***MT on the basis of best available information.

EXPORT PRICE

Determination of Export Price for Exporters in China PR

65. The Authority notes that the following Chinese producers/exporters have filed exporters questionnaire response in the present investigation:

- a. Zhejiang Yisheng Petrochemical Co. Ltd.
- b. Hainan Yisheng Petrochemical Co. Ltd.
- c. Ningbo Hengyi Trading Co. Ltd.
- d. Yisheng Dahua Petrochemical Co. Ltd.
- e. Xianglu Petrochemicals Co. Ltd., China PR.
- f. Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR.
- g. BP Zhuhai Chemical Company Limited, China PR.
- h. Hengli Petrochemical (Dalian) Co., Ltd., China PR.

Zhejiang Yisheng Petrochemical Co. Ltd, Hainan Yisheng Petrochemical Co. Ltd, Yisheng Dahua Petrochemical Co. Ltd., Ningbo Hengyi Trading Co. Ltd.

66. From the exporters questionnaire responses filed by Zhejiang Yisheng Petrochemical Co. Ltd., China PR, Hainan Yisheng Petrochemical Co. Ltd., China PR, Yisheng Dahua Petrochemical Co. Ltd., China PR and Ningbo Hengyi Trading Co. Ltd., China PR, the authority notes that these Chinese companies are related. While Zhejiang Yisheng Petrochemical Co. Ltd, Hainan Yisheng Petrochemical Co. Ltd., and Yisheng Dahua Petrochemical Co. Ltd., are producers/exporters of the product concerned, Ningbo Hengyi Trading Co. Ltd. is a trading company.

67. From the information available in the EQ responses filed by Zhejiang Yisheng Petrochemical Co. Ltd., China PR the Authority notes that during the POI, the Company had exported to India product concerned through two channels i.e. directly as well as through trading entities. During the POI Zhejiang Yisheng Petrochemical Co. Ltd., China PR had exported to India totally *** MT product concerned, out of which *** MT were exported to India directly and the balance *** MT were exported through traders. The details of the transactions made

through trading entities and the response position of the respective trading entities are as follows:

Sl. No	Name of the Trader	Volume of Export (MT)	Remarks
1	***, Korea	***	EQ response filed
2	***, Korea	***	EQ response filed
3	***, Hongkong	***	EQ response filed
4	***, Korea	***	EQ response not filed
5	***, Korea	***	EQ response not filed
6	***, China	***	EQ response not filed
7	***, Hongkong	***	EQ response not filed

68. The Authority notes that out of the total exports of *** MT product concerned to India by Zhejiang Yisheng during the POI, only ***MT has been brought before the Authority in the form of EQ responses filed by Zhejiang Yisheng Petrochemical Co. Ltd., China PR and the cooperative trading entities and the balance *** MT constituting 43% of the total exports by the Company have gone unrepresented.

69. From the information available in the EQ responses filed by Hainan Yisheng Petrochemical Co. Ltd., China PR, the Authority notes that the Company has exported ***MT of the product concerned to India during the POI through only one channel i.e. through ***, Korea, which has filed EQ response. As per the EQ response, Hainan Yisheng has not made any direct export to India during the POI.

70. From the information available in the EQ responses filed by Yisheng Dahua Petrochemical Co. Ltd., China PR, the Authority notes that the Company has exported the product concerned to India through two channels i.e. directly as well as through trading entities. As per the information available in the EQ response, during the POI, Yisheng Dahua exported *** MT product concerned to India directly and *** MT through ***, Korea, which has also filed exporter's questionnaire response.

71. From the EQ response filed by Ningbo Hengyi Trading Co. Ltd, China PR the Authority notes that the said Company has not made any export of product concerned to India during the POI.

72. From the information available in the EQ responses filed by the above stated related Chinese producers and some of the involved trading entities, the Authority notes that 43% of the total exports made by the above stated related Chinese producers have gone unrepresented. Interestingly, ***, Korea and ***, related trading companies, have exported to India during the POI substantial volume of product concerned produced by the above stated related Chinese companies. But, while they have filed EQ response in respect of *** MT of product concerned produced by Yisheng Dahua and *** MT of product concerned produced by Hainan Yisheng, they preferred not to file EQ response in respect of their substantial exports of ***MT of product concerned sourced from Zhejiang Yisheng. Moreover, in the information available in the partial EQ response filed by ***, Korea, it has claimed to have exported *** MT of product concerned sourcing only from Yisheng Dahua. But, Yisheng Dahua has declared in its response only export of *** MT through ***, Korea. This also indicates that ***, Korea has exported much larger volume of product concerned to India during the POI, either sourcing from the respondent Chinese companies or other Chinese producers which has not been brought before the scrutiny of the Authority.

73. From the above position, the Authority notes that ***, Korea and ***, related trading companies, have exported the product concerned sourced from related Chinese companies. But, the related trading companies have preferred to file EQ response in respect of some transactions, while preferring not to bring before the Authority remaining transactions involving much larger volume. Such behaviour by the related Chinese companies and the trading companies smacks of deliberate attempt to keep sizable volume of exports beyond the scrutiny of the Authority with the obvious intent of gaining undue advantage.

74. Consequently and in view of the above position, the Authority does not determine individual export price and does not grant individual margins in respect of Zhejiang Yisheng Petrochemical Co. Ltd., Hainan Yisheng Petrochemical Co. Ltd., Yisheng Dahua Petrochemical Co. Ltd. and Ningbo Hengyi Trading Co. Ltd., China PR and the respondent exporters for the purpose of preliminary findings.

Hengli Petrochemical (Dalian) Co., Ltd., China PR

75. In the EQ response, Hengli Petrochemical (Dalian) Co., Ltd., China PR, producer/exporter, claimed that they have produced and exported product concerned to India during the POI only directly. But, from the transaction details available in the response, the Authority notes that they have exported to India

during the POI directly and also through ***, Korea. From the details available in the EQ response, the Authority notes that Hengli has exported to India during the POI a total quantity of ***MT, out of which *** MT were exported through ***, Korea, a trading company. The Authority notes that in the present investigation, ***, Korea has filed EQ response in respect of its exports of product concerned sourced from other Chinese producers namely Zhejiang Yisheng Petrochemical Co. Ltd., China PR. The behaviour of a trading entity to file EQ response in respect of the export of goods from one source while not filing EQ response in respect of export of goods sourced from other sources cannot be above board and cannot be without the complicity of the concerned producers. Such behaviour by the concerned producers and exporters smacks of deliberate attempt to keep sizable volume of exports beyond the scrutiny of the Authority with the obvious intent of gaining undue advantage. Despite the deficiency letter issued to Hengli, the EQ response has not been filed by the involved trader. Consequently and in view of the above position, the Authority does not determine individual export price and does not grant individual margins to Hengli Petrochemical (Dalian) Co., Ltd., China PR for the purpose of preliminary findings.

Xianglu Petrochemicals Co. Ltd., China PR and Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR.

76. From the combined EQ response filed by Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR and Xianglu Petrochemicals Co. Ltd., China PR, the Authority notes that both are related producers/exporters, but produced and exported the product concerned separately. From the EQ response, the Authority notes that both the companies exported the product concerned to India, during the POI, through distributors. As explained in the EQ response, both the related companies negotiated and signed the contract with distributors, who issued L/C according to the contract and made payments after receiving the documents.
77. From the EQ response filed by Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR, the Authority notes that the Company exported *** MT of product concerned to India during the POI through ***, Korea. Although *** has filed EQ response in respect of the export of product concerned sourced from Zhejiang Yisheng Petrochemical Co. Ltd., China PR, it preferred not to file EQ response in respect of the export of product concerned sourced from Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR.
78. Similarly, Xianglu Petrochemicals Co. Ltd., China PR has also exported ***MT of product concerned to India during the POI through ***, Korea (*** MT), ***, Korea

(*** MT), and ***, Korea (***)MT). The Authority notes that the sum total of exports mentioned against each involved trader is more than the claimed total export. Although ***, Korea and ***, Korea have filed EQ response in respect of their exports of product concerned sourced from Zhejiang Yisheng Petrochemical Co. Ltd., China PR, they preferred not to file EQ response in respect of their export of product concerned sourced from Xianglu Petrochemicals Co. Ltd., China PR. Further, ***, Korea, which has exported the product concerned sourced from both Zhejiang Yisheng Petrochemical Co. Ltd., China PR and Xianglu Petrochemicals Co. Ltd., China PR has not filed EQ response in respect of product concerned sourced from either sources.

79. The behaviour of a trading entity to file EQ response in respect of the export of goods from one source while not filing EQ response in respect of export of goods sourced from other sources cannot be above board and cannot be without the complicity of the concerned producers. Such behaviour by the concerned producers and exporters smacks of deliberate attempt to keep sizable volume of exports beyond the scrutiny of the Authority with the obvious intent of gaining undue advantage. Despite the deficiency letter issued, the EQ response has not been filed by the involved traders. Consequently and in view of the above position, the Authority does not determine individual export price and does not grant individual margins to Xianglu Petrochemicals (Zhangzhou) Co. Ltd. China PR and Xianglu Petrochemicals Co. Ltd., China PR and the respondent exporters for the purpose of preliminary findings.

BP Zhuhai Chemical Company Limited, China PR.

80. Pursuant to initiation of the present investigation, exporter questionnaire response has been filed by BP Zhuhai Chemical Company Limited, China PR along with its other related companies namely China American Petrochemical Co Ltd (CAPCO), Taiwan, PT BP Petrochemicals, Indonesia and BP Asia Ltd, Hongkong. From the EQ response filed by BP Zhuhai Chemical Company Limited, China PR, the Authority notes that the Company is a producer of the product concerned. From the EQ responses filed by BP Zhuhai Chemical Company Limited, China PR, the Authority notes that this Chinese Company exported *** MT of product concerned to India during the POI through BP Asia Ltd (BPAL), Hongkong. Further, from the information available in the EQ response, the Authority notes that BP Zhuhai Chemical Company Limited, China PR has massive domestic sales including sales to traders, some of whom are also involved in export of product concerned to India during the POI.

81. The Authority notes that revised information in the form of appendices has been filed on behalf of the above stated related companies vide email dated 27.10.2015. In view of this belated filing of revised information, the Authority is not in a position to examine the same and determine individual export price and individual margins for PT BP Petrochemicals, Indonesia and BP AsiaLtd (BPAL), Hongkong for the purpose of preliminary finding.

Non Cooperative exporters from China PR

82. The Authority notes that no other producer/exporter from China PR has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in China PR, the Authority has determined the export price as US\$ ***/MT on the basis of best available information.

Determination of Export Price for Exporters in Taiwan

Oriental Petrochemical (Taiwan) Co Ltd, Taiwan.

83. From the EQ response, the Authority notes that Oriental Petrochemicals (Taiwan) Co. Ltd (OPTC) is a producer of subject goods from Taiwan. As regards exports to India, during the POI, as stated in the EQ response, OPTC has only one channel of export i.e. through traders. While the product concerned has been shipped by OPTC directly to India, the commercial invoicing has been done through the trading entities as mentioned below :

Sl. No	Name of the Trader	Volume of Export (MT)	Remarks
1	***, Taiwan	***	Exported *** MT directly, ***MT through *** and ***MT through ***.
2	***, Japan	***	
3	***, Korea	***	
4	***Taiwan	***	*** MT directly and *** MT through ***, Hong Kong
5	***, Taiwan	***	
6	***, Taiwan	***	

84. First of all, the Authority notes that while EQ response has been filed by Methyl Co., Ltd, Taiwan, Mitsui & Co Ltd, Japan, S.K. Network, Korea and Itochu, Taiwan, the other trading companies involved in the channel of exports of product concerned made by OPTC to India during the POI have not filed EQ

response. From the information furnished in the EQ responses, the Authority notes that out of *** MT of exports made through ***, Taiwan, *** MT was further exported through ***and *** MT was exported through ***. While, Methyl Co., Ltd, Taiwan has filed EQ response, the other sub trading entities involved in the transactions namely ***and ***have not filed EQ response in the present investigation and therefore such unrepresented transactions cannot be taken in to consideration. Thus, the total exports of product concerned made by OPTC through Methyl Co., Ltd, Taiwan, for which EQ response has been filed, is *** MT.

85. Further, from the information available in the EQ responses, the Authority notes that during POI, OPTC exported *** MT of product concerned through *** Taiwan, out of which *** MT was exported by *** directly and ***MT through another trading entity namely ***, Hong Kong, which has not filed EQ response in the present investigation. Further, while ***, Japan is involved in the commercial transactions, ***, Taiwan has filed the EQ response, which cannot be accepted. Therefore such unrepresented transactions also cannot be taken in to consideration.
86. From the information available in the EQ responses filed and in view of the above position, the Authority notes that out of the total claimed exports of ***MT of product concerned by OPTC during POI to India, only *** MT accounting for a mere 33% of the total claimed exports have been brought before the Authority by OPTC and other trading entities involved in the exports and the balance exports have gone unrepresented. In view of the above position, the exports and export price claimed by OPTC cannot be considered as representative of OPTC.
87. The EQ responses filed by OPTC and the involved exporters were examined and deficiency letters issued. Despite the opportunity provided by the Authority, the concerned exporters did not file the EQ response and the complete information concerning exports of product concerned by OPTC to India during the POI was not brought before the Authority. Moreover, as per information available in the EQ response filed by OPTC, the Authority notes that there are many related companies of OPTC, Taiwan which are also engaged in the production and sale of PTA and have not filed exporter's questionnaire response in the present investigation.
88. Consequently, in the absence of the complete information in respect of substantial volume of exports of subject goods made by OPTC to India during the POI, the Authority is not in a position to determine and grant individual margins to OPTC. Under the above stated circumstances, the Authority does not

determine individual export price and individual margins for OPTC, Taiwan for the purpose of preliminary finding.

Formosa Chemicals & Fibre Corporation (FCFC), Taiwan

89. From the EQ response, the Authority notes that Formosa Chemicals & Fibre Corporation (FCFC), Taiwan is a producer/exporter of subject goods. During the POI, as stated in the EQ response, FCFC has two channels i.e. direct exports and through trading entities. From the information furnished in the EQ response, the Authority notes that during POI FCFC has exported ***MT of product concerned directly. FCFC has also exported product concerned through many other exporters by commercial invoicing, but shipped the goods directly, as per the details given below:

Sl. No	Name of the Trader	Volume of Export (MT)	Remarks
1	***, Taiwan	***	EQ response not filed
2	***, Japan	***	EQ response not filed
3	***, Taiwan	***	
4	***, Taiwan	***	

90. First of all, the Authority notes that while EQ response has been filed by Methyl Co., Ltd , Taiwan and Dinowik, Taiwan, the other trading companies involved in the exports namely *** , Taiwan and *** , Japan have not filed EQ response in the present investigation.

91. Vide the deficiency letter, the Company was requested to clarify whether all such related/unrelated entities have filed EQ response, and if not, why. In reply, the Company informed that the traders who resold FCFC's PUC to Indian market were *** , *** , *** and ***. Methyl Co., Ltd and Dinowic Pte Ltd have submitted EQ responses. The Company further informed that all of such traders are not (and had not been) related to FCFC and as such FCFC does not control them, nor is in a position to compel these unrelated traders to cooperate in this proceeding, despite FCFC's repeated efforts made to persuade them to cooperate.

92. From the exporters questionnaire response, the Authority notes that during POI FCFC exported ***MT of subject goods to India. Out of the same, only *** MT was exported by FCFC directly and ***MT of subject goods was exported through traders namely *** , *** , *** and *** , out of whom only Dinowic Pte Ltd

and Methyl Co., Ltd accounting for ***MT and *** MT respectively have filed exporter's questionnaire response. Thus, the Authority notes that only 64% of the total exports by the Company have been brought before the Authority and 36% exports have been kept out of the scrutiny of the Authority by not filing response.

93. The EQ responses filed by FCFC and the involved exporters were examined and deficiency letters issued. Despite the opportunity provided by the Authority, the concerned exporters did not file the EQ response and the complete information concerning exports of product concerned by FCFC to India during the POI was not brought before the Authority.

94. Consequently, in view of the absence of the complete information in respect of substantial volume of exports of subject goods made by FCFC to India during the POI, the Authority does not determine individual export price and individual margins for FCFC, Taiwan for the purpose of this preliminary finding.

China American Petrochemical Co Ltd, Taiwan

95. Pursuant to initiation of present investigation, exporter questionnaire response was filed by China American Petrochemical Co Ltd (CAPCO), Taiwan along with its related trading company BP Asia Ltd (BPAL), Hongkong. Exporter questionnaire response has also been filed by its other related companies namely PT BP Petrochemicals, Indonesia and BP Zhuhai Chemical Company Limited, China PR in the present investigation. As stated in the exporter's questionnaire response, during the POI, CAPCO had no direct exports to India and exported the entire volume of product concerned through its related trading company i.e. BP Asia Ltd (BPAL), Hongkong. As claimed by CAPCO, during the POI it exported *** MT of subject goods to India through BPAL, Hongkong.

96. The Authority notes that revised information in the form of appendices has been filed on behalf of the above stated related companies vide email dated 27.10.2015. In view of this belated filing of revised information, the Authority is not in a position to examine the same and determine individual export price and individual margins for CAPCO Taiwan and BP Asia Ltd, Hongkong for the purpose of preliminary finding

Non Cooperative exporters from Taiwan

97. The Authority notes that no other producer/exporter from Taiwan has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Taiwan, the Authority has determined the export price as US\$ ***/MT on the basis of best available information.

Export Price of Indonesia

M/s PT BP Petrochemicals Indonesia

98. Pursuant to initiation of the present investigation, PT BP Petrochemicals, Indonesia along with its related trading company BP Asia Ltd, Hongkong filed the exporter questionnaire response. Exporter questionnaire response has also been filed by its other related companies namely China American Petrochemical Co Ltd (CAPCO), Taiwan and BP Zhuhai Chemical Company Limited, China PR in the present investigation. As per the exporter questionnaire response filed by PT BP Petrochemicals, Indonesia, during the POI, the company claimed to have exported *** MT of subject goods through BP Asia Ltd, Hongkong. Although it is claimed by the Company in the EQ response that they have exported the entire volume to India during the POI through BP Asia Ltd, their related trading entity in Hongkong, from the information available in the EQ response the Authority notes that *** MT has also been exported through Sumeet Global Pte, Singapore as well, which has not filed EQ response in the present investigation.
99. The Authority notes that revised information in the form of appendices has been filed on behalf of the above stated related companies vide email dated 27.10.2015. In view of this belated filing of revised information, the Authority is not in a position to examine the same and determine individual export price and individual margins for PT BP Petrochemicals, Indonesia and BP Asia Ltd, Hongkong for the purpose of preliminary finding.

Non-cooperative Exporters From Indonesia

100. The Authority notes that no other producer/exporter from Indonesia has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Indonesia, the Authority has determined the export price as US\$ ***/MT on the basis of best available information.

Export Price of Malaysia

Recron Malaysia Sdn Bhd, Malaysia

101. As stated in the exporter's questionnaire response, Recron Malaysia Sdn Bhd, Malaysia is a producer/exporter of product concerned from Malaysia. As stated in the EQ response, Recron Malaysia has sold the product concerned to India both directly and also through distributors/traders. While examining the EQ response filed by the Company, the Authority noted that many vital information concerning costing and injury and also details of related entities engaged in production and sales of subject goods, etc have not been provided. Deficiency

letter was issued to Recron Malaysia Sdn Bhd, Malaysia requesting to furnish the required information. But, in response to the deficiency letter issued by the Authority, Recron Malaysia expressed its inability to furnish the required information within the stipulated time and informed that they would provide further information in due course and after issuance of preliminary findings. They further informed that the Authority may consider preliminary findings on the basis of questionnaire response itself or apply best available information, wherever necessary. Consequently and in view of the above position, in the absence of complete information, the Authority is not in a position to determine export price for Recon Malaysia Sdn Bhd, Malaysia for the purpose of this preliminary finding.

Export price of Non Cooperative exporters from Malaysia

102. The Authority notes that no other producer/exporter from Malaysia have responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in Malaysia, the Authority has determined the export price as US\$ ***/MT on the basis of best available information.

Export price of Iran

103. The Authority notes that no producer/exporter from Iran has filed exporter's questionnaire response in the present investigation. Therefore, for all the producers/exporters in Iran, the Authority provisionally determines the export price as US\$ ***per MT on the basis of best available information.

DUMPING MARGIN

104. Considering the Normal Values and the Export Prices determined above, the dumping margins are calculated as below:

Sl. No.	Subject Country	Producer	Exporter	Normal Value (US\$/MT)	Net Export price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range %
1	China PR							
	Any	All Producers	All Exporters	***	***	***	***	10-20
2	Indonesia							
	Any	All Producers	All Exporters	***	***	***	***	15-25
3	Iran							
	Any	All Producers	All Exporters	***	***	***	***	10-20
4	Malaysia							
	Any	All Producers	All Exporters	***	***	***	***	15-25

5	Taiwan							
	Any	All Producers	All Exporters	***	***	***	***	5-15

H. INJURY AND CAUSAL LINK

Submissions made by Exporters, Importers, Users and other Interested Parties

105. The following submissions with regard to injury and causal link have been made by the opposite interested parties and considered relevant by the Authority:

- i. The sole cause of injury to MCPL is its faulty technology of production due to which it is operating at very low rate of capacity utilization and is not viable. Injury due to such cause cannot be attributed to any other cause including the alleged dumped imports. Any injury that MCPL is suffering may be due to a shortage of PX, the primary raw material, leading to price rise of PX; however, the same price rise was not matched by PTA, which resulted in lesser margins for the Applicant Domestic Producers. Therefore, any injury alleged to be suffered by the Applicant Domestic Producers is directly attributable to the abovementioned factors and not linked to the imports of the subject goods from the subject countries.
- ii. MCPL had reported it as sick company to the Board for Industrial and Financial Reconstruction. The Designated Authority should seek the complete petition filed by MCPL before the BIFR to seek relief there. MCPL must have submitted the plan for its revival which includes imposition of Anti-dumping Duty on perpetual basis.
- iii. The Applicant Domestic Producers have not fulfilled the requirement with respect to Article 3.4 which mandates that 'actual and potential' decline in various factors be examined and established for a positive finding of injury. The Domestic Industry has not established potential decline anywhere in the petition.
- iv. The increase in imports during POI is due to incapacity of domestic producers to meet the increased demand. RIL and IOCL are operating at more than 100% production capacity and no further supply is expected from them. MCPL, which is using faulty production technology, also cannot increase its production. Thus, the alleged adverse volume effect of imports from subject countries causing injury to the Domestic producers is baseless.

- v. The domestic producers are able to sell whatever they produce. Therefore, they cannot claim any volume injury. RIL and IOCL are able to continue production above 100% of their capacity for last 5 years. MCPL could also improve its capacity utilisation by pumping excessively high amount on plant which is using faulty technology of production.
- vi. The production and sales volume of the domestic producers increased significantly and could not be increased further due to their production constrains. Therefore, the volume of the Applicant Domestic Producers is not affected by the imports in any manner.
- vii. The Applicant Domestic Producers claimed price undercutting based on the prices of the MCPL only. The Designated Authority is requested to direct IOCL to make available the information on injury parameters. The prices of IOCL were always much below the prices at which subject goods available in the market.
- viii. In the MCPL's plants the overhead cost are exceptionally high as it gives very high remuneration to higher level managerial persons who are appointed from Japan, though the IInd plant could not achieve even competitive capacity of production.
- ix. Plant II of the MCPL is always going under losses and even after the imposition of antidumping duty on various countries for the subject goods, no improvements have been shown. Therefore the reason for loss suffered is not imports.
- x. The addition of production capacities and domestic industry sales itself establishes that the industry in India is perceiving very bright prospects for PTA market. No rational business house will contemplate installing facilities for commercial production if it is actually suffering material injury or having any threat of material injury.
- xi. Since the Applicant Domestic Producers are fully protected against imports and earning sufficient profit, there cannot be any price injury and they cannot seek any Anti-dumping Duty.
- xii. Import from Indonesia is below 4% as per the summary submitted by the Applicant Domestic Producers. If the raw data is analysed, the import volume from whole of Indonesia would be below 3%, i.e. de minimis, requiring immediate termination of the investigation. Respondents have no intention of exporting the product in future as the Respondents have started own downstream consumption and net short of supply within Indonesia. Therefore, where the import is de-minimis and future import is also not expected, the investigation against Indonesia may be terminated.

The Designated Authority may examine the Post POI data to establish the position.

- xiii. There is a huge demand supply gap in India as regards supply of PTA is concerned. The domestic producers are failing to meet the demand, making imports inevitable. It is a contradiction that anti-dumping duty has been imposed on the imports of PTA to protect domestic suppliers who could not meet the full demand in India.
- xiv. The total domestic production and the production of the applicants should be examined by authority in terms of both volume and value and not volume alone.
- xv. The examination of the total domestic production and the production of the applicants may be examined in terms of both volume and value. Quite often authority the applicants do not furnish the value information.

Submissions made by domestic industry

106. The following submissions with regard to injury and causal link have been made by the domestic industry and considered relevant by the Authority:

- i. BIFR report deals with sickness of the company and not with deterioration of the company. The present case concerns deterioration in performance and not sickness of the company. Deterioration in performance and sickness of the company are two different parameters
- ii. At one place association has contended that MCPI could not produce due to technical problem, at other place, the association has contended that MCPI is suffering due to shortage of PX. The association has resorted to all sorts of misleading or contradictory statements. MCPI is not suffering due to shortage of PX. It is not established how availability of raw material is a cause of injury to the domestic industry. . In fact, availability of raw material would have adversely impacted production and capacity utilization and would have lead to increase in profitability of PTA.
- iii. The low margins in the PTA markets are the reason for adverse performance. Depreciation of INR is also one of the reasons. However, this situation is created by dumped imports created by persistent losses. Due to persistent financial losses, company was not able to pay to its raw material suppliers. This has led to delays in payments to raw materials suppliers.
- iv. The authority and investigating authorities globally, has been consistently examining actual performance of the domestic industry over the injury

period. It is only in a situation where actual performance over the injury period does not show injury to the domestic industry that the authority shall examine potential situation with regard to various economic parameters

- v. Present capacities in the Country are sufficient to meet the present and potential demand for the product in the Country.
- vi. Despite good capacity utilization, RIL performance has also deteriorated in respect of parameters such as profits, return on investment and cash flows.
- vii. When the price of the subject country has declined its volume has increased and when the price has increased its volume has declined. The change in the share of imports between present subject countries and countries attracting ADD itself establishes that the consumers shift to the low price product, even if it dumped.
- viii. Principles of fair comparison also demand that the domestic industry price be compared with the foreign producers' price at the same level. On this account as well, it is important that the domestic industry price and imported product price are considered with the same credit period. Further the selling price of the domestic industry should be compared with the landed price of imports after including the freight cost involved in case of domestic industry.
- ix. The petitioner does not dispute adjustments for time lag. The petitioner request the Authority to undertake adjustments on the basis of time lag and determine price undercutting by comparing the invoice price of the imports for a month to the selling price of the domestic industry for the same month
- x. Cost per MT on account of salary & wages is a meager as against a loss during the POI. In any case, this can be a ground for difference in absolute performance of different companies. This cannot be a ground for deterioration in performance of the domestic industry over the years. With similar organization structure, the profitability of the domestic industry has deteriorated
- xi. The petitioners have neither claimed injury on account of wages and salaries, nor do the rules specify that injury to the domestic industry should be visible in respect of all parameters.
- xii. MCPL was not suffering losses during the base year of previous investigation. The dumping of the product has led to deterioration of

performance of the company. There is significant dumping of the product under consideration ever since this plant has commenced commercial production. The profitability of the PTA has declined globally with the intensifying dumping with decline in delta between PX and PTA.

Examination of the Authority

107. The submissions made by the domestic industry and other interested parties during the course of investigations with regard to injury and causal link and considered relevant by the Authority are examined and addressed as below:

- i. As regards the submission that MCPI suffered technical problems in their plant which is the real cause of injury, the Authority notes that it is a fact that MCPI suffered technical problems in their plant, but that cannot be interpreted as the only cause of injury. Further, while determining NIP, the impact of such factors has been taken into account.
- xiii. As regards the submission that MCPL had reported it as sick company to the Board for Industrial and Financial Reconstruction, the Authority notes that BIFR report deals with sickness of the company and not with deterioration in the performance of the company on account of dumping .
- xiv. The opposing parties have contended that the domestic industry has not established potential decline in various factors. In this regard, it is noted that only in a situation where actual performance over the injury period does not show injury to the domestic industry, the authority is required to examine potential situation in respect of various economic parameters.
- xv. As regards the submission that RIL and IOCL are operating at more than 100% production capacity and no further supply is expected from them. MCPL, which is using faulty production technology, also cannot increase its production. The intent of anti-dumping duty is not to prevent imports. The user sector can always continue to import the subject goods at fair market price beyond the capacity of domestic industry. Designated Authority is required to consider domestic industry and not other domestic producers for assessment of injury. Further, the domestic industry has claimed adverse effects of imports on the parameters such as profits, cash flows, return on investment, etc.
- xvi. As regards the submission that the Applicant Domestic Producers claimed price undercutting based on the prices of the MCPL only. The Designated Authority is requested to direct IOCL to make available the information on injury parameters. The Authority notes that the applicant domestic producer in the present investigation is MCPL who constitutes

domestic industry under the Anti-dumping Rules. Therefore, in terms of the provisions laid down under the Anti-dumping Rules, the Authority is required to investigate and determine injury in respect of the domestic industry only.

- xvii. As regards the submission that Import from Indonesia is below 3%, i.e. *de minimis*, requiring immediate termination of the investigation. The Authority notes that it is not factually correct. Import from Indonesia is more than *de minimis* level. Transaction wise non confidential imports data has been furnished by the domestic industry and made available in the public file. Interested parties may refer to the same.

Cumulative Assessment

108. Article 3.3 of WTO agreement and Annexure II para (iii) of the Anti-dumping Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determines that:

- a. the margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article and
- b. Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

109. The Authority notes that:

- a) The subject goods are being dumped into India from subject countries. The margins of dumping from each of the subject countries are more than the *de minimis* limits prescribed under the Rules.
- b) The volume of imports from each of the subject countries is individually more than 3% of total volume of imports.
- c) Cumulative assessment of the effects of imports is appropriate as the exports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market.

110. In view of the above, the Authority considers that it would be appropriate to assess injury to the domestic industry cumulatively from exports of the subject goods from the subject countries.

111. Rule 11 of Antidumping Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-dumping Rules.

Volume Effect of the Dumped imports on the Domestic Industry

a) Demand and market share

112. Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian Producers and imports from all sources. The demand so assessed is given in the table below. The Authority notes that the demand of the product under consideration has increased over the period.

Particulars	Units	2011-12	2012-13	2013-14	POI
Demand	MT	38,84,428	41,04,498	46,29,760	47,05,225
Trend	Index	100	106	119	121
Imports from Subject Countries	MT	47,816	29,517	1,30,187	3,86,361
Trend	Index	100	62	272	808
Import From Other Countries attracting duty	MT	5,11,137	5,86,986	8,18,335	6,57,644
Trend	Index	100	115	160	129
Import From Other Countries	MT	35,960	31,455	26,912	1,082
Trend	Index	100	87	75	3
Sale of Domestic Industry	MT	6,78,787	8,32,250	10,45,520	10,36,246
Trend	Index	100	123	154	153
Sale of Other producers	MT	26,10,727	26,24,290	26,08,805	26,23,892

Particulars	Units	2011-12	2012-13	2013-14	POI
Trend	Index	100	101	100	101

i) Market Share in Demand

113. Considering imports from various sources and sales of the domestic industry, market share of subject imports in demand in India was examined. Whereas share of dumped imports from subject countries increased substantially, the share of domestic industry, although increased during the POI as compared to the base year, it is much less as compared to the increase in the share of dumped imports and increase in demand during the same period.

Particulars	Units	2011-12	2012-13	2013-14	POI
Import from Subject Countries	%	1.23%	0.72%	2.81%	8.21%
Import from Other Countries attractign duty	%	13.16%	14.30%	17.68%	13.98%
Import from Other Countries	%	0.93%	0.77%	0.58%	0.02%
Sale of Domestic Industry	%	17.47%	20.28%	22.58%	22.02%
Sale of Other producers	%	67.21%	63.94%	56.35%	55.77%

Import volume and market share

114. The volume of imports of the subject goods from the subject countries is as under. It is observed from the above table that imports from subject countries increased significantly during the POI as compared to the base year.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Volume					
Subject Countries	MT	47,816	29,517	1,30,187	3,86,361
Other countries attracting duty	MT	5,11,137	5,86,986	8,18,335	6,57,644
Other countries		35,960	31,455	26,912	1,082
Total imports	MT	5,94,913	6,47,958	9,75,434	10,45,087
Market Share in imports					
Subject Countries	%	8.04	4.56	13.35	36.97
Other countries attracting duty	%	85.92	90.59	83.89	62.93
Other countries	%	6.04	4.85	2.76	0.10

Share of imports in relation to production

115. Authority notes that the imports from subject countries have increased in relation to the production in India, as is evident from the following table:

Particulars	Unit	2011-12	2012-13	2013-14	POI
Imports from Subject Countries	MT	47,816	29,517	1,30,187	3,86,361
Production of domestic industry	MT	6,80,710	8,42,597	10,34,602	10,47,777
Imports in relation to production of domestic industry.	%	7%	4%	13%	37%

e) **Capacity & capacity utilization**

116. Capacity and capacity utilization of the domestic industry over the injury period is given in the following table. It is observed that capacity utilization of the domestic industry increased during POI as compared to the base year.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Capacity MT	MT	13,70,000	13,70,000	13,70,000	13,70,000
Production	MT	6,80,710	8,42,597	10,34,602	10,47,777
Capacity utilization	%	50%	62%	76%	76%

f) **Production**

117. Production data of the domestic industry is given in the following table. It is observed that production of the domestic industry has increased due to increase in demand.

	Unit	2011-12	2012-13	2013-14	POI
Production	MT	6,80,710	8,42,597	10,34,602	10,47,777
Trend	Index	100	124	152	154
Demand	MT	38,84,428	41,04,498	46,29,760	47,05,225
Trend	Index	100	106	119	121
Production in relation to Demand	%	18%	21%	22%	22%

g) **Sales volume**

118. Sales volume of the domestic industry is given in the following table. It is observed that sales of the domestic industry have increased during the POI as compared to the base year. Whereas share of dumped imports from subject countries increased substantially, the share of domestic industry, although increased during the POI as compared to the base year, it is much less as compared to the increase in the share of dumped imports and increase in demand during the same period.

	Unit	2011-12	2012-13	2013-14	POI
Domestic sales	MT	6,78,787	8,32,250	10,45,520	10,36,246
Trend	Index	100	123	154	153
Demand	MT	38,84,428	41,04,498	46,29,760	47,05,225
Trend	Index	100	106	119	121
Market Share of					
Domestic industry in demand	%	17%	20%	23%	22%

I. **Price Effect of the Dumped imports on the Domestic Industry**

119. With regard to the effect of the dumped imports on prices, the Designated Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of the like

product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the purpose of this analysis, the weighted average cost of sales (COP), weighted average Net Sales Realization (NSR) and the Non-Injurious Price (NIP) of the domestic industry have been compared with the landed cost of imports from the subject countries.

i. Price Undercutting

120. The net sales realization has been arrived after deducting outward freight and taxes. Landed value of imports has been calculated by adding 1% handling charge and applicable basic customs duty including applicable cess to the CIF value of subject imports. The landed value of imports was compared with net sales realization of the domestic industry and it was found that the price undercutting from the subject countries is positive during the POI. The Authority has determined the landed value of the subject goods at ex-port level and the net sales realization of the domestic industry at ex-factory level as per its established practice.

	Unit	2011-12	2012-13	2013-14	POI
Subject Countries					
Price undercutting	Rs./MT	***	***	(***)	***
Price undercutting%	%	***	***	(***)	***
Range	%	0-10	0-10	(0-10)	0-10
China PR					
Price undercutting	Rs./MT	(***)	***	(***)	***
Price undercutting%	%	(***)	***	(***)	***
Range	%	(15-25)	5-15	(0-10)	0-10
IRAN					
Price undercutting	Rs./MT	***	***	***	***
Price undercutting%	%	***	***	***	***
Range	%	10-20	0-10	0-10	0-10
Malaysia					
Price undercutting	Rs./MT	(***)	(***)	***	***

	Unit	2011-12	2012-13	2013-14	POI
Price undercutting%	%	(***)	(***)	***	***
Range	%	(10-20)	(0-10)	5-15	0-10
Taiwan					
Price undercutting	Rs./MT	***	***	(***)	***
Price undercutting%	%	***	***	(***)	***
Range	%	0-10	0-10	(0-10)	0-10
Indonesia					
Price undercutting	Rs./MT	-	-	(***)	***
Price undercutting%	%	-	-	(***)	***
Range	%	-	-	(0-10)	0-10

ii. Price Underselling

121. Authority notes that the price underselling is an important indicator of assessment of injury. Non injurious price has been worked out and compared with the landed value of the subject goods to arrive at the extent of price underselling. The non-injurious price has been determined considering the cost of production of the domestic industry for the product under consideration during the POI, in accordance with Annexure III of the Anti-dumping Rules. The weighted average NIP and Landed Value have been worked out on the basis of monthly import volume. The analysis shows that during the POI the landed value of subject imports were below the non-injurious price of the domestic industry as can be seen from the table below.

Particulars	Unit	China	Iran	Malaysia	Taiwan	Indonesia	ALL
Non Injurious Price	Rs./MT	***	***	***	***	***	***
Landed Value (POI)	Rs./MT	***	***	***	***	***	***
Price Underselling	Rs./MT	***	***	***	***	***	***
Underselling	%	***	***	***	***	***	***
Underselling	% Range	5-15	10-20	10-20	5-15	5-15	5-15

iii. Price suppression/depression

122. The Authority examined whether the effect of the dumped imports was to depress the prices of the like article in India, or prevent price increases which would have otherwise occurred.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./MT	***	***	***	***
Trend	Index	100	109	113	94
Selling Price	Rs./MT	***	***	***	***
Trend	Index	100	105	109	90
Landed Value of imports (Subject countries as a whole)	Rs./MT	62,869	66,327	70,948	55,635
Trend	Index	100	106	113	88

123. The Authority notes that the cost of sales, selling price and landed value of imports have declined during the POI as compared to the preceding years. This shows that the prices were suppressed on account of dumped imports and the domestic industry was not able to hold its prices in proportion to decrease in costs.

Economic parameters of the domestic industry

i. Profit/Loss

124. The profitability of the domestic industry is given in the following table. It is seen that domestic industry is suffering losses throughout the injury period. The losses of the domestic industry increased significantly during the POI as compared to the base year. Cash losses as well as negative return on investment have also increased in the POI as compared to base year.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Profits	Rs./Lakh	(***)	(***)	(***)	(***)
Trend	Index	(100)	(180)	(220)	(192)
Cash Profit	Rs./Lakh	(***)	(***)	(***)	(***)
Trend	Index	100	237	304	256
ROCE	%	(***)	(***)	(***)	(***)
Trend	Index	(100)	(191)	(243)	(236)

ii. Cash Flow

125. Authority has examined the trends in cash profits in order to examine the impact of dumping on cash flow situation of the domestic industry. Information regarding cash profit of the domestic industry is given in the following table. It is seen that the cash profits of the domestic industry declined from 2011-12.

	Unit	2011-12	2012-13	2013-14	POI
Cash profits	Rs./Lakh	(***)	(***)	(***)	(***)
Trend	Index	100	237	304	256

iii. Inventories

126. Inventories with the domestic industry moved as follows. It is noted that inventories with the domestic industry increased in the POI as compared to the base year as well as the previous year.

	Units	2011-12	2012-13	2013-14	POI
Average Stock	MT	***	***	***	***
Trend	Index	100	223	163	215

iv. Productivity

127. The Authority notes that productivity of the domestic industry has increased during the **POI** as compared to base year.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Productivity per Employee	MT	***	***	***	***
Productivity per day	MT	***	***	***	***

v. Employment and Wages

128. It is seen from the table below that the employment level has declined during the POI as compared to the base year. Wages paid has increased.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Employment	Nos.	***	***	***	***
Index	Trend	100	99	99	99

Wages	Rs/Lakh	***	***	***	***
Trend	Index	100	101	105	147

vi. Magnitude of Dumping

129. Magnitude of dumping as an indicator of the extent to which the dumped imports can cause injury to the domestic industry shows that the dumping margins determined in respect of the subject countries are above de-minimis.

vii. Growth

130. The Authority notes from the table below that growth of the domestic industry in respect of production, domestic sales, profit/loss, ROI, etc have declined during the POI as compared to the growth achieved in 2010-11.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Production	%		23.78	51.99	53.92
Domestic Sales Volume	%		22.61	54.03	52.66
Cost of Sales	%	-	8.75	12.62	(6.32)
Selling Price	%	-	4.75	9.47	(9.65)
Profit/ Loss per unit	%	-	(47.21)	(42.79)	(25.71)
Return on Capital Employed	%	-	(90.70)	(119.94)	(91.91)

viii. Ability to raise capital investment

131. It is noted that despite significant demand of the subject goods in the Country, the domestic industry has not been able to enhance its production capacity due to continued adverse performance in respect of the product. Further, the applicant is suffering significant financial losses as a result of dumping of the subject goods from the subject countries.

ix. Factors Affecting Domestic Prices

132. The examination of the import prices from the subject countries and other countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market, etc shows that the landed value of imported material from the subject countries is below the non-injurious price of the domestic industry, causing significant price underselling in the Indian market. It is also noted that the demand for the subject goods was showing significant increase during the injury period including the POI and therefore it

could not have been a factor affecting domestic prices. Thus, the principal factor affecting the domestic prices is the landed value of the imports of dumped subject goods from subject countries.

J. Conclusion on material injury

133. In view of the above, the Authority concludes that the dumped imports of the subject goods from the subject countries have increased in absolute terms as also in relation to production and consumption of the subject goods in India. However, imports of the subject goods from the subject countries are undercutting and underselling the prices of the domestic industry in the market. The imports were suppressing the prices of the domestic industry. With regard to consequent impact of the dumped imports on the domestic industry, it is found that though demand for the subject goods increased significantly, the production and sales of the domestic industry has not increased in proportion to the increase in demand. Resultantly, the domestic industry did not increase its market share to the extent of increase in demand. Losses suffered by the domestic industry increased during POI. Return on capital employed and cash profits followed the same trend as that of profits. Both return on capital employed and cash profits marked negative growths in POI. Growth in respect of price parameters shows an adverse impact on the domestic industry. It is thus provisionally concluded that the domestic industry has suffered material injury.

K. CAUSAL LINK AND OTHER FACTORS

134. Having examined the existence of material injury, effects of dumped imports on the prices of the domestic industry, in terms of its price underselling and price suppression effects, other indicative parameters listed under the Indian Rules and Agreement on Anti-Dumping have been examined to see whether any other factor, other than the dumped imports could have contributed to injury to the domestic industry. Accordingly, the following parameters have been examined:-

(a) Volume and prices of imports from third countries

135. During POI, imports of the subject goods from countries other than the subject countries have been either insignificant in volume or already attracting anti dumping duty. Therefore, the imports from other countries cannot be considered to have caused injury to the domestic industry.

(b) Trade restrictive practices of and competition between the foreign and domestic producers

136. There is no evidence of trade restrictive practices of and competition between the foreign producers and domestic producers causing injury to the domestic industry.

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

137. The Authority notes that demand for the product showed significant increase during the injury period and also during POI. The Authority thus concludes that injury to the domestic industry was not due to contraction in demand.

(d) Development in Technology

138. None of the interested parties have furnished any evidence to demonstrate significant changes in technology that could have caused injury to the domestic industry.

(e) Export performance of Domestic Industry

139. Performance of the domestic industry has been segregated for domestic and export market. Therefore, any possible decline in export performance is not a cause of injury to the domestic industry.

(f) Productivity of the Domestic Industry

140. Productivity of the domestic industry has increased during the POI. However, profitability of the domestic industry showed decline.

141. From the foregoing, the Authority provisionally concludes that there is no evidence of injury being caused to the domestic industry due other factors.

L. FACTORS ESTABLISHING CAUSAL LINK

142. Analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has materially deteriorated over the injury period. The causal link between dumped imports and the injury to the domestic industry is established on the following grounds:

- i The dumped imports of the subject goods from the subject countries have increased in absolute terms as also in relation to production and consumption of the subject goods in India.
- ii The imports are suppressing the prices of the domestic industry.
- iii Losses of the domestic industry increased. Return on capital employed and cash profits followed the same trend as that of profits. Both return on capital employed and cash profits marked negative growths in POI on account of dumped imports.
- iv The financial performance of the domestic industry has deteriorated in respect profit, return on capital employed and cash flow, due to dumped imports.

143. Thus the Authority provisionally concludes that the domestic industry suffered material injury due to dumped imports of the subject goods, originating in or exported from the subject countries.

M. MAGNITUDE OF INJURY AND INJURY MARGIN

144. The Authority has determined non-injurious price for the domestic industry on the basis of principles laid down in the Rules, as amended. The non-injurious price so determined has been compared with the landed prices of imports from the subject countries.

S. No.	Subject Country	Producer	Exporter	Non Injurious Price US\$./MT	Landed Value US\$./MT	Injury Margin US\$./MT	Injury Margin%	Injury Margin Range (%)
1	China PR							
	Any	All Producers	All Exporters	***	***	***	***	5-15
2	Indonesia							
	Any	All Producers	All Exporters	***	***	***	***	5-15
3	Iran							
	Any	All Producers	All Exporters	***	***	***	***	10-20
4	Malaysia							
	Any	All Producers	All Exporters	***	***	***	***	10-20
5	Taiwan							
		All Producers	All Exporters	***	***	***	***	5-15

N. CONCLUSIONS:

145. After examining the issues raised and submissions made by the interested parties and facts made available before the Authority as recorded in this finding, the Authority provisionally concludes that:

- a. The product under consideration has been exported to India from subject countries below its normal value, thus resulting in dumping.
- b. The domestic industry has suffered material injury due to dumping of the product under consideration from the subject countries.
- c. The material injury has been caused by the dumped imports from the subject countries.

O. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

146. The Authority notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the Country. Imposition of anti-dumping measures would not restrict imports from the subject countries in any way, and, therefore, would not affect the availability of the products to the consumers.

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

P. RECOMMENDATIONS

148. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal links. Having initiated and conducted a preliminary investigation into dumping, injury and causal links in terms of the

provisions laid down under the Anti-dumping Rules and having provisionally established positive dumping margin as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of provisional duty is required to offset dumping and injury, pending completion of the investigation. Therefore, Authority considers it necessary and recommends imposition of provisional anti-dumping duty on imports of subject goods from the subject countries in the form and manner described hereunder.

149. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, provisional antidumping duty equal to the amount mentioned in Col 8 of the table below is recommended to be imposed from the date of notification by the Central Government, in the event of acceptance of these recommendations by the Central Government, on all imports of subject goods originating in or exported from China PR, Taiwan, Indonesia and Malaysia.

Duty Table

S. No	Heading/ Subheading	Description of goods	Country of origin	Country of export	Produc er	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	29173600	Purified Terephthalic Acid	China PR	China PR	Any	Any	80.13	MT	US\$
2	-do-	-do-	China PR	Any country other than those subject to Anti- dumping duty	Any	Any	80.13	MT	US\$
3	-do-	-do-	Any country other than those subject to Anti- dumping duty	China PR	Any	Any	80.13	MT	US\$
4	-do-	-do-	Indonesia	Indonesia	Any	Any	76.13	MT	US\$
5	-do-	-do-	Indonesia	Any country other than those subject to	Any	Any	76.13	MT	US\$

S. No	Heading/ Subheading	Description of goods	Country of origin	Country of export	Produc er	Exporter	Duty Amount	Unit	Currency
				Anti-dumping duty					
6	-do-	-do-	Any country other than those subject to Anti- dumping duty	Indonesia	Any	Any	76.13	MT	US\$
7	-do-	-do-	Iran	Iran	Any	Any	108.28	MT	US\$
8	-do-	-do-	Iran	Any country other than those subject to Anti- dumping duty	Any	Any	108.28	MT	US\$
9	-do-	-do-	Any country other than those subject to Anti- dumping duty	Iran	Any	Any	108.28	MT	US\$
10	-do-	-do-	Malaysia	Malaysia	Any	Any	98.15	MT	US\$
11	-do-	-do-	Malaysia	Any country other than those subject to Anti- dumping duty	Any	Any	98.15	MT	US\$
12	-do-	-do-	Any country other than those subject to Anti- dumping duty	Malaysia	Any	Any	98.15	MT	US\$
13	-do-	-do-	Taiwan	Taiwan	Any	Any	56.94	MT	US\$
14	-do-	-do-	Taiwan	Any country other than those subject to Anti- dumping	Any	Any	56.94	MT	US\$

S. No	Heading/ Subheading	Description of goods	Country of origin	Country of export	Producer	Exporter	Duty Amount	Unit	Currency
				duty					
15	-do-	-do-	Any country other than those subject to Anti-dumping duty	Taiwan	Any	Any	56.94	MT	US\$

Q. FURTHER PROCEDURE

150. The following procedure would be followed subsequent to notifying the preliminary findings:-

- a. The Authority invites comments on these provisional findings from all interested parties and the same, considered relevant by the Authority, would be considered in the final findings;
- b. Exporters, importers, the applicant and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views known, within forty days from the date of the dispatch of these preliminary findings. Any other interested party may also make known its views within forty days from the date of publication of these findings.
- c. The Authority would conduct further verification to the extent deemed necessary.
- d. The Authority would disclose essential facts as per the Anti-dumping Rules before announcing final findings.

A. K. Bhalla
Designated Authority