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**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)
JEEVAN TARA BUILDING, 5, PARLIAMENT STREET
NEW DELHI-110001**

Date: 20.10.2016

NOTIFICATION

Preliminary Findings

Subject: Anti-dumping investigation concerning imports of “Colour coated / pre-painted flat products of alloy or non-alloy steel” originating in or exported from China PR and European Union-reg.

No.14/28/2016-DGAD: Having regard to Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules thereof, as amended from time to time (hereinafter referred to as the AD rules).

2. Whereas M/s. Essar Steel India Limited and M/s. JSW Steel Coated Products Limited (hereinafter referred to as the “applicants” or “domestic industry”) have jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and the AD Rules, for initiation of anti-dumping investigation concerning imports of color coated/ pre-painted flat products of alloy or non-alloy steel (hereinafter referred to as the “subject goods” or the “Product Under Consideration”), originating in or exported from China PR and European Union (hereinafter also referred to as the “subject countries”) alleging dumping and consequent injury and requested for levy of anti-dumping duty on the imports of the subject goods from the subject countries.
3. And whereas the Authority on the basis of sufficient evidence submitted by the applicants, issued a public notice vide Notification No.14/28/2016-DGAD dated 29.06.2016, published in the Gazette of India, Extraordinary, initiating the subject investigation in accordance with the AD 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.

A. PROCEDURE

4. The procedure described below has been followed:
 - (i) The Authority notified the Delegation of the European Union to India representing European Union (EU) and the Embassy of China PR in India about the receipt of

application before proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the AD Rules.

- (ii) The Authority sent a copy of initiation notification to the Delegation of the European Union to India and the Embassy of China PR in India, known producers/ exporters from the subject countries and known importers/ users/ associations of the subject goods 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 in accordance with the Rule 6(2) of the AD Rules.
- (iii) The Authority forwarded a copy of the non-confidential version of application to the Delegation of the European Union to India and the embassy of China PR in India, known producers/exporters from the subject countries and known importers of the subject goods, in accordance with the AD Rules. A copy of the application was also provided to other interested parties, wherever requested.
- (iv) The Delegation of the European Union to India and the embassy of China PR in India were also requested to advise the producers/exporters from their countries to file their responses within the prescribed time limits.
- (v) The Authority sent exporter's questionnaires to the following known exporters in the subject countries in accordance with Rule 6(4) of the AD Rules to elicit relevant information:

European Union (EU)

- 1. Steel Coat Europe Alleur (Arcelor Mittal)
- 2. ThyssenKrupp Steel Europe AG
- 3. Tata Corus
- 4. SSAB
- 5. Metal Trade Comax
- 6. Voestalpine AG

China PR

- 1. Shanghai Metal Corporation
- 2. Baosteel Group Corporation
- 3. Sino East Steel Enterprise Co. Ltd
- 4. Qingdao Sino Steel Co. Ltd
- 5. Shanghai Color Steel Co. Ltd

- (vi) In response to the initiation notification, the following exporters/producers from the subject countries and traders have filed exporter's questionnaire:

China PR

- 1. Shandong Hwafone Steel Co. Ltd. (Producer)
- 2. Jiangsu Shagang International Trade Co. Ltd. (Exporter)
- 3. Zhnagjiagang Shajing Heavy Plate Co. Ltd (Producer)
- 4. Shagang International Singapore Pte Ltd (Exporter)
- 5. Qingdao RHT Steel Co. Ltd. (Exporter)
- 6. M/s Jiangyin Xingcheng Special Steel Works, Co., Ltd (Producer/Exporter)

- (vii) None of the producers/exporters from China PR has claimed Market Economy Treatment (MET) rebutting the non-market economy presumption in the present investigation.
- (viii) Questionnaires were sent to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules:
1. Sungreen Ventilation Systems (P) Limited
 2. Shree Rama Steel Syndicate,
 3. Indian Pipes Pvt. Ltd.
 4. Metal Shine Roofing,
 5. Brijlal & Sons
 6. Kumar Corporation
 7. Oriental Metals India Pvt. Ltd.
 8. M.K.K. Metal Sections Pvt Ltd
 9. Kusum Metals Pvt Ltd
 10. Steel Co,
 11. Shanker Mercantile Pvt Ltd
 12. G M Traders
 13. PB Traders Private Limited
 14. Whirlpool Of India Ltd.
 15. Samsung India Electronics Pvt.Ltd.
- (ix) None of the importers/users of the subject goods has responded in the form of questionnaire responses or provided comments to the initiation of the investigation except Whirlpool of India Ltd.
- (x) Further, the following parties have filed submissions/comments on the initiation notification.
1. Delegation of European Union to India
 2. Whirlpool of India Ltd
 3. M/s Jiangyin Xingcheng Special Steel Works, Co., Ltd, China PR
 4. China Chamber of International Commerce
- (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. Submissions made by all interested parties have been taken into account in the present finding.
- (xii) Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as 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.
- (xiii) Further information was sought from the applicant and other interested parties to the extent deemed necessary.

- (xiv) Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the findings on the basis of the facts available.
- (xv) The Non-Injurious Price (hereinafter referred to as 'NIP') based on the cost of production and cost to make and 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.
- (xvi) Considering the fact that the subject goods are being imported in various grades/sizes/dimensions, the applicants have also proposed Product Control Numbers (PCNs) in order to make a PCN to PCN comparison for computing the dumping margin and injury margin. However, for the purpose of preliminary findings, the authority has not adopted PCN to PCN comparison.
- (xvii) Verification of the information provided by the applicant domestic industry was carried out by the Authority to the extent deemed necessary. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of present preliminary findings.
- (xviii) Investigation was carried out for the period starting from 1st July 2015 to 31st December 2015 (6 months) (hereinafter referred to as the 'period of investigation' or the 'POI'). The examination of trends, in the context of injury analysis covered the period from 2012-13, 2013-14, 2014-15, April 2015 to December 2015 and the POI.
- (xix) The petitioners had submitted the petition alleging dumping of the subject goods from the subject countries relying upon transaction wise imports data sourced from IBIS. However, request was made to the Central Board of Excise and Customs (CBEC) to provide the transaction wise details of the imports of the subject goods for the past three years, including the period of investigation. The Authority has relied upon the data provided by the Directorate of Data Management, CBEC, in the preliminary findings.
- (xx) Arguments raised and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in the preliminary findings.
- (xxi) Exchange rate for conversion of US\$ to INR is considered for the POI as INR 65.93 as per customs data.
- (xxii) In this notification *** represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

B. PRODUCT UNDER CONSIDERATION

5. The product under consideration (PUC) in the present investigation is pre-painted, painted, colour coated or organic coated flat steels in coils or not in coils whether or not with metallic coated substrate of zinc, aluminium-zinc or any other substrate coating. These steels are either of alloy or non-alloy steel whether or not of prime or non-prime quality, either in the form of coils or plain sheets or profiled sheets including but not limited to

trapezoidal, sinusoidal, corrugated or any other type of profiles. These products are available in various paint qualities and a variety of paint colours whether or not pre-coated with primer or any other suitable material. These steels may either be painted on top surface of the steel sheet or on bottom surface or on both top and bottom surfaces. This product may be supplied with or without guard film / lamination.

6. PUC offers resistance to corrosion along with barrier protection. PUC is used in many applications and sectors including but not limited to construction, roofing, walling, panelling, cladding and decking, automotive, white goods & appliances and furniture etc.
7. The PUC is classified under tariff item 72107000, 72124000, 72259900 and 72269990 of the Customs Tariff Act, 1975. However, the imports have also been observed in certain other ITC HS Codes viz. 72101110, 72101190, 72101210, 72101290, 72103010, 72103090, 72104100, 72104900, 72105000, 72106100, 72106900, 72109010, 72109090, 72121010, 72121090, 72122090, 72123090, 72125020, 72125090, 72126000, 72255030, 72259200 and 72261100. The Customs classification is indicative only and is in no way binding on the scope of the present investigation.

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

8. Submissions made by the exporters, importers, users and other interested parties with regard to issues related to PUC and considered relevant by the Authority are as follows:
 - (i) The dumping and injury calculations should take into account different types of products and qualities.
 - (ii) One of the exporters has submitted that they export middle or heavy plate with a thickness of 6mm or more to India which is painted with one kind of shop primer. This product is not covered within the scope of the PUC but even then they have filed exporter questionnaire response as abundant caution. There is difference between the applications of the PUC and product exported by the exporter. In general, the thickness of the PUC is less than 6mm.

Submissions made by Domestic Industry

9. The submissions made by the domestic industry (DI) and considered relevant by the Authority are as follows:
 - (i) Domestic Industry has submitted that PUC covers all coated products whether pre-painted, painted, colour coated or organic coated flat steels in coils whether or not with metallic coated substrate of zinc, aluminium-zinc or any other substrate coating. These steels are either of alloy or non-alloy steel whether or not of prime or non-prime quality, either in the form of coils or plain sheets or profiled sheets including but not limited to trapezoidal, sinusoidal, corrugated or any other type of profiles.
 - (ii) With regard to the submission of the exporter that heavy plates with thickness of 6mm or more may be kept out of the PUC, the Domestic Industry submits that this contention may be accepted as these plates are already not covered within the scope of the PUC.

Examination by the Authority

10. The submissions made by the interested parties and the domestic industry with regard to the PUC related issues and considered relevant by the Authority are examined and addressed as follows:

- (i) Domestic industry has submitted that the PUC covers steels either of alloy or non-alloy steel whether or not of prime or non-prime quality, either in the form of coils or plain sheets or profiled sheets including but not limited to trapezoidal, sinusoidal, corrugated or any other type of profiles. Accordingly, the PUC does not cover plates of thickness 6mm or more. Since, this product is not covered within the scope of the PUC, there is no need to grant any specific exclusion to this product.
- (ii) With regard to like article, Rule 2(d) of the AD Rules provides as follows: -"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. On the basis of information on record and considering the submissions made by the interested parties, the Authority provisionally holds that there is no known difference in the subject goods produced by the Indian industry and those imported from the subject countries. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications of the goods. The two are technically and commercially substitutable. The consumers use the two interchangeably. The Authority provisionally holds that the products manufactured by the Applicants constitute like article to the subject goods being imported into India from the subject countries.

C. SCOPE OF DOMESTIC INDUSTRY AND STANDING

11. Rule 2 (b) of the AD rules defines the domestic industry as under:

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

12. The application has been filed by M/s Essar Steel India Limited and M/s. JSW Steel Coated Products Limited. The production of these aforesaid producers accounts for a major proportion of the total domestic production and is more than 50% of Indian production.

Submissions made by various interested parties

13. The calculation of the support to the Petition by Indian producers and the standing are not clear and the document relied upon for these calculations should be provided to the interested parties.

Examination by the Authority

14. With regard to the issue that calculation of the support to petition and standing is not clear, the Authority notes that the application has been filed by M/s. Essar Steel India Limited and M/s. JSW Steel Coated Products Limited and these producers accounts for a major

proportion of the total domestic production. The share of these producers is more than 50% of Indian production as can be seen from the table below. Further, there are no supporters in the present application.

Production	Unit	2012-13	2013-14	2014-15	April 15- Dec 15 (A)	POI (July 15- Dec 15)	POI (A)
Petitioners							
-Essar Steel India Ltd.	MT	179,284	200,914	140,056	169,537	79,073	158,146
-JSW Steel Coated Products Ltd.	MT	234,715	373,875	417,440	421,848	197,345	394,689
Petitioners Total Production	MT	413,999	574,789	557,496	591,385	276,418	552,835
Other producers	MT	408,001	305,211	350,504	320,615	161,582	323,165
Total Domestic production (based upon JPC data)	MT	822,000	880,000	908,000	912,000	438,000	876,000

15. Therefore, the Authority holds that the applicants command a major proportion of the production of the subject goods in India and for the purpose of this investigation the applicants satisfy the standing requirement in terms of Rule 5(3) and constitute the domestic industry in terms of Rule 2(b) of the AD Rules.

D. MISCELLANEOUS ISSUES RAISED BY INTERESTED PARTIES

16. The miscellaneous submissions made by various interested parties and considered relevant by the Authority are as follows:

(i) The POI “should be representative and as recent as possible”. Deviations from the benchmarking one-year POI shall be substantiated by the Petitioners and the Designated Authority by positive evidence which is not present in the current case. The POI of six months is too short for arriving at a conclusion and it should be at least one year.

(ii) The information submitted in the Petition is not sufficient to initiate the investigation and certain data is wrongfully treated in confidential. The non-confidential summaries of confidential information are not detailed enough.

(iii) The domestic industry has already received multiple protection in violation of the WTO Agreements:

- Increase of customs duty
- Minimum import price
- Anti-dumping investigations on other steel products.

(iv) The import data should be provided to the interested parties in MS Excel format.

- (v) Imposition of anti-dumping duty on the imports of the subject goods would accrue undue advantage to Domestic Industry and not in larger interest of Indian industry.

17. The miscellaneous submissions made by the Domestic Industry and considered relevant by the Authority are as follows:

- (i) Section 9A (3) of the Act is with reference to history of dumping of the product. The Petitioners request the Authority to recommend retrospective levy of anti-dumping duty on the subject goods because the conditions for retrospective levy of antidumping duty are fully satisfied.
- (ii) There is evidence of dumping of subject goods which is evident from the fact that many countries have initiated anti-dumping investigation against import of the subject goods. Massive dumping of PUC into India has taken place in a relatively short period of time causing injury to the domestic industry.
- (iii) Exporters are well aware that they are resorting to dumping which is causing injury to the domestic industry since import prices of PUC have reduced significantly as evident from the landed values for respective countries.

Examination by the Authority

18. Miscellaneous submissions made by the interested parties and considered relevant by the authority are examined and addressed as follows:

- (i) With regard to the contention of the interested parties that period of investigation should be more than 6 months, the Authority notes that according to recommendation of committee on anti-dumping practices (WTO document no. G/ADP/6 dated 16 May 2000):
“...the period of data collection for dumping investigations normally should be twelve months, and in any case no less than six months, ending as close to the date of initiation as is practicable”

Therefore, in view of above recommendation, 6 months period can be taken as the POI. The Authority has taken six months POI in other investigations also in the past.

- (ii) With regard to issue that domestic industry has already received multiple protection in violation of the WTO Agreements, the Authority notes that it is only required to examine the situation as prescribed under AD rules. Further, there is no violation of WTO Agreements by increase in customs duty. Applicability of antidumping duty on other steel products does not mean that domestic industry is not suffering injury for PUC.
- (iii) MIP was introduced by Government of India in view of low prices offered by exporters from subject countries. It is pertinent to note that MIP is in force till 4th December 2016. Once MIP expires, the domestic industry would be left without any protection from the dumped imports. Further, existence of MIP does not mean that dumping is not taking place.

- (iv) With regard to issue of import data should be provided in MS-excel format, authority notes that import data relied upon by the applicants is provided in non-confidential version of application. There is no requirement to provide the import data in MS-Excel format under the AD Rules.
- (v) The Authority notes that the argument that imposition of anti-dumping duty on the imports of the subject goods would accrue undue advantage to Domestic Industry is presumptuous and pre-mature. Anti-dumping investigations are based on facts and law to analyze and assess the magnitude of dumping and consequent injurious effect on the domestic industry and to recommend imposition of suitable and adequate antidumping measure to provide a fair and level playing field to the domestic industry vis-à-vis dumping.
- (vi) 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 were 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 a public file.
- (vii) 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.

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

(ix) 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, the Authority notes that it has prima facie satisfied itself about the accuracy and adequacy of information on the basis of information furnished by the applicants at the time of initiation.

E. DUMPING MARGIN

Market Economy Treatment (MET), Normal Value, Export Price and Dumping Margin

NORMAL VALUE

19. Under Section 9A(1)(c), normal value in relation to an article means:

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

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

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

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

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 export or 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.

Provisions relating to Non- Market Economy countries

20. Annexure-I to AD rules states as under:

7. In case of imports from non-market economy countries, normal value shall be determined on the basis if the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if

necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

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

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

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

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

(a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;

(b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;

(c) such firms are subject to bankruptcy and 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.

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

authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph”.

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

21. 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 construction of the normal value is not appropriate. The cost of production used to construct the normal value is very high due to the low capacity utilization.
 - (ii) The construction of the normal value based on the domestic industry’s data is not supported by enough evidence. In addition, an average dumping calculation based on the constructed normal value is too simplistic and does not reflect the different types of products.

Submissions made by the Domestic Industry

22. Various 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) None of the Chinese producers can satisfy market economy status. None of the WTO Member countries has granted market economy status to Chinese producers on the basis of the latest detailed evaluation of relevant criteria.
 - (ii) Unless the responding Chinese exporters conform to the standards laid down under the Rules, the Designated Authority is required to determine the normal value in accordance with Para 7 of Annexure-I to the Rules.
 - (iii) None of the producers/exporters from China PR has claimed market economy treatment.

Examination by the Authority

Market Economy claims for Chinese producers

23. 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.

24. As per Paragraph 8, Annexure I to the AD Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provides information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and prove to the contrary. The cooperating 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 Designated Authority to consider the following criteria as to whether: -
- (i) 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.
 - (ii) 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.
 - (iii) Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms.
 - (iv) The exchange rate conversions are carried out at the market rate.
25. It is noted that none of producers of subject goods in China PR have claimed market economy treatment. Accordingly, the authority is not required to examine any of the above criteria and holds that producers/exporters from China PR are not operating under market economy conditions.

Determination of Normal Value for China PR

26. The Authority sent questionnaires to the known exporters/producers from the subject countries, advising them to provide information in the form and manner prescribed. The following parties have filed exporter questionnaire responses:
- (i) Shandong Hwafone Steel Co. Ltd, China PR (Producer)
 - (ii) Jiangsu Shagang International Trade Co. Ltd, China PR (Exporter)
 - (iii) Zhnagjiagang Shajing Heavy Plate Co. Ltd, China PR (Producer)
 - (iv) Shagang International Singapore Pte Ltd, China PR (Exporter)
 - (v) Qingdao RHT Steel Co. Ltd, China PR (Exporter)
 - (vi) M/s Jiangyin Xingcheng Special Steel Works, Co. Ltd, China PR
(Producer/Exporter)
27. It is noted that none of producers of subject goods in China PR has claimed market economy treatment. Therefore, in view of the facts placed on record by the domestic industry for the purpose of the provisional findings, the Authority has adopted the constructed normal value for determination of the normal value in terms of Para-7 to Annexure-1 to the Rules.

Methodology for determination of normal value

28. In view of the above, the normal value for China PR is required to be determined as per the procedure described in Para 7 of the Annexure I to the Anti-dumping Rules. As per the provisions of Para 7 of Annexure I, the normal value in China PR is required to be determined based on domestic selling prices in a market economy third country, or the constructed value in a market economy third country, or the export prices from such a third country to any other country, including India. However, 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.
29. In the absence of any reliable price and cost details for the subject goods in any market economy third country, the Designated Authority has constructed the normal value for China PR on the basis of price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin. Accordingly, the Normal Value for all the exporters from China PR has been provisionally determined and the same is shown in the Dumping Margin Table below.

Determination of Normal Value for producers and exporters in European Union

30. The Authority notes that no producer/exporter from the European Union has responded to and cooperated with the Authority in the present investigation. For all the non-cooperative producers/exporters in the EU, the Authority has determined provisional weighted average normal value at ex-factory level for subject goods on the basis of best available information and the same is shown in the Dumping Margin Table below.

EXPORT PRICE

M/s Zhangjiagang Shajing Heavy Plate Co., Ltd, China PR (Producer) through related traders M/s Jiangsu Shagang International Trade Co., Ltd, China PR and M/s Shagang International (Singapore) Pte. Ltd, Singapore

31. From the response filed by M/s Zhangjiagang Shajing Heavy Plate Co., Ltd, China PR (“Shajing”), the Authority notes that Shajing is the producer of the subject goods. Its related company, M/s Jiangsu Shagang International Trade Co., Ltd (“Shagang International”) has exported the subject goods to India through another related trading company M/s Shagang International (Singapore) Pte. Ltd. (“Shagang SG”).
32. From the response submitted by Shagang SG, the Authority notes that Shagang SG has further resold the subject goods to Samsung C and T Corporation, Korea (“Samsung”). Samsung has not filed any response. Further, Shajing has not reported any exports to India in Appendix-2. In the absence of information in Appendix-2 from the producer, it is not possible to ascertain the ex-factory export price to India.
33. Therefore, in view of absence of complete information from Shajing including non-cooperation by Samsung, the Authority does not accept the response filed by Shajing for the purpose of provisional findings. Accordingly, the export price for Shajing is based on the facts available with the Authority.

Shandong Hwafone Steel Sheet Co., Ltd. (Producer) through unrelated trader M/s. Qingdao RHT Steel Co., LTD.

34. From the response filed by M/s Shandong Hwafone Steel Sheet Co., Ltd, China PR (“Hwafone”), the Authority notes that Hwafone is the producer of the subject goods and has exported the subject goods through unrelated trader M/s Qingdao RHT Steel Co., Ltd (“RHT”). The Authority notes that Hwafone has not reported any exports to India in Appendix-2. In the absence of information in Appendix-2 from the producer, it is not possible to ascertain the ex-factory export price to India.
35. Therefore, in view of absence of complete information from Hwafone, the Authority does not accept the response filed by Hwafone for the purpose of the provisional findings. Accordingly, the export price for Hwafone is based on the facts available with the Authority.

M/s Jiangyin Xingcheng Special Steel Works, Co., Ltd (Producer/Exporter)

36. From the response filed by M/s Jiangyin Xingcheng Special Steel Works, Co., Ltd, China PR (“JXSS”), the Authority notes that JXSS has exported plates having thickness more than 6mm and same are not covered under the scope of the PUC. Therefore, no examination is done for information submitted by JXSS.

Export Price for non-cooperating producers and exporters from China PR

37. 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, including the above mentioned producers/exporters whose responses have not been accepted by the Authority, the Authority has determined the provisional weighted average export price for subject goods on the basis of best available information and the same is shown in the Dumping Margin Table below.

Export Price for producers and exporters in European Union

38. The Authority notes that no producer/exporter from EU has responded to the Authority in the present investigation. For all the non-cooperative producers/exporters in EU, the Authority has determined the provisional weighted average export price for subject goods on the basis of best available information and the same is shown in the Dumping Margin Table below.

DUMPING MARGIN

39. The export price to India (net of all the adjustments) has been compared with the normal value to determine the dumping margin. The provisional dumping margin during the POI for all the exporters/producers from the subject countries has been determined as shown in the Dumping Margin table below.

Dumping Margin Table

S. No	Country	Producer	Exporter	Normal Value (USD/MT)	Net Export Price (USD/MT)	Dumping Margin (USD/MT)	Dumping Margin %	Dumping Margin Range %
1.	China PR	All	All	***	***	***	***	50-60
2.	European Union	All	All	***	***	***	***	70-80

40. It is seen that the dumping margins are quite significant and more than the limits prescribed under the Rules in respect of exports made by all the producers-exporters of the product under consideration from subject countries.

F. INJURY

Submissions made by exporters, importers and users

41. The submissions made by the opposing interested parties with regard to injury related issues and considered relevant by the authority are as follows:

- (i) The Petition does not contain adequate and sufficient evidence of dumping and injury.
- (ii) The performance of the domestic industry has been stable and has improved. There is no change in the landed value, price undercutting has declined, production of the domestic industry and capacity utilization has increased.
- (iii) The injury is caused by the adverse export performance of the domestic industry. The injury has been caused by factors other than imports from China PR.
- (iv) The demand for retroactive measures is unwarranted.
- (v) The methodology used to determine the non-injurious price needs to be revised. The DGAD should not give 22% ROCE. The CESTAT has given decision that 22% ROCE is not appropriate. In addition, none of the steel producers has ever attained 22% ROCE.
- (vi) The cumulation is not appropriate in the light of the conditions of competition given that the Chinese imports account for 84% of the total imports.
- (vii) The domestic industry does not suffer injury given that most of the economic parameters either show a positive trend or are largely stable. The production, demand, sales, capacity and capacity utilization have increased.
- (viii) The domestic industry is loss making but it was already loss making in 2012-13 at the beginning of the period considered for the injury determination.
- (ix) The injury has been caused by other factors that the authority is required to examine.
- (x) The domestic industry has not been making profit since the beginning of the period considered for the injury determination. Petitioners were already making losses in 2012-13.
- (xi) Performance of the domestic industry which has a problem of efficiency with utilization rate fluctuating around 50%. The decision to invest and increase the production capacity has caused the injury.

Submissions made by the Domestic Industry

42. The following are the submissions with regard to injury related issues made by the domestic industry and considered relevant by the Authority:

- (i) Imports of the subject goods have increased in absolute terms over the entire period of investigation. Imports of the PUC from the subject countries have increased in absolute terms.
- (ii) Imports of the subject goods have increased relative to production and also relative to consumption in India.
- (iii) Market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. This is due to the reason that imports have aggressively captured the increase in demand and the market share of imports from subject countries sharply increased from 2012-13 to POI (A).
- (iv) The Domestic Industry has not been able to increase its production and sales commensurate with the increase in demand.
- (v) Inventories of the Domestic Industry have been on the rise as the Domestic Industry has not been able to increase its sales despite increase in demand. Imports have been aggressively capturing the demand in India.
- (vi) There is significant price depression and suppression due to low priced dumped imports coming into India.
- (vii) The Domestic Industry's profitability has been drastically affected. The profitability has followed a negative trend during the entire injury period and the losses have further aggravated during the POI.
- (viii) The export performance of the Domestic Industry in no way has affected its financial and economic situation. Also, the petitioners have ignored the information related to exports while examining the injury parameters and entire injury analysis is based only on domestic performance of Applicants.
- (ix) The analysis overwhelmingly indicates that the Domestic Industry is suffering material injury due to increasing dumped imports of PUC into India. There exists a strong nexus between the increase in dumped imports of the subject goods and the material injury being suffered by the Domestic Industry.
- (x) Interested parties have submitted that injury being suffered by the domestic industry is due to other factor and over capacities. These claims are very general and without any facts and figures to support. The fact that injury has been caused due to dumped imports of the subject goods in India has already been established. The domestic industry has been in existence since many years and has been doing well in the past.

Examination by the Authority

43. The submissions made by the domestic industry and other interested parties during the course of investigation with regard to injury and causal link and considered relevant by the Authority are examined and addressed as below:
- (i) The Authority notes that landed value of imports of the subject goods from the subject countries has declined and the domestic industry has been forced to match such low prices causing material injury to domestic industry.
 - (ii) With regard to the export performance of the domestic industry, the authority notes that the entire injury analysis is based only on the domestic performance of the DI.
 - (iii) The Authority has further analysed the contention of the interested parties that injury being suffered by the domestic industry is due to other factors. These claims are very general and without any facts and figures to support. The fact that injury has been caused due to the dumped imports of the subject goods in India has been established in the succeeding paragraphs. Infrastructure and capacities are in place with the domestic industry to meet the demand of the subject goods.
 - (iv) With regard to the issue of allowing 22% ROCE, authority notes that it is consistent practice of the authority to give 22% ROCE.

Cumulative Assessment

44. 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:
- (i) 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
 - (ii) 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.
45. The Authority notes that:
- (i) The subject goods are being dumped into India from the subject countries. The margins of dumping from each of the subject countries are more than the *de minimis* limits prescribed under the Rules.
 - (ii) The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.

(iii) 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.

46. 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.
47. Rule 11 of AD 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, magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the AD Rules.

Volume Effect of Dumped Imports and Impact on Domestic Industry

Assessment of Demand

48. The demand/apparent consumption of the subject goods has been determined by adding domestic sales of Indian producers of like product and imports of the subject goods from all the countries. For the purpose of present injury analysis, the Authority has relied upon the import data procured from CBEC. The Authority notes that demand/apparent consumption of the subject goods increased significantly over the injury period as can be seen in the table below:

Particulars (in MT)	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Total dumped imports from subject countries	60,771	73,854	209,895	412,322	213,311	426,622
Imports from other countries	41	304	0	192	0	0
Total imports	60,812	74,159	209,895	412,513	213,311	426,622
Domestic sales of petitioners	230,213	327,096	308,076	415,032	190,574	381,148
Domestic sale of other producers	226,878	173,687	193,691	225,007	111,402	222,803
Total Demand/Apparent consumption	517,903	574,942	711,662	1,052,552	515,287	1,030,573

Import Volumes and Share of the Subject Countries

49. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. The volume effect of dumped imports of the subject goods from the subject countries is analyzed as under:

Particulars (in MT)	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Dumped imports from subject countries	60,771	73,854	209,895	412,322	213,311	426,622
Trend	100	122	345	678	351	702
Imports from other countries	41	304	0	192	0	0
Trend	100	748	-	471	-	-
Total Imports	60,812	74,159	209,895	412,513	213,311	426,622
Trend	100	122	345	678	351	702
Total Demand/Apparent consumption	517,903	574,942	711,662	1,052,552	515,287	1,030,573
Trend	100	111	137	203	99	199
Dumped imports from Subject Countries relative to consumption	11.73%	12.85%	29.49%	39.17%	41.40%	41.40%
Production of Petitioners	413,999	574,789	557,496	591,385	276,418	552,835
Dumped imports from Subject Countries relative to petitioners' total production	14.68%	12.85%	37.65%	69.72%	77.17%	77.17%

50. The authority notes as under from the above table:

- (i) Imports of subject goods from subject countries have increased in absolute terms from 60,771 MT in 2012-13 to 426,622 MT in POI (A).
- (ii) Imports of subject goods from subject countries have increased in relation to petitioners' production from 14.68 % in 2012-13 to 77.17 % in POI (A).
- (iii) Imports of the subject goods from the subject countries have increased in relation to consumption in India from 11.73% in 2012-13 to 41.4% in POI (A).

51. It is, thus, concluded that imports of the PUC from the subject countries have increased both in absolute terms and in relation to production and consumption in India.

Price Effect of the Dumped Imports on the Domestic Industry

52. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

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

53. It has been examined whether there has been a significant price undercutting by the dumped imports 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. The impact of dumped imports on the prices of the domestic industry has been examined with reference to price undercutting, price underselling, price suppression and price depression, if any.

Price Undercutting

54. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. In this regard, a comparison has been made between the landed value of the product and the average selling price of the domestic industry net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex-factory level. The domestic prices and margin of undercutting is shown as per the table below:

Price Undercutting	July 15 to Dec 15	China PR	EU
Landed Value	Rs. /MT	***	***
Domestic Selling Price	Rs. /MT	***	***
Price Undercutting	Rs. /MT	***	***
Price Undercutting	%	***	***
Price Undercutting Range	%	20-30%	35-45%

55. The Authority notes from the aforesaid table that significant price undercutting exists for China PR as well as European Union. Due to such significant price undercutting, the domestic industry is unable to increase their selling prices so as to recover their cost and earn a reasonable rate of return. If the Domestic Industry does not respond to imports by bringing down its prices, it will lose more customers and the injury would be more severe.

Price Underselling

56. The Authority has also examined the price underselling suffered by the domestic industry on account of dumped imports from the subject countries. For this purpose, the NIP determined for the domestic industry has been compared with the landed price of imports. Comparison of weighted average NIP of the domestic industry with weighted average landed price of imports shows as follows:

Price Underselling	July 15 to Dec 15	China PR	EU
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Landed Value	Rs. /MT	***	***
NIP	Rs. /MT	***	***
Injury Margin	Rs. /MT	***	***
Injury Margin	% of L.V	***	***
Injury Margin Range		30-40%	50-60%

57. It is seen that the landed price of the subject goods from the subject countries was significantly lower than the NIP determined for the domestic industry.

Price Suppression/Depression

58. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position is shown in the table below:

Particulars (Rs. per MT)	2012-13	2013-14	2014-15	April 2015- Dec 2015	POI (July 2015- Dec 15)
Cost to make and sell	***	***	***	***	***
Trend	100	104	106	95	94
Domestic Selling Price	***	***	***	***	***
Trend	100	104	105	93	91
Landed Value	***	***	***	***	***
Trend	100	109	109	100	97

59. It is noted that decline in the domestic selling price is higher than the decline in the cost of sales. The import prices have remained significantly lower than the domestic selling prices as well as the cost to make and sell for domestic industry throughout the injury investigation period. The low priced dumped imports did not allow the domestic industry to fetch a selling price which could recover even its cost. The imports were thus suppressing the prices of the domestic industry in the market.

Economic parameters of the domestic industry

60. Annexure II to the AD Rules requires that a determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like product. The Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments, utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. An examination of the performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

Production, Capacity Utilization and Sales

61. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization was as follows:

Particulars	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Installed Capacity (MT)	868,000	1,093,000	1,093,000	1,093,000	546,500	1,093,000
Total production (MT)	413,999	574,789	557,496	591,385	276,418	552,835
Capacity Utilization	47.70%	52.59%	51.01%	54.11%	50.58%	50.58%
Domestic Sales	230,213	327,096	308,076	415,032	190,574	381,148

62. The Authority notes that even though the domestic production of the subject goods have increased, the significant increase in dumped imports has not allowed the domestic industry to achieve optimum capacity utilisation during injury investigation period.

Profitability

Particulars	2012-13	2013-14	2014-15	April 2015-Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Profit (Rs. In crores)	***	***	***	***	***	***
Trend	(100)	(150)	(166)	(253)	(127)	(254)
Profit (Rs./MT)	***	***	***	***	***	***
Trend	(100)	(106)	(124)	(140)	(153)	(153)
Cash Profits (Rs. crores)	***	***	***	***	***	***
Trend	(100)	(133)	(174)	(282)	(144)	(287)
Cash Profit (Rs./MT)	***	***	***	***	***	***
Trend	(100)	(94)	(130)	(156)	(174)	(174)

63. The Authority notes the following from the above table:

- (i) The domestic industry's profitability has been adversely affected due to increased dumping by exporters from subject countries. The losses suffered by the domestic industry have significantly increased during POI.
- (ii) Due to severe dumping from subject countries during POI, domestic industry has not been able to recover its cost of sales leave aside earning a reasonable profit.

(iii) It is, therefore, concluded that the dumped imports have severely affected the profitability of the domestic industry.

Market Share

64. The effects of the dumped imports on the market share of the domestic industry have been examined as below:

Particulars	2012-13	2013-14	2014-15	April 2015- Dec 2015 (A)	POI (Jul 2015- Dec 15)	POI (A)
Demand (MT)	517,903	574,942	711,662	1,052,552	515,287	1,030,573
Indexed	100	111	137	203	99	199
Market Share						
Share of Petitioners	44.45%	56.89%	43.29%	39.43%	36.98%	36.98%
Share of all other Producers	43.81%	30.21%	27.22%	21.38%	21.62%	21.62%
Share of Subject countries	11.73%	12.85%	29.49%	39.17%	41.40%	41.40%
Share of Other countries	0.01%	0.05%	0.00%	0.02%	0.00%	0.00%

65. From above table, the Authority observes that the market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. Further, the authority notes that market share of the imports from the subject countries has increased over the injury period. This is due to the reason that imports have aggressively captured the increase in demand.

66. The domestic industry has not been able to increase the sales of the PUC commensurate with the increase in demand because of the significant volume of dumped imports coming from the subject countries.

Inventories

Particulars	2012-13	2013-14	2014-15	POI (Jul 2015- Dec 15)
Average Inventory (MT)	***	***	***	***
Trend (Indexed)	100	136	141	229

67. The Authority notes that the Domestic Industry is facing significant accumulated inventories. The levels of inventories have been increasing as compared to the base year. Due to increasing imports, the market share of the Domestic Industry has come down and the increased demand has been significantly captured by imports. As a result, the Domestic Industry is unable to increase its production and sales which is leading to a situation of inventory accumulation over the injury period.

Growth

Particulars	Unit	2013-14	2014-15	POI(A)
Cost of Production	%	4%	2%	-11%
Selling Price	%	4%	1%	-13%
Loss	%	50%	11%	53%
Cash Loss	%	33%	31%	65%
Market Share	%	12%	-24%	-16%

68. The Authority notes that the growth of the domestic industry with regard to profitability, market share and selling price has been negative.

Ability to raise capital investments

69. The Authority notes that given the rising demand of the product in India, the domestic industry has made significant investments in plant and machinery. However, despite these investments, the performance of the domestic industry has deteriorated considerably and further investment may get adversely affected.

Level of dumping & dumping margin

70. It is noted that the imports from the subject countries are entering the Indian market at dumped prices and that the margins of dumping are significant.

Factors Affecting Domestic Prices

71. The examination of the import prices from the subject 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 the imported material from the subject countries is below the non-injurious price of the domestic industry, causing significant price under selling in the Indian market. Thus, the factor affecting the domestic prices is landed value of the subject goods from the subject countries.

Conclusion on injury

72. It is thus seen that there has been a significant increase in the volume of dumped imports from the subject countries in absolute terms. The imports have increased significantly in relation to consumption and production of the product in India. Dumped imports have had significant adverse price effect in terms of price suppression and depression. Effect of dumped imports has been to reduce the domestic prices of the subject goods. Low priced dumped imports have forced the domestic industry to fetch a market price which could not even cover its cost. The domestic industry is suffering significant price undercutting and underselling. There exists price depression and suppression due to low priced dumped imports coming in India. The dumping margin determined by the Authority is quite significant. With regard to consequent impact of dumped imports on the domestic industry, it is noted that dumped imports from the subject countries have adversely impacted the performance of the domestic industry in respect of capacity utilization, inventories, market share, profits and cash profits. Inventories with the domestic industry increased. The profitability of the domestic industry has been drastically affected. This is evident from the fact that the losses suffered by the domestic industry have significantly increased during POI. Thus, the Authority provisionally concludes that the domestic industry has suffered material injury.

Causal Link

73. The Authority has examined whether other factors listed under the Anti-dumping Rules could have contributed to injury to the domestic industry. The examination of causal link between dumping and material injury to the domestic industry has been done as follows:

Imports from third countries

74. The imports from countries other than the subject countries are not significant in volume terms so as to cause or threaten to cause injury to the domestic industry.

Contraction in demand

75. The demand for the subject goods has shown an increasing trend. Accordingly, fall in demand cannot be the reason for injury to the domestic industry. In fact, the domestic industry has not been able to increase its sale and market share commensurate to increase in demand.

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

76. The Authority notes that there is no trade restrictive practice which could have contributed to the injury to the domestic industry.

Developments in technology

77. The technology for production of the product concerned has not undergone any change. Thus, developments in technology cannot be regarded as a factor causing injury to the domestic injury.

Changes in pattern of consumption

78. The domestic industry is producing the type of goods that have been imported into India. Possible changes in the pattern of consumption are not a factor that could have caused injury to the domestic industry.

Export performance

79. Claimed injury to the domestic industry is not on account of possible significant deterioration in export performance of the domestic industry. In any case, the authority has considered domestic performance only for assessing injury to domestic industry wherever possible.

Performance of the domestic industry with respect to other products

80. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic industry's performance. The information considered by the Authority is with respect to the product under consideration only.

Productivity of the domestic industry

81. The Authority notes that the deterioration in productivity has not caused injury to the domestic industry.

Factors establishing causal link

82. Analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has materially deteriorated due to dumped imports from the subject countries. Causal link between dumped imports and the injury to the domestic industry is established on the following grounds:

- Imports of the subject goods from the subject countries have increased in absolute terms over the entire period of investigation.
- Imports of the subject goods from the subject countries have increased relative to production and consumption in India.
- Market share of the Domestic Industry has decreased even though demand for the subject goods has been rising in India. This is due to the reason that imports have aggressively captured the increase in demand.
- Inventories of the Domestic Industry have been on the rise as the Domestic Industry has not been able to increase its sales despite increase in demand. Imports have been aggressively capturing the demand in India.
- There exists price suppression and price depression due to low priced dumped imports coming in to India.
- The Domestic Industry's profitability has been drastically affected. This is evident from the fact that the losses suffered by the domestic industry have significantly increased during the POI.

83. The above analysis indicates that the Domestic Industry is suffering material injury due to increasing dumped imports of the PUC into India. There exists a strong nexus between the increase in dumped imports of the subject goods from the subject countries and the material injury being suffered by the Domestic Industry.

Conclusion on Injury and Causation

84. From the above examination of injury and causal link, the Authority provisionally concludes that the domestic industry has suffered injury as a result of dumping of the subject goods from the subject countries. There has been a significant increase in the volume of dumped imports from the subject countries in absolute terms throughout the injury period and in relation to production and consumption in India. The dumped imports have had significant adverse effect on the prices of the domestic industry in the market. The dumping margin for the subject countries has been determined and is considered significant. Dumped imports from the subject countries have adversely impacted production, sales and capacity utilization. Market share of the domestic industry has significantly declined whereas that of subject imports has significantly increased. Performance of the domestic industry has significantly deteriorated in respect of profits, cash profits and returns. Inventories have increased. The Authority thus provisionally

concludes that the domestic industry has suffered material injury as a result of dumped imports from the subject countries.

85. The Authority has determined the non-injurious price for the domestic industry and compared with the landed values of the subject imports from the subject countries to determine the injury margin. The provisional injury margins have been determined as follows:

Injury Margin

S.No	Countries	Producer	Exporter	NIP (USD/MT)	Landed Value (USD/MT)	Injury Margin (USD/MT)	Injury Margin %	Injury Margin Range %
1.	China PR	All	All	***	***	***	***	30-40
2.	EU	All	All	***	***	***	***	50-60

86. The level of dumping margins and injury margins as determined are considered significant.

G. Indian industry's interest & other issues

87. 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 countries. 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.
88. It is recognized that the imposition of anti-dumping duties might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of these product. The domestic industry submitted that imposition of proposed duty shall have insignificant cost implications for the consumer. Therefore, 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.

H. Recommendations

89. After examining the submissions made and issues raised, and considering the facts available on record, the Authority provisionally concludes that:
- (i) The product under consideration has been exported to India from the subject countries below normal value.
 - (ii) The domestic industry has suffered material injury on account of subject imports from the subject countries.
 - (iii) The injury has been caused by the dumped imports of the subject goods from the subject countries.

90. The Authority notes that the investigation was initiated and it was notified to all interested parties. Adequate opportunity was given to the exporters, importers and other interested parties to provide information on the aspects of dumping, injury and causal link. Having initiated and conducted an investigation into dumping, injury and the causal link thereof in terms of the Anti-Dumping Rules and having established a 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 anti-dumping duty is necessary to offset dumping and injury.
91. Having regard to the lesser duty rule and 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, the Authority recommends imposition of provisional anti-dumping duty on the imports of the subject goods, originating in or exported from the subject countries from the date of notification to be issued in this regard by the Central Government, as the difference between the landed value of the subject goods and the amount indicated in Col 8 of the duty table appended below, provided the landed value is less than the value indicated in Col 8. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

Duty Table

S.No.	Heading/ Sub heading	Description of Goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9	10
1.	7210, 7212, 7225 and 7226	Pre-painted, painted, colour coated or organic coated flat steels in coils or not in coils whether or not with metallic coated substrate of zinc, aluminium-zinc or any other substrate coating	China PR	China PR	Any	Any	849	MT	US\$
2.	- do -	- do -	China PR	Any country other than the subject countries	Any	Any	849	MT	US\$

S.No.	Heading/ Sub heading	Description of Goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
3.	- do -	- do -	Any country other than the subject countries	China PR	Any	Any	849	MT	US\$
4.	-do-	-do-	European Union	European Union	Any	Any	849	MT	US\$
5.	-do-	-do-	European Union	Any country other than the subject countries	Any	Any	849	MT	US\$
6.	-do-	-do-	Any country other than the subject countries	European Union	Any	Any	849	MT	US\$

I. FURTHER PROCEDURE

92. The procedure as below would be followed subsequent to notifying the preliminary findings:-

- (i) The Authority invites comments on these provisional findings from all the interested parties and the same, considered relevant by the Authority, would be considered in the final findings;
- (ii) Exporters, importers, the applicants 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 publication 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.
- (iii) The Authority would conduct further verification to the extent deemed necessary.
- (iv) The Authority would disclose the essential facts as per the Anti-dumping Rules before announcing the final findings.

(A. K. Bhalla)
Additional Secretary & Designated Authority

