

GOVERNMENT OF INDIA MINISTRY OF
COMMERCE & INDUSTRY DEPARTMENT OF
COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)

NOTIFICATION

New Delhi, the 3rd February 2010

Preliminary Findings

Subject: Antidumping investigations involving imports of Phenol originating in or exported from Japan and Thailand.

NO. 14/27/2009-DGAD: - Having regard to the Customs Tariff Act 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, (hereinafter referred as Rules) 1995 thereof;

Procedure

2. The procedure described below has been followed:

- i. The Designated Authority (hereinafter referred to as Authority), under the above Rules, received a written petition from M/s Hindustan Organic Chemicals Ltd., Mumbai which is supported by M/s SI Group-India Ltd., Mumbai (formerly known as Schenectady Herdillia Limited) on behalf of the domestic industry, alleging dumping of Phenol (hereinafter referred to as subject goods) originating in or and exported from Japan and Thailand.
- ii. The Authority notified the Embassies/Representatives of the subject countries in India about the receipt of dumping application made by the petitioner before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra;
- iii. The Authority on the basis of sufficient evidence submitted by the applicant on behalf of the domestic industry, issued a public notice dated 11th August 2009 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of phenol originating in or exported from the subject countries, in accordance with the sub-Rule 6(1) of the Rules to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the injury to the domestic industry.
- iv. The Designated Authority sent copies of initiation notification dated 11.08.2009 to the Embassies of the subject countries in India, known exporters from the subject countries, importers, consumers and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing within 40 days of the initiation notification.
- v. The Authority provided copies of the non-confidential version of the application to the known exporters and to the Embassies of subject countries in accordance with Rule 6(3) supra.
- vi. The Embassies of the subject countries in India were informed about the initiation of the investigation in accordance with Rule 6(2) with a request to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time. A copy of the letter and questionnaire sent to the exporters were also sent to them, along with the names and addresses of the exporters.
- vii. The Authority sent questionnaires, to elicit relevant information to the following known exporters in subject countries in accordance with Rule 6(4).

PTT Phenol Co., Ltd. (PPCL) 123 Suntowers Building B, 36th Floor, Vibhavadi Rangsit Road Chomphon Chatuchak, Bangkok 10900	Chiba Phenol Co. Ltd. Shiodome City Center, 1-5-2, Higashishimbashi, Japan
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Mitsubishi Chemical 14-1 Tokyo 108-0014, Japan Shiba 4-chome, Minato-ku,	
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viii. In response to the above notification, following exporters/ producers/ have responded to the initiation:

Name of Interested party	Country
PTT Phenol Company Limited, Producer & Exporter	Thailand
Mitsui & Co., Ltd. ("MBK"), Japan, Exporter	Japan
M/s. Mitsui & Co. (Asia Pacific) Pte. Limited, Singapore, Exporter	Singapore
Mitsubishi Chemical Corporation ("MCC")	Japan
Sumitomo Corporation, Exporter	Japan
Sumitomo Corporation Asia Pte Ltd	Singapore
Mitsui Chemicals, Inc., Producer	Japan

ix. Questionnaire was sent to the following known importers and Consumers of subject goods in India calling for necessary information in accordance with Rule 6(4). However, no questionnaire response has been received from any importer of the subject goods.

M/s. C.J. Shah and Company 105, Bajaj Bhawan 10 th Floor, Nariman Point Mumbai- 400021.	M/s. Haresh Kumar and Company 1212, Maker Chambers 5 Jambhalal Bajaj Road, Nariman Point, Mumbai-400021.
M/s. PCL Industries M-105, Connaught Place New Delhi-110001	M/s. Kantilal Manilal and Company 16, Princess Street Mumbai-400003.
Sonkamal Enterprises 10, Dev Darshan Apartment Old Nagardas Road Andheri (East) Mumbai-400069	M/s. Khetan Brothers C-17, Dalia Industrial Area Off New Link Road, Opposite Laxmi Industrial Estate Andheri (West) Mumbai-400058
M/s. Shubham Dyes & Chemicals Limited 1/26, Roop Nagar, Delhi 110007	Acron Enterprises Plot No. 218-219/3, G.I.D.C, Naroda, Ahmedabad Pin Code- 382330, Gujarat.
M/s. Naiknavare Chemicals Limited 1, Vidya Bhavan, 121, Keluskar Road Shivaji Park, Dadar (West) Mumbai (Maharashtra).	M/s. Paras Dyes & Chemicals 12 th Floor, Vijaya Building 17 Barakhamba Road, New Delhi-110001
M/s. Torrent Pharmaceuticals Limited Ashram Road, Ahmedabad Road 380009 Gujarat	M/s. United Phosphorus Ltd. Eadymoney Terrace, 167, Dr. Annie Basant Road Worli, Mumbai-400 018
M/s. Resins & Plastic Ltd. Cross Rd. B, Mumbai 400093	M/S Kailash Polymers, 60 Krishna Market Kalka Ji New Delhi
M/S Centurian Metalics Pvt. Ltd 6/221, Deodhar Road, matunga-400019-Mumbai	M/s. Wonder Laminates Pvt. Ltd. 14, Bhasa, Diamond Harbor road, Kolkata.
M/s. Meghdev Enterprises P.K. House, H/H M.J. Library, Ellisbridg, Ahmedabad	M/s. Satguru International 204-D, Pocket-12, Jasola Vihar Opp. Appollo Hospital, New delhi
M/s. High Polymer Labs Ltd. 803, Vishal Bhavan, 95, Nehru Place, New delhi	M/s. Rainbow colours & Chemicals 14/A, Bhavik Complex Ghod Dod Rd. Surat, Gujrat
M/s. M/s. Bleach Marketing Pvt. Ltd. 120, Bleach Chem Compound Nr. Chandola, Ahmedabad	M/s. Karmen International (P) Ltd. 31A/20, NP, Sidco Industrial Estate, Chennai
M/s. Krishna Antioxidants Pvt. Ltd. Lopes Maner, I C Colony, Near Chandra Ho, Mumbai	M/s. NGP Industries Ltd. M-13, Punj House, New Delhi

M/s. Farmson Pharmaceutical Gujrat Ltd. 5 th Floor, Commerce Centre, Sayajigunj, Baroda	M/s. India Glycols Ltd. C-124, Okhla Industrial Area, Phase-I, New Delhi
M/s. Singh Plasticisers and Resins (I) Pvt. B-316, 3 rd Floor, Somdut Chamber-1, Bhika ji Gama Place, New Delhi	M/s. National Plywood Industries Ltd. 5, Fancy Lane, 700001 Kolkata.
Kundan Rice Mills Ltd., d-17, Century Market, Prashant Vihar, Delhi-110085	

- x. 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;
- xi. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years and period of investigation.
- xii. Optimum cost of production and cost to make and sell the subject goods in India based on the information furnished by the applicant on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if Anti-Dumping duty, lower than the dumping margin, would be sufficient to remove injury to Domestic Industry
- xiii. Investigation was carried out for the period starting from 1st Oct 2008 to 30th June 2009 (nine months) (POI). The examination of trends, in the context of injury analysis, covered the periods April 2006-March 2007, April 2007- March 2008, April 2008-March 2009 and the POI.
- xiv. *** In this Notification represents information furnished by the applicant on confidential basis, and so considered by the Authority under the Rules.

Product under Consideration

3. The product under consideration is 'Phenol'.

4. **Phenol** is an organic chemical, also known as Carboic Acid, and used in the manufacture of Phenol Formaldehyde Resins, Laminates, Plywood, Particle Boards, Bisphenol-A, Alkyl Phenols, Pharmaceuticals, Diphenyl Oxide and downstream chemicals. Phenol is classified under Chapter 29 & 27 of Custom Tariff Act under the sub-heading 29071110, 27079900 respectively. The customs classification is however, indicative only and in no way binding on the scope of the present investigation.

5. It is a basic organic chemical, marketed in two grades viz. Crystalline and Hydrated. The two grades are differentiated on the basis of flow characteristics of Phenol. It is marketed in two forms – loose / bulk and packed.

Like Article

6. '**Phenol**' manufactured by Domestic Industry is identical to the product under consideration, and is therefore being treated as like article for the purpose of this Investigation.

Standing of the Domestic Industry and initiation of the investigation

7. The petition has been filed by M/s Hindustan Organic Chemicals Ltd., Mumbai and supported by M/s SI Group-India Ltd., Mumbai (formerly known as Schenectady Herdillia Limited). There are no other known producers of the product in the country. M/s Hindustan Organic Chemicals Ltd. alone shall constitute "Domestic Industry" for the purpose of the present investigation

Normal value, Export Price and Dumping Margin

Normal Value for Japan

Cooperating Exporters

Mitsubishi Chemical Corporation

8. While submitting a response to the initiation the subject producer from Japan has stated that the sales of the company in Japan are to Dia Chemicals, a 100% subsidiary, Yuka Schenectady, a 50% JV with Schenectady, and swap with other manufacturers. It has further been claimed that the price is based on raw material market prices and an additional amount and these sales in the domestic market are claimed to be based on different commercial considerations and not relevant for the purposes of establishing normal value. Further costing information has also not been furnished. They have however furnished details of exports claimed to have been made to third countries, other than India during POI. They have contested the methodology of construction of NV resorted to be the DI while submitting the petition and have questioned that the DI has not made adequate efforts to obtain the NV in respect of the subject responding exporter.

9. The Authority notes that the onus is on the responding exporter to provide all the information, including that related to domestic sales for determination of Normal value and it is for the Authority to decide whether these sales are reasonable and appropriate for determination of NV. The claim of the responding producer / exporter that these sales are not relevant for determination of NV cannot be taken on its face value. In fact the responding exporter is trying to act as the Authority to decide whether these sales are relevant or not.

10. Further details relating to exports to third countries are also in a consolidated manner and do not reflect country wise details or even the name of the country to which these exports have been made. In fact they have claimed to have made these supplies to Mitsui & Co Ltd and Sumitomo Corporation, which are essentially Japanese Companies, based in Japan, which inter-alia means that they have not been exporting the materials at all but selling the same in the Domestic Market alone.

11. Considering the above factors, the Authority holds the said responding exporter as non-cooperative for provisional determination. However if the said responding producer / exporter wishes to submit the related information subsequent to issue of PF, the Authority will take a view, whether to consider the same for final determination, on receipt of the same.

Mitsui Chemicals Inc., Japan

12. The Authority observed that the domestic sales of the subject goods by the responding exporters in their home markets were representative for permitting determination of Normal values on the basis of domestic selling prices and the ordinary course of trade test was satisfied as per the data provided by the respondents. In their responses, the respondents have provided transaction-wise details of sales made in their home markets. The information so provided has been relied upon to determine separate weighted average domestic selling price of the subject goods to the extent feasible. For the determination of the ordinary course of trade test, the costs of production of the product concerned have been accepted. Further, all domestic sales transactions were examined with reference to the costs of production of the subject goods to determine whether the domestic sales were in the ordinary course of trade. Considering that there have been significant changes in the cost of production and selling price from quarter to quarter, the Normal Value has been worked out individually for each quarter. Further, considering the fact that the export sales to India are only in respect of Quarter Jan 09- March 09, the Normal Value for the subject producer has been considered in respect of Domestic Sales for this quarter only (More than 80% domestic sales being profitable sales) to assess the impact of dumping on the basis of quarterly comparisons for ensuring a fair comparison. However, the quarterly analysis has been done for preliminary determination at this stage and this methodology may undergo a review for final determination, if need arises, subsequent to

verification of the records of Responding Exporters. The Normal Value so determined works out to US\$ *** per MT.

Non-Cooperating Exporters

13. Considering the fluctuation in input prices during POI, the Normal Value for co-operating exporters has been worked out on a quarterly basis Normal Value adopted for the responding exporter M/S Mitsui Chemical Inc. has been adopted for all other exporters from Japan.

Thailand

Normal Value for Thailand

Cooperating Exporters

PTT Phenol Company Limited, Producer & Exporter

14. The Responding exporter has questioned the CNV methodology adopted by the petitioner in the petition. Authority observes that this issue is not relevant in view of the fact that NV is being taken into account for Preliminary determination based upon the information provided by the responding exporter and not by resorting to the constructed method as claimed by the DI. Considering the information provided by the said responding exporter, the domestic sales of the subject goods by the responding exporters in their home markets for quarter April-09-June 09 are profitable and representative for permitting determination of Normal values on the basis of domestic selling prices and the ordinary course of trade test was satisfied as per the data provided by the respondents. In respect of other two quarters of the POI the sales were found to be loss making sales and normal value for these two quarters has been worked out based upon the cost of production plus reasonable profit margin. The Normal value for the subject producer has been worked out by taking the weighted average of the quarterly values as above for POI as a whole. The Normal value has been determined as per methodology mentioned above. However, the quarterly analysis has been done for preliminary determination at this stage and this methodology may undergo a review for final determination, if need arises, subsequent to verification of the records of Responding Exporters. The Normal Value so determined works out to US\$ *** per MT.

Non-Cooperating Exporters

15. The Normal Value having been worked out on a quarterly basis, the NV for this category has been considered as the one determined for a quarter in which the highest dumping margin is reported in respect of sales to India. The NV so determined is US\$ *** per MT.

Export Price

Export price for the responding exporters from Japan

Mitsui Chemicals Inc., Japan

16. The subject goods produced by M/s Mitsui Chemical Inc., Japan (MCI) are exported to India through Mitsui & Co., Ltd., Japan ('MBK') and Sumitomo Corporation ('SC').

17. MCI sells its products to MBK and SC on a domestic invoice while MBK and SC exports to India through their affiliates. Mitsui Chemicals Inc., Japan sells on FOB basis to Mitsui & Co. Ltd., Japan (MBK), who arranges logistics and sells to Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore (MAP) on CFR or CIF. MAP in turn sells it to Indian customer. For determination of the weighted average export price to India, the adjustments have been made on account of ocean freight, clearing and handling charges, bank/ credit charges, and commission as claimed by the exporter. Accordingly, the net export price has been determined as under:

Producer	Exporter	Quantity exported (MT)	Net Export Price (USD/MT)
M/s Mitsui Chemical Inc., Japan (MCI)	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***

18. M/s Sumitomo Corporation, Japan procures the materials from M/s Mitsui Chemicals Inc., Japan and M/s Mitsubishi Chemicals Corporation, Japan, and sells to M/s Sumitomo Corporation Asia Pte Ltd., Singapore. In turn, M/s Sumitomo Corporation Asia Pte Ltd sells the products to India directly or through unrelated companies based at Singapore or UAE. Sumitomo Corpn. Asia Pte. Ltd., in their response stated that it has sold *** MT of Phenol produced by M/s Mitsui Chemicals Inc., Japan to India through M/s Noble Resources Pte. Ltd., Singapore. M/s Noble Resources have not filed a separate response for the goods exported by it to India. The ultimate export price at which the goods are exported to India by M/s Noble Resources Pte. Ltd., Singapore has therefore not been shared with the Authority. Considering the above factors, the Authority holds that separate export price and dumping margin cannot be determined for M/s Noble Resources Pte. Ltd., Singapore for provisional determination. However if the said responding exporter wishes to submit the related information subsequent to issue of PF, the Authority will take a view, whether to consider the same for final determination, on receipt of the same. Similarly individual margin in respect of the exports of PUC produced by M/s Mitsubishi Chemicals Corporation, Japan to India made by Sumitomo Corporation Asia Pte Ltd cannot be determined in view of non-availability of the Normal Value in respect of M/s Mitsubishi Chemicals Corporation, Japan as explained in Para 8 to 11 above

Export price for Non-cooperating Exporters from Japan

19. The lowest export price reported by the responding producer/ exporter from Japan has been relied upon to calculate the ex-factory export price for this category of exporters. Adjustments on account of ocean freight, clearing and handling charges, bank/ credit charges, and commission have been made, at par with the adjustments allowed in respect of Co-operating exporters to arrive at the ex-factory export price. By adopting the above method, the ex-factory export price has been calculated as US\$ *** PMT.

Export price for the responding exporters from Thailand
PTT Phenol Company Limited, Thailand

20. M/s PTT Phenol Company Limited, Thailand has claimed to be exporting the subject goods to India directly as well as through its affiliate M/s PTT Public Company Ltd., Thailand. Since the exporter can easily switchover between direct exports and exports through its affiliate, the Authority has determined one export price and dumping margin for the exports made by M/s PTT Phenol Company Limited, Thailand either directly or through its affiliate M/s PTT Public Company Ltd., Thailand. M/s PTT Phenol Company Limited has also exported the subject goods through Mitsui & Co. Ltd., Japan (MBK). MBK has in turn sold to Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore (MAP) and MAP have finally exported the subject goods to India.

21. For determination of the weighted average export price to India, the adjustments have been made on account of ocean freight, clearing and handling charges, bank/ credit charges, and commission as claimed by the exporter. Accordingly, the net export price has been determined as under. However, only one export price, which is a weighted average NEP for exports made by producer M/s PTT Phenol Company Limited, Thailand directly or through its related trader M/s PTT Public Company Ltd., Thailand has been arrived at for preliminary determination. The Authority may consider working out a separate NEP and consequent DM in respect of direct and related party exports as above, if deemed necessary and appropriate at the time of final determination.

Producer	Exporter	Quantity exported (MT)	Net Export Price (USD/MT)
M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand / M/s PTT Public Company Ltd., Thailand	***	***
M/s PTT Phenol Company Limited, Thailand	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***

Export price for Non-cooperating Exporters from Thailand

22. The lowest export price reported by the responding producer/ exporter from Thailand in relation to the Normal Value, reported in a quarter has been relied upon to calculate the ex-factory export price. Adjustments on account of ocean freight, clearing and handling charges, bank/ credit charges, and commission have been made to arrive at the ex-factory export price. By adopting the above method, the ex-factory export price has been calculated as US\$ *** PMT.

Dumping Margin

23. On the basis of normal values and export prices as determined above, the dumping margins for exporters from subject countries are determined as per table below;

US\$/MT

Producer	Exporter	Normal Value	Export Price	Dumping Margin	Dumping Margin (%)
<i>M/s Mitsui Chemical Inc., Japan (MCI)</i>	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	25-30%
<i>All other exporters from Japan</i>	<i>All others exporters from Japan</i>	***	***	***	35-40%
M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand / M/s PTT Public Company Ltd., Thailand	***	***	***	25-30%
M/s PTT Phenol Company Limited, Thailand	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	5-10%
<i>All other exporters from Thailand</i>	<i>All other exporters from Thailand</i>	***	***	***	40-45%

24. The dumping margins so determined provisionally are significant and above de-minimis level.

Methodology for Injury Determination and Examination of Causal Link

Views of the domestic industry

25. The followings are the views of domestic industry: -
- Export price from the subject countries has remained at dumped level during POI. Further, these prices have been declined more than input prices.
 - Production, sales volumes and capacity utilization of the domestic industry declined after showing improvements up to 2007-08.
 - Profit/Loss (PBT, PBIT and PBDIT) of the domestic industry have all shown significant decline even become negative after improvement up to 2007-08.
 - Market share of the domestic industry declined marginally. This is due to the fact that dumped imports have captured significant market share of demand in India.
 - Import from each of the subject countries has been undercutting the prices of the domestic industry to a significant degree.
 - Imports from the subject countries have forced the domestic industry to reduce the price

- steeply during investigation period. Thus, the imports were depressing the prices in this period.
- g) Employment levels with the domestic industry have not undergone any significant change even though there is a marginal decline.
 - h) Salary & wages: - Salary and wages level with the domestic industry decreased due to low level of production.
 - i) Demand and market share: -Whereas the market shares of the imports have increased, that of the domestic industry has declined.
 - j) Growth: - Growth of the domestic industry in a number of parameters shows negative trend.
 - k) Domestic industry has suffered material injury and is trapped in a vicious cycle of volume effect and price effect. With increase in volume of imports of the subject good from the subject countries into the Indian market as a result of excess capacity with the Foreign Producers, the domestic industry suffered from loss of sale and loss of market share. This resulted in adverse volume effect. Loss of sale forced the domestic industry to reduce their domestic selling price in order to sell the subject good in the domestic market thus resulting in adverse price effect. Resultantly, domestic Industry faced adverse volume effect and adverse price effect as a result of unfair trade practices of the exporting countries.
 - l) Imports from subject countries are adding to the material injury, already being suffered by the domestic industry.
 - m) There is significant increase in the import volumes in absolute terms. This increase in imports is in spite of best efforts of the domestic industry to sell their material even at sub-optimal prices. The increase in imports would have been more, had the domestic industry not made efforts to curtail the same by offering lower prices.
 - n) Price undercutting is significant. In spite of offering matching prices, there is a positive price difference between the domestic product and imported product. Given nature of the product involved, any price difference between the domestic product and imported product is not acceptable to the consumers and the domestic industry is under constant pressure for price reductions. Domestic industry cannot afford to sell at prices, significantly higher than the imported prices. The only option with the domestic industry is to sell at matching prices. Even a small price difference is in fact huge in this kind of product.

Views of Responding Producers / Exporters

26. ELP representing the views of PTT Phenol Co Ltd. Thailand and M/S Mitsui and Company Japan and M/s Mitsui & Co Pte Ltd. Singapore has submitted as under:
- a. The injury analysis can be done based upon the data provided in the original petition based upon which the case was initiated and not based upon the data of the revised POI.
 - b. The Injury data in the petition is provided only for the petitioners and not for the supporter to the petition.
 - c. Capacity utilization of the petitioner during 2008-09 is in excess of the licensed installed capacity.
 - d. There is a miniscule drop of 6.4% sales volume in FY 2008-09 and the same cannot be attributed to causing injury.
 - e. Sale value drop is on account of the drop in the prices of Benzene and thus directly related to reduced cost of production.
 - f. Average inventories during FY 2008-09 have dropped to an all time low.
 - g. Reduction of profitability during FY 2008-09 compared to FY 2007-08 cannot be attributed to dumping.
 - h. Reduction in employment levels is a common feature of any organization.
 - i. Wages have increased over the years and are highest in FY 2008-09.
 - j. In spite of reduced demand during 2008-09, the production of DI has increased.

27. M/s J Sagar and associates, representing Mitsubishi Chemicals Corporation Japan have made

following submissions:

- a. The sales of DI have decreased only marginally and perhaps due to imports from Thailand and not from Japan and there is no volume effect for exports from Japan.
- b. Production of DI has not seen any significant change. They have been operating at full or over capacity.
- c. The profit / loss trend does not appear to be connected to dumped imports as there was huge increase in profits during 2007-08 in spite of increase in imports from Japan during this period.
- d. The selling price of DI has decreased in line with the decrease in demand by 8.9% during 2008-09 and not because of dumped imports.
- e. Market share of petitioner and supporter does not show any material change during POI though there is a marginal increase of market share of imports from Japan.

Examination by the Authority

28. The Authority has taken note of various submissions of the interested parties on injury to the domestic industry and has analyzed injury to the domestic industry considering the facts available on record and the applicable law. Further the issue of injury submissions in respect of the supporter is nowhere mandated in the Rules. However, the Authority, before proceeding with the injury analysis, sought the data from the supporter, who however did not furnish the same till date. As regards Injury analysis, the POI has been prescribed by the Authority and therefore for injury analysis the injury during POI has to be considered.

Cumulative assessment of injury

29. Annexure II para (iii) of the AD Rules provides that in case imports of a product from more than one country are being simultaneously subjected to anti dumping investigations, the Designated 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 per cent expressed as percentage of export price and the volume of the imports from each country is three per cent of the import of like article or where the export of individual countries is less than three per cent, the imports collectively accounts for more than seven per cent 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.

30. The Authority observes that:

- The margins of dumping from each of the subject countries are more than the limits prescribed above;
- Cumulative assessment of the effects of imports is appropriate since the exports from the subject countries directly compete with the like articles offered by the domestic industry in the Indian market. This is evident from the following:
 - a. The subject goods manufactured by the producers from the subject countries *inter-se* and in comparison to the product manufactured by the domestic industry has comparable properties. In other words, the subject goods supplied from various subject countries and by the domestic industry are *inter-se* like articles.
 - b. The information furnished to the Authority gives a reasonable indication that there are common parties who are resorting to use of imported material from various sources and domestic material. Imported and domestic materials are, therefore, being used interchangeably and there is direct competition between the domestic product & imported product and *inter-se* imported product.
 - c. Volume of imports from each of the subject countries is significant.

- d. Consumers make purchase decision on the basis of prices offered by various suppliers.

31. In view of the above, the Authority notes that it is appropriate to, cumulatively assess the effect of imports of the subject goods from Thailand and Japan on the domestically produced like article, in the light of conditions of competition between the imported products and the like domestic product.

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

33. As regards the impact of the dumped imports on the domestic industry para (iv) of Annexure-II of the Anti Dumping Rules states as follows:

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

Volume Effect of dumped imports and Impact on domestic Industry

34. The Authority collected transaction wise details of imports of subject goods from DGCI&S as also from World Trade Atlas. The Authority has also collated the volume of exports reported by responding exporters with the volume of imports during the period. The responding exporters from Thailand as well a Japan have reported a lower volume of imports during POI compared to DGCI&S and WTO as well as IBIS data source relied upon by the petitioner. Further the imports reported in DGCI&S data source and WTA are higher than those reported in IBIS data source. Therefore Volume analysis has been done based upon DGCI&S data as under.

Import Volumes and share of subject country

	Unit	2006-07	2007-08	2008-09	POI (9M)	POI Annualized
Japan	MT	531.63	6,244	18,226	12,920	17,226
Thailand	MT	0	0	20,498	28,285	37,713
Subject Countries	MT	531.63	6,244	38,724	41,204	54,939
Trend	Indexed	100	1,174	7,284	10,334	10,334
Other country attracting ADD	MT	63,337	88,447	51,894	35,301	47,068
Other countries	MT	2,687	8,180	2299.12	1616.51	2,155
Total Imports	MT	66,556	1,02,871	92,918	78,122	1,04,163
Trend	Indexed	100	155	140	157	157

Market Share in Imports	Unit	2006-07	2007-08	2008-09	POI (9M)	POI Annualized
Japan	%	0.80%	6.07%	19.62%	16.54%	16.54%
Thailand	%	0.00%	0.00%	22.06%	36.21%	36.21%
Subject	%	0.80%	6.07%	41.68%	52.74%	52.74%

Countries						
Other country attracting ADD	%	95.16%	85.98%	55.85%	45.19%	45.19%
Other country	%	4.04%	7.95%	2.47%	2.07%	2.07%
Total Imports	%	100%	100%	100%	100%	100%
Production of DI	MT	40,733	41,908	42,641	24,719	32,959
Imports from subject countries	MT	531.63	6,244	38,724	41,204	54,939
Imports from subject countries as a percentage of Indian production	%	1.31%	14.90%	90.81%	166.69%	166.69%

35. As per the data shown in the above table:

- a. Cumulative imports from subject countries have increased significantly in absolute terms and in relation to imports in India.
- b. Imports from subject country have increased in relation to production and consumption in India as compared to the base year. Imports from subject countries show a growing trend in relation to production of the domestic industry. The imports from subject countries was 1.31% in relation to the Indian production in the base year which has gone up significantly in percentage terms to 166.69% in POI.
- c. **Demand, Output and Market shares**

Demand, Output & Market Share	Unit	2006-07	2007-08	2008-09	POI (9M)	POI Annualized
Domestic Industry	MT	41,009	43,723	40,924	26694	35,592
Trend	Indexed	100	107	100	87	87
Supporter	MT	26,918	29,247	31,451	22818	30,424
Trend	Indexed	100	109	117	113	113
Import – Subject Countries	MT	531.63	6,244	38,724	41,204	54,939
Other country attracting ADD	MT	63,337	88,447	51,894	35,301	47,068
Other countries	MT	2,687	8,180	2,299	1,617	2,155
Total Demand	MT	1,34,484	1,75,841	1,65,292	1,27,634	1,70,179
Trend	Indexed	100	131	123	127	127
Market share in demand						
Domestic Industry	%	30.49%	24.87%	24.76%	20.91%	20.91%
Trends	Indexed	100	82	81	69	69
Supporter	%	20.02%	16.63%	19.03%	17.88%	17.88%
Trends	Indexed	100	83	95	89	89
Subject Countries	%	0.40%	3.55%	23.43%	32.28%	32.28%
Other Countries Attracting ADD	%	47.10%	50.30%	31.40%	27.66%	27.66%
Other Countries	%	2.00%	4.65%	1.39%	1.27%	1.27%

36. The Authority notes that:

- a. Demand of subject goods has been determined by addition of domestic sales and all imports from all countries. The Authority notes that demand for the subject goods had been growing from base year to POI. It grew by 27% during POI as compared to base

year i.e. 2006-07.

- b. The market share of imports from the subject countries have significantly increased, whereas that of the domestic industry has declined over the injury period. The share of domestic industry, which was at 100 (indexed) in 2006-07, declined to 69 (Indexed), during POI. During the same period the share of imports from subject countries, which was 0.40% in 2006-07, went up to 32.28% during POI. It is noted that imports from subject countries have captured a significant proportion of the growth in demand.

Capacity, production and capacity utilization of the Domestic Industry

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
Installed Capacity	MT	40,000	40,000	40,000	30000	40,000
Production	MT	40,733	41,908	42,641	24719	32,959
Capacity Utilization	%	101.83	104.77	106.60	82.40	82.40

37. Data of domestic industry on capacity, production and capacity utilization reveals that the capacity of the domestic industry remained unchanged at 40000 MT during the injury period. The production of subject goods that were increasing until 2008-09 declined significantly to 32,959 MT during POI. As a result, the capacity utilization of domestic industry, which was 101.83% during 2006-07, increased to 106.60% in 2008-09 and then declined significantly to 82.40%

Sales volume of Domestic Industry

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
Sales	MT	41,009	43,723	40,924	26694	35,592
Trend	Indexed	100	107	100	87	87

38. The above data on the sales of domestic industry shows that there was a fall in the sales during POI to the extent of 13% over the base year and also over the previous year 2008-09.

Price Effect of the Dumped imports on the Domestic Industry

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

40. The impact on the prices of the domestic industry on account of the dumped imports from the subject countries have been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis the cost of production, 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.

Price suppression and depression effects of the dumped imports:

41. The price suppression and depression effect of the dumped imports has also been examined with reference to the cost of production, net sales realization and the landed value from the subject countries.

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
Cost of sales	Rs./Mt	***	***	***	***	***
Trend	Indexed	100	84	89	78	78
Selling Price (NSR)	Rs./Mt	***	***	***	***	***
Trend	Indexed	100	102	94	73	73

42. It is seen from the above table that the decline in selling prices of domestic industry is more than the decline in its cost of sales during POI compared to the base year. The trend shows that cost

of sales decreased by 22% during POI as compared to base year whereas the selling price had decreased significantly by 27% during POI indicating that the domestic industry could not realize the selling price commensurate with the cost of sales, thereby causing significant price depression. The position is seen to be exactly reversed when the comparison is made from Base year 2006-07 with the trends in 2007-08 and 2008-09 where the DI has been realizing a higher realization compared to the cost of sales. But this trend has reversed in POI when the sales realization has fallen below the cost of sales.

Price undercutting and underselling effects

Price Undercutting

Producer	Exporter	NSR of DI (Rs./MT)	Landed Value (Rs./MT)	Price Undercutting (Rs./MT)	Price Undercutting (%)
M/s Mitsui Chemical Inc., Japan (MCI)	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	25-30%
All other exporters from Japan	All others exporters from Japan	***	***	***	30-35%
M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand / M/s PTT Public Company Ltd., Thailand	***	***	***	25-30%
M/s PTT Phenol Company Limited, Thailand	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	10-15%
All other exporters from Thailand	All other exporters from Thailand	***	***	***	30-35%

43. While working out the net sales realization of the domestic industry, the rebates, discounts and commissions offered by the domestic industry and the central excise duty paid have been deducted. The landed value of imports has been calculated by adding 1% landing charge for determination of Basic Customs Duty and then adding this Basic Customs Duty to the export / CIF prices from the subject countries, as reported by each responding exporter. For others category, the transaction of export considered for determination of DM for the residual category has been taken into account for determination of Landed Value.

44. It is seen that the landed price of imports of the subject goods are significantly below the selling prices of the domestic industry, resulting in significant price undercutting.

Price Underselling

Producer	Exporter	NIP of DI (Rs./MT)	Landed Value (Rs./MT)	Price Underselling (Rs./MT)	Price Underselling (%)
M/s Mitsui Chemical Inc., Japan (MCI)	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	25-30%
All other exporters from Japan	All others exporters from Japan	***	***	***	30-35%

M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand / M/s PTT Public Company Ltd., Thailand	***	***	***	25-30%
M/s PTT Phenol Company Limited, Thailand	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	10-15%
All other exporters from Thailand	All other exporters from Thailand	***	***	***	30-35%

45. For the purpose of price underselling the landed prices of imports from subject countries have been compared with the Non-injurious price of the domestic industry determined for the POI. It shows that underselling was significant.

Examination of other Economic Parameters of Domestic Industry

46. After having examined the effect of dumped imports on the volumes and prices of the domestic industry and major injury indicators like volume and value of imports, capacity, output, capacity utilization and sales of the domestic industry as well as demand pattern with market shares of various segments in the earlier section, other economic parameters which could indicate existence of injury to the domestic industry have been analyzed hereunder as follows:

Profits and actual and potential effects on the cash flow

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
Cost of sales	Rs./Mt	***	***	***	***	***
Trend	Indexed	100	84	89	78	78
Selling Price (NSR)	Rs./Mt	***	***	***	***	***
Trend	Indexed	100	102	94	73	73
Profit/Loss	Rs./Mt	***	***	***	***	***
Trend	Indexed	(100)	1,251	241	(473)	(473)
Profit/Loss before Tax	Rs.Lacs	***	***	***	***	***
Trend	Indexed	(100)	1,334	241	(411)	(411)
PBIT	Rs.Lacs	***	***	***	***	***
Trend	Indexed	(100)	8,167	1,847	(1,969)	(1,969)
Cash Profit	Rs.Lacs	***	***	***	***	***
Trend	Indexed	(100)	1,495	275	(452)	(452)

47. The Authority notes that there has been significant deterioration in the profitability of domestic industry over the injury period. The domestic industry has been suffering financial losses in 2006-07. The profitability improved considerably in 2007-08 and the company earned profit on sale of the subject goods in that period. The financial position of the company deteriorated thereafter and profits declined considerably during 2008-09 and thereafter it suffered financial losses during the POI. The losses suffered in the POI were more than the losses in the base year. The profit of domestic industry on the domestic sales before interest and tax (PBIT) and cash profits also followed the same trend.

Return on investment and ability to raise capital

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
PBIT	Rs.Lacs	***	***	***	***	***
Trend	Indexed	(100)	8,167	1,847	(1,969)	(1,969)

Net Fixed Assets	Rs.Lacs	***	***	***	***	***
Trend	Indexed	100	88	79	79	79
Working Capital	Rs.Lacs	***	***	***	***	***
Trend	Indexed	100	103	103	80	80
Capital Employed	Rs.Lacs	***	***	***	***	***
Trend	Indexed	100	100	98	80	80
Return on Capital Employed	%	***	***	***	***	***
Trend	Indexed	(100)	8,177	1,884	(2,256)	(2,256)

48. The Authority notes that the return on capital employed earned by the domestic industry followed the same trend as that of profitability.

Productivity

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
Productivity per employee	MT	***	***	***	***	***
Trend	Indexed	100	100	108	83	83

49. The data on productivity per employee shows that it declined by 17% in POI from the base year.

Employment and wages

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
Employment (Manpower strength)	Nos.	***	***	***	***	***
Trend	Indexed	100	103	97	97	97
Wages	Rs.Lacs	***	***	***	***	***
Trend	Indexed	100	101	104	87	87

50. The employment level does not show significant change. In indexed form it declined by 3% during POI from base year. The wages that increased by 4% in 2008-09 as compared to base year, declined during POI.

Inventories

	Unit	2006-07	2007-08	2008-09	POI (9 months)	POI Annualized
Opening Stock	Mt	***	***	***	***	***
Closing Stock	Mt	***	***	***	***	***
Average Stock	Mt	***	***	***	***	***
Average Stock in terms of No. of Days' sales	Nos.	***	***	***	***	***
Trend	Indexed	100	55	55	68	68

51. The information about the inventory levels of subject goods is contained in the above table. It is seen that the inventory levels for the subject goods have declined as compared to the base year but there is a marginal increase seen in POI compared to 2008-09.

Growth

52. The growth in production and capacity utilization was positive till 2008-09 and in domestic sales till 2007-08. However, the same deteriorated significantly during the period of investigation even below the base year levels. The domestic industry has shown a negative growth in production

and domestic sales in spite of positive growth in demand from base year to POI. The profitability of domestic industry has significantly declined during the POI. The performance of the domestic industry has also deteriorated during the period of investigation in terms of return on investment and cash profit. It is also seen that the selling price have declined more than the decline in the cost of sales during POI, thereby causing significant price depression. Besides, the imports of subject goods are significantly undercutting the prices of the domestic industry. The price underselling was also significant.

Investment

53. The authority notes that the domestic industry had not changed the capacity of subject goods from base year to POI. There has been no fresh investment by the domestic industry during the period of investigation. No evidence of any plans for further investment has come to the notice of the Authority.

Magnitude of Dumping

54. Magnitude of dumping as an indicator of the extent to which the imports can cause injury to the domestic industry shows that the dumping margins determined against the subject countries, for the POI, are significant.

Factors affecting prices

55. It has already been seen in the foregoing paragraphs that imports are undercutting the domestic prices. Comparison of cost of production and selling price of the domestic industry shows that the imports are also depressing prices of the domestic industry. It was found that the landed value per MT in POI was lower than both the net selling price and non-injurious price of phenol causing price undercutting and price underselling in the Indian market. As a result of price difference between the imported products' price and domestic industry' price, the imports have taken a major share in the growth in Indian demand for the subject goods.

Conclusion on injury

56. The examination of above injury parameters indicates that despite overall growth in demand, both the production and sale of domestic industry declined during POI as compared to the base year. The demand of subject goods has increased by 27% in POI as compared to base year. The domestic sales of the domestic industry have decreased by 13% during the same period. The Authority notes that the domestic industry could not take advantage of increase in demand in the market due to presence of imports from subject countries. The cost of sales decreased by 22% whereas sales value decreased by 27%. Consequently, the financial losses (PBIT) increased from (100) (index) in base year to (1969) (index) in POI and the return on investment declined from (100) (index) in base year to (2256)(index) in base year. Hence, as compared to base year, the financial performance of domestic industry declined significantly in POI.

57. The examination of the imports of the product and performance of domestic industry clearly shows that the imports of the product under consideration have increased in absolute terms and as also in relation to production and consumption in India. The imports are significantly undercutting the prices of the domestic industry in the market and the effect of the dumped imports was to depress the prices of the domestic industry in the market. The domestic selling prices have declined more than the decline in cost of sales. Further, there has been a significant price under cutting by the dumped imports as compared with the price of like product in India and the effect of such imports is prevent price increase which otherwise would have occurred to a significant degree. With regard to consequent impact of the dumped imports on the domestic industry, performance of the domestic industry deteriorated from the base year in terms of sales, production, capacity utilization, market share, profits, cash profits & return on investments. Imports are affecting the domestic prices. It is also noted that the production, sales, profits and return on capital employed should have improved as

a result of increase in demand. However, the same have instead declined significantly indicating the material injury suffered by the domestic industry as can be seen from the trend from the base year.

58. On the basis of above analysis, the Authority provisionally concludes that the performance of the domestic industry deteriorated in terms of production, sales volumes, capacity utilization, market share, factors effecting prices, profits, return on investment, cash profits, thus collectively and cumulatively showing that the domestic industry has suffered material injury.

Causal Link and other factors

59. Having examined the existence of material injury and volume and price effects of dumped imports on the prices of the domestic industry, in terms of its price undercutting, price underselling and price suppression, and depression 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. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It was examined whether these other parameters listed under the AD Rules could have contributed to injury to the domestic industry. It was noted that:

- i) **Volume and Prices of imports not sold at the dumped prices**
It is noted from import data that about 53% imports are from subject countries during POI and the 45% from other countries already attracting anti-dumping duties. The imports from other countries, not attracting ADD are just 2%. Therefore, the imports from other countries do not affect the prices in the domestic market;
- ii) **Contraction in demand and / or change in pattern of consumption**
Demand for the subject goods shows a healthy growth during the entire injury investigation period and therefore, the injury to the domestic industry has nothing to do with the lack of demand in the country. The data on consumption and demand does not show any change in the pattern of consumption of the product and has not been a factor causing injury to the domestic industry.
- iii) **Trade restrictive practice and competition between the foreign and domestic producers**
The goods are freely importable. The applicants are the major producers of the subject goods and account for significant domestic production and sales. No evidence of conditions of competition or trade restrictive practices has come to the knowledge of the Authority. The Authority notes that there is a single market for the subject goods where dumped imports from subject countries compete directly with the subject goods produced by domestic industry. The Authority also notes that the imported subject goods and domestically produced goods are like articles and the imported product is sold to meet the similar applications/ end uses as domestically produced subject goods.
- iv) **Development of technology**
On the basis of examination of the records of the petitioner, the Authority provisionally holds that development in technology has not been a relevant factor for the injury to the domestic industry.
- v) **Export performance**
The Authority notes that there are no exports of the domestic industry during the POI. The performance with respect to various Economic indicators has therefore been determined with respect to domestic sales only. Hence, the Authority provisionally holds that material injury suffered by the domestic industry may not be as a result of the export performance of the domestic industry.

vi). **Productivity of the Domestic Industry**

Productivity of the domestic industry in terms of production per employee has shown decline during POI as compared to preceding year because of the decline in total production during the same period.

vii) No other factor, which could have possibly caused injury to the domestic industry, has been brought to the knowledge of Authority.

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

- a. The landed prices of imports were lower than the selling price of the domestic industry. As a result of price undercutting, the consumers have resorted to higher volume of imports, thus leading to decline in market share of the domestic industry.
- b. Decline in market share has prevented the domestic industry from increasing their production and capacity utilization.
- c. Landed price of imports were undercutting the prices of the domestic industry. The imports from subject countries have caused price underselling in the Indian market. Resultantly, lower import prices appear to have prevented the domestic industry from increasing their prices.
- d. Price depression effect of the imports has directly resulted in deterioration in profitability of the domestic industry and consequently the return on investment and cash profits. Thus, the decline in profits, return on investments and cash profits is apparently due to presence of dumped imports in the market.
- e. Significant deterioration in performance of the domestic industry in the period of investigation is apparently due to presence of dumped imports in the market.

61. The Authority has therefore, provisionally concludes that the dumped imports originating in the subject countries have caused material injury to the domestic industry within the meaning of Rule 11 of Anti-dumping Rules and article 3.5 of Agreement of Anti- dumping.

Magnitude of Injury Margin

62. The Authority has determined non-injurious prices of the subject goods for the domestic industry taking into account cost of production of the domestic industry. The non-injurious price of the domestic industry has been compared with the landed values of the subject imports to determine injury margin. The injury margins have been worked out as follows

Producer	Exporter	NIP of DI (Rs./MT)	Landed Value (Rs./MT)	Injury Margin (Rs./MT)	Injury Margin (%)
M/s Mitsui Chemical Inc., Japan (MCI)	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	35-40%
All other exporters from Japan	All others exporters from Japan	***	***	***	45-50%
M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand / M/s PTT Public Company Ltd., Thailand	***	***	***	30-35%
M/s PTT Phenol Company Limited, Thailand	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	***	***	***	15-20%
All other exporters from Thailand	All other exporters from Thailand	***	***	***	40-45%

Conclusions

63. The Authority has, after considering the foregoing, come to the conclusion that:
- a. The subject goods have been exported to India from the subject countries below its normal value;
 - b. The domestic industry has suffered material injury;
 - c. The injury has been caused by the dumped imports from subject countries.

Indian industry's interest & other issues

64. The Authority recognizes that imposition of anti-dumping duties might affect the price level of product in India. However, fair competition in the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain two or even more sources of supply.
65. 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 country in any way, and, therefore, would not affect the availability of the products to the consumers.

Recommendations

66. 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 between dumping and injury to the domestic industry in terms of the Rules laid down and having provisionally established positive dumping margin against the subject countries, 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.
67. Therefore, Authority considers it necessary and recommends provisional anti-dumping duty on imports of subject goods from the subject countries in the form and manner described hereunder.
68. 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 margin of injury, so as to remove the injury to the domestic industry. Accordingly, provisional antidumping duty equal to the amount indicated in Col 8 of the table below is recommended to be imposed from the date of notification to be issued in this regard by the Central Government, on all imports of subject goods originating in or exported from the subject countries

Duty Table

S.No	Sub Heading Of Tariff item	Description of Goods	Country Of Origin	Country Of Export	Producer	Exporter	Duty Amount	Unit Measure	Currency
1	2.	3	4.	5.	6.	7.	8.	9.	10.
1.	2907.1110 and 2707.9900	PHENOL	Thailand	Thailand	M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand	150.55	MT.	USD
2.	2907.1110 and 2707.9900	Do	Thailand	Thailand	M/s PTT Phenol Company Limited, Thailand	M/s PTT Public Company Ltd., Thailand	150.55	MT.	USD
3.	Do	Do	Thailand	Thailand	Any combination other than at sr. no. 1 & 2 above		247.25	MT.	USD
4.	Do	Do	Thailand	Singapore	M/s PTT Phenol Company Limited, Thailand	Mitsui & Co. Ltd., Japan & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	43.82	MT.	USD
5.	Do	Do	Thailand	Singapore	Any combination other than at Sl. no. 4 above		247.25	MT.	USD
6.	Do	Do	Thailand	Any other than Singapore	Any	Any	247.25	MT.	USD
7.	Do	Do	Any other than Singapore, USA, South Africa, EU, Korea RP, Taiwan and Japan	Thailand	Any	Any	247.25	MT.	USD
8.	Do	Do	Japan	Singapore	M/s Mitsui Chemical Inc., Japan	Mitsui & Co. Ltd., Japan & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	151.96	MT.	USD
9.	Do	Do	Japan	Singapore	Any combination other than at Sl. no. 8 above		179.43	MT.	USD
10.	Do	Do	Japan	Any other than Singapore	Any	Any	179.43	MT.	USD
11.	Do	Do	Any other than Singapore, USA, South Africa EU, Korea RP, Taiwan and Thailand	Japan	Any	Any	179.43	MT.	USD

Further Procedures

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

- (a) The Authority invites comments on these findings from all interested parties and the same would be considered in the final finding;
- (b) Exporters, importers, applicants and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the dispatch of the letter. 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 before announcing final findings.

P.K.Chaudhery
The Designated Authority