

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

**F. No. 7/8/2021-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
Jeevan Tara Building, 5 Parliament Street, New Delhi – 110001**

Dated 26.11.2021

NOTIFICATION

FINAL FINDINGS

Case No. (SSR - 08/2021)

Subject: Sunset Review anti-dumping investigation concerning imports of “Uncoated Copier Paper” originating in or exported from Indonesia and Singapore.

A. BACKGROUND OF THE CASE

1. An anti-dumping investigation concerning imports of Uncoated copier paper (hereinafter also referred to as the subject goods or product under consideration or ‘PUC’) originating in or exported from Thailand, Singapore and Indonesia, was initiated by the Designated Authority (hereinafter referred to as ‘the Authority’) vide Notification No. 6/32/2017-DGAD dated 2nd November 2017. The Authority notified the final findings on 30th October 2018 recommending definitive anti-dumping duty on the imports of the subject goods from the subject countries. The definitive anti-dumping duty on the subject goods imported from the subject countries was imposed vide Notification No. 56/2018-Customs dated 4th December 2018 for a period of three years.
2. In terms of Section 9A (5) of the Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review whether the expiry of anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.
3. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, as to whether the expiry of anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury.
4. And whereas, in terms of above provisions, M/s JK Paper Limited (hereinafter referred to as the “Applicant”) filed an application before the Designated Authority in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules requesting initiation of sunset review of anti-dumping duty (ADD) imposed on imports of “Uncoated copier

paper” (hereinafter referred to as “subject goods” or “product under consideration” or “PUC”), originating in or exported from Thailand, Indonesia and Singapore.

5. The Applicant sought continuation of the anti-dumping duty against imports of "Uncoated copier paper" from Indonesia, Singapore and Thailand. The request was based on the ground that the expiry of the anti-dumping duty was likely to result in continuation/recurrence of dumping of the subject goods and consequent injury to the domestic industry.
6. On the basis of *prima facie* evidence of likelihood of dumping and injury, the Authority initiated Sunset Review (SSR) investigation vide Notification No. 7/8/2021-DGTR dated 19th May 2021 to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from Indonesia and Singapore (hereinafter referred to as “subject countries”) and to examine whether the expiry of the said ADD is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. Sunset review investigation was not initiated on imports from Thailand.
7. Pending conclusion of the present review, the anti- dumping duty were extended up to and inclusive of 28th February 2022 vide Notification No. 48/2021-Customs (ADD) dated 27th August 2021.
8. The scope of the present review covers all aspects of the Final Findings Notification No. No. 6/32/2017-DGAD dated 30th October 2018.

B. PROCEDURE

9. The procedure described below has been followed in the present review:
 - i. The Authority vide Notification No. 7/8/2021-DGTR dated 19th May 2021 issued a public notice in the Gazette of India Extraordinary, initiating Sunset Review Investigation concerning anti-dumping duty imposed on imports of the subject goods from the subject countries.
 - ii. In accordance with rule 6(2) of the AD Rules, the Authority forwarded a copy of the initiation notification dated 19th May 2021, to the Embassies of the subject countries in India, the known producers and exporters from the subject countries, known importers/user associations and other interested parties, as per the addresses made available by the Applicant. The interested parties were advised to provide relevant information in the prescribed form and manner and to make their submissions known in writing within the prescribed time limit.
 - iii. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassies of the subject countries in India in accordance with Rule 6(3) of the Rules.

- iv. The Embassies of the subject countries in India were also requested to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to the Embassies along with the names and addresses of the known producers/exporters from the subject countries.
- v. The Authority, upon request made by the interested parties, granted extension of time up to 10th July 2021 for filing their Questionnaire Responses.
- vi. The Authority sent questionnaires to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the Rules:

PT. Pindo-Deli Pulp and Paper Mills (“PD”)	PT. Pabrik Kertas Tjiwi Kimia Tbk. (“TK”)
PT. Indah Kiat Pulp & Paper Tbk. (“IK”)	PT. Lontar Papyrus Pulp & Paper Industry (“Lontar”)
PT. Purinusa Ekapersada (“Purinusa”)	PT Riau Andalan Pulp And Paper (APRIL)
Indah Kiat Pulp & Paper PORCELAIN TILES	Chuan Ann Paper Products
AHF Industries	Andoman Trading and Shipping Company Pte Ltd
Cellmark Asia Pte Ltd	Asia Pulp and Paper Co Ltd
Alliance Paper and Board Products Pte Ltd	APPA (Singapore) Pte Ltd

- vii. Following exporters/producers have responded and filed Exporter Questionnaire Responses before the Authority:

PT. Indah Kiat Pulp and Paper Tbk. (“IK”)	P.T. Pindo-Deli Pulp and Paper Mills (“PD”)
PT. Pabrik Kertas Tjiwi Kimia Tbk. (“TW”)	PT Riau Andalan Kertas (“RAK”)
PT Anugerah Kertas Utama (“AKU”)	PT Asia Pacific Rayon (“APR”)
APRIL International Enterprise Pte. Ltd (“AIE”)	PT Sarana Jaya Andalan, Indonesia (PT SJA)

- viii. Submissions have been made by the Government of Indonesia and the same have been duly considered in the present final findings.
- ix. Questionnaires were also sent to the following known importers and users of the the subject goods in India seeking necessary information in accordance with Rule 6(4) of the AD Rules:

Allied Speciality Papers (India) Pvt. Ltd.	Bhagwati Enterprises
Excel Enterprise	K. C. Exim (P) Ltd.
Narsingh Dass & Co. (P) Ltd.	Nutech Print Services - India
Paras Papers	Plus Marketing
Shah Devji Shivji and Co.	Sheth Brothers
Shree Balaji Udyog	Shree Chamunda Enterprise
Standard Paper And Board India Pvt. Ltd.	Synchem
Tenny Jose and Associates Ltd.	Unique Sales Corporation
White Arrow Group of Companies	

- x. In response to the initiation notification, one related importer i.e., AIE Fiber Resource and Trading (India) Private Limited (“AFRT”) has filed questionnaire response.
- xi. The period of investigation (POI) for the purpose of the present review is 1st January 2020 to 31st December 2020 (12 months). The injury investigation period will cover 2017-18, 2018-19, 2019-20 and the POI.
- xii. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide the details of imports of subject goods for the injury investigation period and the same was received by the Authority. The Authority has used the DGCI&S import data for computation of the volume and value of imports and injury analysis.
- xiii. In accordance with Rule 6(6) of the Anti-Dumping Rules, the Authority provided opportunity to the interested parties to present their views orally in the hearing held on 11th August 2021. All the parties were requested to submit their written submissions and the rejoinder to the written submissions latest by 13th August 2021 and 16th August 2021, respectively.
- xiv. The non-confidential version of the evidence presented by the various interested parties was circulated amongst them on the instructions of the Designated Authority in terms of Trade Notice No. 01/2020 dated 10th April 2020. Submissions made by all the interested parties have been taken into account to the extent found necessary by the Authority.
- xv. 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 the 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.
- xvi. Further information was sought from the Applicant and other interested parties to the extent deemed necessary.

- xvii. Desk Verification of the information submitted by the domestic industry and other interested parties was conducted to the extent considered necessary for the purpose of the present review.
- xviii. M/s West Coast Paper Mills Ltd. and M/s Tamil Nadu Newsprint and Papers Ltd. (TNPL) filed information relating to their performance (both injury and costing information), after initiation of the investigation.
- xix. The Non-Injurious Price (hereinafter referred to as 'NIP') has been worked out based on the optimum 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).
- xx. The submissions made by the interested parties to the extent considered relevant by the Authority have been addressed in these final findings.
- xxi. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigations, or has significantly impeded the investigation, the Authority has recorded its observation on the basis of the facts available.
- xxii. The Authority has considered all the arguments raised and information provided by all the interested parties, to the extent supported with evidence and considered relevant to the present review, in the present final findings.
- xxiii. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide Disclosure Statement dated 18th November, 2021 and comments received thereon, considered relevant by the Authority, have been addressed in these final findings. The Authority notes that most of the post disclosure submissions made by the interested parties are mere reiteration of their earlier submissions. However, the post disclosure submissions to the extent considered relevant are being examined in these Final Findings.
- xxiv. *** in these final findings represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxv. Exchange rate considered for the POI for conversion of USD to Indian Rupees is 1USD = Rs. 74.99.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1. Submissions made by other Interested Parties

10. None of the exporters, importers, consumers, and other interested parties have filed any comment or submissions with regard to scope of the product under consideration and the like article.

C.2. Submissions made by the Domestic Industry

11. The domestic industry has made the following submissions with regard to the scope of the product under consideration and like article:
 - i. The instant investigation being a sunset review investigation for reviewing the need for continued imposition of the anti-dumping duty in force, the product under consideration remains the same as has been defined in the previous investigation.
 - ii. The product involved in the previous investigations and the present review investigation is uncoated paper in rectangular sheet of following sizes, with permissible limits (a) 210mm x 297 mm also known as A4 size; (b) 297mm x 420mm also known as A3 size; (c) 215mm x 345mm also known as FS or legal size.
 - iii. Subject goods fall within Chapter 48 of the Customs Tariff Act, 1975 under customs sub-headings 4802 of the Customs Tariff Act, 1975. The classification is however indicative only and in no way binding on the scope of the present review.
 - iv. There is no known difference in subject goods produced by the domestic industry and subject goods imported into India. They are comparable in terms of the technical specifications, quality, functions, or end-uses. The two are technically and commercially substitutable. The customers are using the two interchangeably and hence should be treated as like article in accordance with the Rules.

C.3. Examination by the Authority

12. The present investigation is a sunset review and the scope of the product under consideration remains the same as defined in the original investigation. The product under consideration determined in the original anti-dumping investigation vide Final Findings No. 6/32/2017-DGAD dated 30.10.2018 is reproduced herein below:

"6. The Authority has noted submissions made by various interested parties with regard to scope of the product under consideration and like article offered by the DI. With respect to the product under consideration, the Authority notes:

a) The product under consideration for the purpose of present investigation is "uncoated paper in rectangular sheet of following sizes, with permissible limits (a) 210mm x 297 mm also known as A4 size; (b) 297mm x 420mm also known as A3 size; (c) 215mm x 345mm also known as FS or legal size." The product under consideration practically implies cut to size "uncoated copier paper".

b) The product under consideration is generally (but not exclusively) used as a photocopy or copy paper and therefore is popularly known as "copy paper", "copier

paper”, “photocopy paper”, “multipurpose paper”, “uncoated copier paper”, “A4 Size Paper”, “A3 Size Paper” or “FS Size Paper”. It is in the form of finished sheets; weighing in different gsm. It can be a white paper or a punched paper and in different smoothness of the surface.

c) Regarding the PUC, the Authority examined the scope of possible circumvention of any anti-dumping duty, if imposed, by import of copier paper in rolls, reels and large sized sheet and cutting it to size in India. The DI as well as the exporters informed that this was not feasible as copier paper was traded in cut to size and packed sheets. The cost differential between copier paper sold in cut and sized packs and paper imported in rolls was very small, making any cutting and packing operation commercially unviable. Thus, specifically excluded from the scope of the product under consideration are uncoated paper of a kind used for writing, printing, photocopying/copying, other graphic purposes etc. in rolls, reels and large sized sheet (i.e., other than sizes specified above) forms.

d) Product under consideration is classified under customs heading 4802. The customs classification is indicative only and in no way, it is binding upon the product scope.”

13. The Authority therefore determined that the PUC in the present investigation shall be the same as in the original investigation. The product under consideration is classified under Customs Tariff sub-heading 4802 of the Customs Tariff Act. This classification is, however, indicative only and in no way binding on the scope of the present investigation.
14. The Authority notes from the information on record that the product under consideration produced by the domestic industry is like article to the goods imported from the subject countries. The product under consideration produced by the Indian industry and imported from the subject countries are comparable in terms of technical specifications, functions or end-uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

D.1. Submissions made by other Interested Parties

15. Following submissions have been made by other interested parties:
 - a. The domestic industry was defined in the original investigation as comprising of all three producers namely JK Paper Ltd., West Coast Paper Mills Ltd. and Tamil Nadu Newsprint & Papers Ltd. The same cannot be altered in the sunset review investigation.

- b. Alteration in the constituents of domestic industry will create risk of distortion by way of demonstrating a non-existent injury to the domestic industry. The Authority is required to ensure that such an alteration has not been done to impact the evaluation of injury parameters.
- c. Information provided in the non-confidential version of the application of the domestic industry regarding standing of the domestic industry is insufficient and inconclusive because a broad range of production share is provided.
- d. The applicant domestic industry may have taken a low production quantity of other domestic producers to meet the threshold of major proportion requirement.
- e. Absence of information from West Coast Paper Mills Limited & Tamil Nadu Newsprint and Papers Limited is prejudicial to the interest of the interested parties.

D.2. Submissions made by the Domestic Industry

16. The domestic industry has made the following submissions with regard to the scope of domestic industry and standing:
 - i. JK Paper Limited filed the application and post filing of the application, West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd. (TNPL) supported the application. All requisite information in the prescribed formats along with consolidated Format H for all the three companies have been provided.
 - ii. If the costing information of the other two domestic producers, West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd., were to be included, then it would increase overall NIP.
 - iii. There is no basis to claim that the scope of domestic industry cannot change in review investigations. There are similar instances in several past cases wherein the scope of the domestic industry changed in review investigations. In the investigation relating to SBR, the original domestic industry ceased operations by the time of review investigation.
 - iv. The argument that the alteration to the composition of the domestic industry would lead to demonstration of non-existent injury to the domestic industry surmises no reference to the facts of the case. The principles of judicial economy require that the Designated Authority considers whether the issue is even relevant to the facts of the present case, rather than looking into a non-existent future possible situation.
 - v. Standing is not a requirement in sunset review investigation. The applicant cannot possibly be aware of the exact figures and once aware of the exact figures of TNPL and West Coast considering their support, the standing was revised accordingly.

The applicant has filed complete information for TNPL and West Coast. Further, Format H aggregate was filed and shared, including revised confidentiality claim.

D.3 Examination by the Authority

17. Rule 2(b) of the Anti-Dumping Rules defines 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".

18. The application has been filed by JK Paper Ltd. Further, the application has been supported by West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd. Post initiation of the present review, the supporter companies, i.e., West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd., have submitted the injury and costing information.

19. The production of the applicant i.e. JK Paper Ltd. constitutes ***% of the total domestic production in India. JK Paper Ltd. thus constitutes domestic industry within the meaning of the Rules. Therefore, the Authority has not taken into account the injury information submitted by West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd in the injury examination. However, since these companies have provided relevant information, the same has been nevertheless separately examined in order to ascertain whether their performance shows materially different position as compared to the applicant domestic industry.

20. The Authority further notes that JK Paper Ltd. has not imported the subject goods during the period of investigation and is not related to any producer or exporter of the subject goods from the subject countries or any importer of the subject goods in India.

21. In view of the above, the Authority holds that JK Paper Ltd. constitutes domestic industry within the meaning of Rule 2(b) of the Rules and satisfies the criteria of standing in terms of Rule 5(3).

E. CONFIDENTIALITY

E.1. Submissions made by other Interested Parties

22. Other interested parties have made the following submissions:

- a. Non-compliance of the domestic industry with Trade Notice has prevented the respondents from assessing, and thereafter, commenting on the situation of the domestic industry as a whole.
- b. The said non-compliance does not become irrelevant in the present case just because the domestic industry has not claimed any injury. It may be appreciated that the word 'continued' in Section 9A(5) and Rule 23(1B) covers a temporal relationship between past and future. Thus, no likelihood analysis can be carried out unless the complete and accurate information for injury is provided.
- c. The applicant has not provided trend of the data/information as per Annexure I of the Trade Notice 10/2018 and has left the parameters blank or claimed them as business sensitive information with no good cause for departure from the requirements of the Trade Notice.
- d. The petitioner has claimed complete confidentiality over Formats A, B, C, D, E, I, J, K, and L. Apart from the actual figures, the petitioner has an obligation to disclose the non-confidential version of the formats containing relevant heads of costs, expenses, time period etc., that was considered by the domestic industry.
- e. The petitioner has failed to provide non-injurious price range in the Petition as per the prescribed +/-10% range in the trade notice and absence of reasonable information in this regard prejudices interested parties as it provides no reasonable estimate of the actual non-injurious price that the domestic industry claims to have calculated.
- f. The range of 30-60% provided in the original petition by the applicant as non-confidential summary of their share in total Indian production and the range of 20-40% subsequently provided in the revised additional submission cannot be considered as an appropriate summary of confidential information permitting reasonable understanding of the substance of information contained therein.

E.2. Submissions made by the Domestic Industry

23. Submission by domestic industry with regard to confidentiality are as follows.
 - i. Disclosure of actual information would readily enable one of the domestic industries to judge performance of other two producers. Even domestic competitors would get access to sensitive business information. Despite the trade notice guidelines, the Authority has allowed confidentiality on price parameters in its final

findings where there are three or more producers within the scope of domestic industry.

- ii. There is no prejudice to any interested party and the analysis and ability to comment does not get jeopardized on the ground of non-disclosure of certain volume related information.
- iii. Information claimed confidential by the applicant in any case is similar to the information claimed confidential by other parties as well.

E.3 Examination by the Authority

24. With regard to confidentiality of information, Rule 7 of the Rules provides as follows:

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

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

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

25. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. The Authority notes that the information provided by the interested parties on confidential basis was duly 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 also notes that all interested parties have claimed their business-related sensitive information as confidential.

26. A list of all interested parties was uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties.

F. MISCELLANEOUS ISSUES

F.1. Submissions made by other Interested Parties

27. Views of other interested parties with regard to other issues are as follows:

- i. Hearing held on 11.08.2021 cannot be termed as an effective opportunity of hearing in terms of principles of natural justice, Rule 6 (6) of Anti-dumping Rules and Article 6 of the Anti-dumping agreement because:
 - a. certain information was shared after business hours on 10th August 2021.
 - b. information was still not as per the trade notice. Exemption have been sought on certain critical information such as costs, selling price, profits, cash flow, ROI, interest, depreciation, etc.
 - c. once the case was initiated excluding Thailand, the domestic industry was under obligation to provide updated injury related information excluding Thailand.
 - d. even otherwise, the email of the domestic industry was not marked to all the interested parties.
- ii. The approach adopted to remove Thailand from the subject countries at the stage of initiation has led to a final decision by the Authority even before hearing any party or having any information required for making such determination. The exclusion of a particular country might cause serious prejudice to the exporters from other countries who are competing in the very same market.
- iii. The exclusion of a country or a product at the initiation stage introduces material risks of manipulation and discrimination.
- iv. Anti-dumping duty for limited period of 3 years was deemed appropriate by the Authority instead of the normal duration of 5 years because protection for a limited time period was deemed appropriate to mitigate the injury caused to the domestic industry.
- v. The consolidated information for JK Paper Limited, Tamil Nadu Newsprint Paper Limited and West Coast Paper Mills Limited was not shared with the Respondents before the oral hearing. Selective dissemination of information by the Applicant with certain interested parties is against the principles of natural justice. Information was provided to certain interested parties only after the oral hearing.

F.2. Submissions made by the Domestic Industry

28. Submissions made by the domestic industry with regard to other issues are as follows:

- i. The domestic producers shared the consolidated information on 2nd August 2021 to enable the interested parties to comment on the same even before the Authority takes a call on the composition and scope of the domestic industry. Format H was shared a day prior to hearing after disclosing the volume parameters and giving due justification for claiming the price parameters confidential.
- ii. The applicant had shared all information with all the interested parties on 2nd August 2021 including consolidated information of all the 3 companies via email which included two email IDs of the legal representatives of APRIL Group. Interested parties had sufficient time and opportunity to make comments on the consolidated information of the domestic producers.
- iii. The applicant revised the non-confidential version of the consolidated information and shared such revised information on 10th August 2021 after issues of excessive confidentiality were raised by other interested parties. The applicant did not selectively disseminate information, but due to an error missed sharing the revised submission with APRIL Group. This was rectified and shared immediately, after the hearing.
- iv. DGTR does have the right to decide on the subject countries to be covered in the sunset review investigation. There is no mala-fide in the exclusion of Thailand from the subject countries.
- v. It is illogical to say that since the subject countries have undergone change, the duties also need to undergo change. The import volume has declined, and the export price is unreliable, hence, the duties should be continued as was in existence. The existing duties in force are in the form of benchmark prices which was the NIP determined in the original investigation.
- vi. The period for which duty has been imposed has no bearing on any sunset review investigation and industry cannot be denied the right to seek sunset review and thereby continuation of duties under the Act and Rules. Reference made to the O-acid case to state that the practice is not to conduct sunset review in those cases where original period of levy of duty was less than 5 years is incorrect.

F.3. Examination by the Authority

29. The miscellaneous submissions have been examined as under:

- i. As regards the submission on exclusion of Thailand from subject countries at the stage of initiation, it is noted that the same was excluded because the dumping

margin in respect of exports from Thailand was found to be below de-minimis level. It is further noted that the Authority, prior to initiation of an investigation, is required to undertake a prima facie scrutiny of the application and has therefore the right not to initiate the investigation against a country not found appropriate to be investigated against.

- ii. As regards the submission that original duties were levied only for a period of 3 years and therefore sunset review should not have been initiated, it is noted that sunset review investigation is not contingent upon the period for which the duty was originally levied.
- iii. With respect to submission regarding sharing of consolidated information by domestic industry, it is noted that the consolidated information was made available by the domestic industry to all the interested parties and appropriate opportunity was available with all interested parties to file comments.

G. NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

G.1. Submissions made by other interested Parties

30. The submission made by other interested parties with regard to normal value, export price and dumping margin, are as follows:
 - i. The approach to refer only to one single price of a paper product, namely Chamex A4 Copy Paper, to determine normal value for Indonesia is unacceptable. Firstly, the scope of the product subject to this investigation covers a wide variety of copier paper. Secondly, the prices of paper for the same size may also vary for each brand as several factors like quality, margin of profit, product cost etc. influence the pricing of the product.
 - ii. Government of Indonesia questions the applicant's method to depend on Maplitho data for calculating the dumping margin in subject countries, including Indonesia.
 - iii. Claim concerning the existence of a particular market situation in Indonesia is erroneous. The applicant has simply copied the finding of the Australian authority on the anti-dumping investigation on A4 copier paper without providing any information or facts regarding the relevant laws and regulations applicable during the investigation period. Also, the period of investigation of the current case and the past case referred by the applicant is different.
 - iv. Existence of "particular market situation" cannot be examined for the first time in a sunset review investigation in terms of Rule 23(1B).

- v. The Authority has consistently, in the past, decided to examine the issue of availability of raw material at less than adequate remuneration through an anti-subsidy investigation only.
- vi. The findings of ADC do not hold any relevance as far as the present investigation is concerned as the duties against Pindo Deli and IK were revoked through Review 547 by ADC. The findings in the said review regarding PMS is of no consequence for them. For APRIL, the ADC noted that its domestic sales are suitable for use in determining normal value and, thus, the same were taken into consideration.
- vii. The WTO Appellate Body in EC-Fasteners has envisaged two conditions where "Particular Market Situation" can be said to exist (i) a complete or substantially complete monopoly of its trade and (ii) where all domestic prices are fixed by the State.
- viii. The domestic industry did not even address the question that even if it were assumed that government policies lower the cost of raw materials in Indonesia, the costs of all the goods, irrespective of the fact that whether the same were for domestic or export market would have got affected.
- ix. Determination of dumping margin and injury margin should be based on the information provided by the Respondents in the EQR, and not based on assertions/assumptions made by the Applicant.
- x. Export price of subject goods reported in the Exporter Questionnaire Responses of participating producers/exporters should be relied upon by the Authority. Customs data of Indonesia cannot be relied on for dumping, injury and likelihood analysis as Indonesia customs data will not reflect prices of exports made via Singapore. Claims that import data of Maplitho paper should be relied on for likely margins is erroneous, as it is not PUC and a different product, and no legal basis has been provided for such reliance.
- xi. There is no particular market situation prevailing in the Republic of Indonesia warranting rejection of actual domestic selling price for determination of dumping margin. No PMS was argued in the original investigation. WTO Panel in Australia – Anti-Dumping Measures on Paper noted that the phrase "*particular market situation*" is relevant only if it affects price comparison between normal value and export price. Australian Commission in the review noted that despite PMS a proper comparison is permitted between APRIL's domestic sales and its export sales. Pulp is also raw material for viscose staple fibre, on which SSR has been done by the Authority recently but there was no claim of PMS in the viscose staple fibre SSR case.

- xii. Indonesian exporters have maintained their financial records based on GAAP, and the determination of dumping margin for Indonesian exporters shall be based on the data and information provided by them through the questionnaire response as mandated by the WTO ADA.
- xiii. The reference of the petitioner to an ADC investigation conducted in 2016 was misleading. Although ADD imposition was applied against Indonesia, this imposition does not represent the final and factual condition of the case.
- xiv. The Government of Indonesia refers to the Appellate body EU – Biodiesel case and states that the Applicants’ request to adjust the cost and prices in Indonesia with the international price should be disregarded as it is based on a mere assumption that the particular market situation exists in Indonesia and is not supported by any adequate basis.
- xv. The domestic prices of Indonesian producers are suitable to be used in determining normal value since the actual domestic price and export price of Indonesia producers irrefutably permit proper comparison according to Article 2.2 of ADA, and applicant should not have misled the Authority by using Australian investigation as reference.

G.2. Submissions made by the Domestic Industry

- 31. Submissions of the domestic industry with regard to normal value, export price and dumping margin, are as follows:
 - i. The present import price from Indonesia as per DGCI&S data is not reliable and there exists significant difference in the import price of uncoated copier paper and Maplitho paper after imposition of anti-dumping duty. Export price as per Indonesian customs data shows significant difference as compared to prices reported in Indian customs. No justification has been given by any party for this significant difference. Hence, the applicant submits that export price should be determined based on FOB export price reported in Indonesian customs. For likelihood purposes, the import price of uncoated paper in rolls should be considered.
 - ii. Particular Market situation prevails in Indonesia due to various measures taken by the Government of Indonesia leading to artificially low price of raw materials which affects the price comparability between normal value and export price. Further, PMS gives unfair cost advantage to the exporters to sell the subject goods at artificially low prices in home market and provides significant leverage in the international/export market to compete with all other suppliers of those markets.

- iii. PT Pabrik Kertas Tjiwi Kimia Tbk (TBK) has claimed most contents in its EQR confidential which includes information available in the public domain hence, the applicant is prejudiced to comment on the information.
- iv. PT Indah Kiat Pulp & Paper Tbk (IK) has claimed most of their content as confidential in their EQR and hence the applicant is unable to comment on the same.
- v. Most information in the EQR of PT Pindo Deli Pulp and Paper Mills was claimed confidential, hence, the applicant is unable to comment on the same.
- vi. The Australian Commission held that PMS did not permit proper price comparison between normal value and export price for APP Group and that PMS did not impact the price comparison for the APRIL group in another finding. Hence, the price and cost comparability is a fact-based examination for each investigation based on the information relevant for that period. The exporter must establish that PMS does not adversely impact the price comparison.
- vii. The applicant has considered prices published by sellers on various websites to determine Normal Value for Indonesia as no other evidence was available. These prices were considered at retail level and due adjustments were made to come to the actual price prevailing in the subject countries. The same normal value has been considered for Singapore.
- viii. The dumping margin continues to be positive despite imposition of anti-dumping duty.
- ix. Injury is not on account of imports. The import price reported in DGCI&S data is unreliable as it is materially different from the import prices reported in Indonesia and Indian Customs data and Government of Indonesia should show how the importers in India reported higher price when their own data shows much lower price.
- x. According to the EQRs filed, it is evident that the domestic sales declined in the POI, contrary to the Indonesian government's submission that demand is stable and growing. Though imports declined in the POI, the decline in demand globally and in Indonesia would likely add to the surplus capacity of Indonesian producers making India an attractive market in the event of cessation of duty.
- xi. It is for the foreign producers to establish that the prices of paper for the same size vary with factors such as quality, margin of profit, product cost etc. and not Government of Indonesia (GOI). The meaning of quality was not established by GOI nor its impact quantified. Difference in quality, margin of profit, or cost cannot lead to dumping as all these factors equally apply to the normal value and export price.

- xii. Indonesian government is to prove with positive evidence that the facts concluded recently by the USITC, Australian Commission (found to be correct in the WTO Panel report) establishing particular market situation due to various actions and/or policies of the Government no longer exists. In the absence of a contrary proof, it is to be concluded based on evidence available that such a situation continues to exist.
- xiii. There is no basis in the argument that since particular market situation was not claimed in the original investigation PMS cannot be alleged and examined in the sunset review investigation when dumping margin is being determined under Article 2.
- xiv. It is not denied that PMS might lead to countervailable subsidies, but the same does not bar the examination of PMS as subsidy in the form of LTAR. The Australian Authority did not consider export ban on logs as countervailable subsidy, however, considered the same as a relevant parameter for PMS. The duties were not extended against Pindo Deli group in the review investigation as the dumping margin was negligible. The PMS situation affecting price comparability has to be verified based on the facts of the present case.
- xv. The reference to EC Fasteners case is incorrect as the case does not refer to Particular Market situation at all.
- xvi. The domestic industry submits that the lowering of costs by various government policies has impacted only the domestic price and not the export price.
- xvii. The information submitted by the exporters must be critically reviewed in the background of whether the exporters are impacted by Particular Market Situation and such particular market situation affects price comparability and if found to be correct and true to the extent required, the same can be considered for margins.
- xviii. The Authority may kindly verify the prices and expenses charged by the trader in Singapore.
- xix. Price and cost comparability is a fact-based examination for each investigation, based on the information relevant for that period. Therefore, the exporters must establish that the PMS does not adversely impact the price comparison. The Indian Authority cannot simply accept Australian Commission's determination for APRIL group and will have to investigate individually as well.

G.3. Examination by the Authority

- 32. 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.

33. At the time of initiation, the Authority determined the normal value taking into account the evidence placed before the Authority by the domestic industry and which was considered sufficient to initiate the investigation, However, after initiation of the present sunset review, the producers/exporters from the subject countries have filed questionnaire responses and normal value has been determined based on the information received from the producers/exporters from the subject countries.
34. The applicant has alleged existence of particular market situation in Indonesia and has submitted that the costs are required to be adjusted for international price of major input. The applicant has submitted that Government of Indonesia, vide various policies and actions, has influenced and artificially lowered the prices of input material (wood pulp).
35. The Authority notes that the domestic industry has not provided sufficient factual evidence that alleged existence of particular market situation has distorted selling price of uncoated copier paper in the domestic market in Indonesia. The domestic industry has claimed particular market situation due to lower price of raw material arising out of government intervention. However, the domestic industry has not provided any evidence or explanation to demonstrate that the alleged lower prices of raw material wood pulp due to government intervention in Indonesia has led to distorted and lower price of the product in the domestic market. Even if it is considered that the prices of raw material wood pulp are artificially lowered due to government intervention in Indonesia, there is

no evidence to show that this has led to lower prices only in the domestic market and not the export price.

36. Thus, the Authority notes that there is no sufficient evidence on record to reject actual cost of raw material of producers/exporters from Indonesia.
37. The Authority sent questionnaires to the known producers/exporters from the subject countries, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters from the subject countries have filed exporter's questionnaire response:
 - a. PT. Indah Kiat Pulp and Paper Tbk. ("IK")
 - b. P.T. Pindo-Deli Pulp and Paper Mills ("PD")
 - c. PT. Pabrik Kertas Tjiwi Kimia Tbk. ("TK")
 - d. PT Riau Andalan Kertas ("RAK")
 - e. PT Anugerah Kertas Utama ("AKU")
 - f. PT Asia Pacific Rayon ("APR")
 - g. APRIL International Enterprise Pte. Ltd ("AIE")
 - h. PT Sarana Jaya Andalan, Indonesia ("PT SJA")

Indonesia

Normal Value for PT Riau Andalan Kertas, PT Anugrah Kertas Utama and PT Asia Pacific Rayon, Indonesia, ("Producers") ("APRIL Group")

38. PT Riau Andalan Kertas ("RAK"), PT Anugrah Kertas Utama ("AKU") and PT Asia Pacific Rayon ("APR") are engaged in production of the product under consideration in Indonesia. The three producer companies have provided all the relevant information in requisite formats. The Authority notes that all companies have made sales of the product under consideration in the domestic market during the POI. However, the product under consideration manufactured by only RAK has been exported to India during the POI.
39. The Authority examined the domestic sales made by all the producers and noted that the sales in the domestic market are representative when compared to exports of the product under consideration to India. The Authority has, therefore, decided to determine the normal value based on domestic sales of RAK, AKU and APR.
40. To determine the normal value, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to cost of production of product under consideration. The cost of production of subject goods submitted by the producers was duly verified and the same has been adopted for conducting ordinary course of trade test. The Authority has also examined the details of purchases of raw material (wood pulp) from related parties and satisfied itself regarding the arm's length pricing between the related parties. If profit making transactions are more than 80% then the Authority has considered all the transactions in the domestic market for the determination of the normal value and in case, profitable transactions are less than 80%, only profitable domestic sales are taken into consideration for the determination of

normal value. In this case, based on the ordinary course of trade test, all domestic sales have been taken for determination of normal value, since the profitable sales were more than 80%. RAK, AKU and APR have claimed adjustments for inland transportation, handling and other expenses, ocean freight (one island to another), insurance, credit cost, Rebate/Discount and packing cost and the same have been allowed by the Authority. Accordingly, normal value at ex-factory level for the participating producers has been determined and the weighted average normal value has been determined for APRIL Group as mentioned in dumping margin table below.

Export price for PT Riau Andalan Kertas, PT Anugrah Kertas Utama and PT Asia Pacific Rayon, Indonesia, (“Producers”) and their related exporter April International Enterprise Pte Ltd, Singapore, unrelated trader in Indonesia, PT Sarana Jaya Andalan (“PT SJA”) and related importer AIE Fiber Resource and Trading (India) Private Limited (“AFRT India”)

41. The Authority notes that the subject goods produced by PT Riau Andalan Kertas (“RAK”) have been exported to India during POI through two traders namely PT Sarana Jaya Andalan (“PT SJA”) & April International Enterprise Pte Ltd (“AIE”). AIE is related to RAK. All exports to India by AIE have been made to related importer AIE Fiber Resource and Trading (India) Private Limited (“AFRT India”) who has resold the product under consideration to unrelated customers in India on High Sea Sales basis. PT SJA is not related to RAK and has exported the product under consideration directly to unrelated customers in India. All these companies have provided the relevant information in prescribed formats.
42. It was also noted that in some cases, product under consideration is exported to Singapore on barges and then it is unloaded & loaded in Singapore for exports to India and other countries.
43. The Authority has worked out the ex-factory export price after making adjustments on account of inland freight, port handling charges in Indonesia, credit cost, packing cost, rebate, ocean freight, barging cost, handling expenses in Singapore. The Authority has also made adjustments on account of loss incurred by AIE. The Authority has also examined the profitability of AFRT India and notes that AFRT India has made profits on resale of subject goods to unrelated customers in India. The export price has been determined for APRIL Group as mentioned in dumping margin table below.

**M/s PT Indah Kiat Pulp & Paper Tbk, Indonesia, PT Pindo Delhi Pulp and Paper Mills, Indonesia and PT Pabrik Kertas Tjiwi Kimia Tbk, Indonesia (“Producers”)
(“APP Group”)**

Normal value

44. From the response filed by producers in APP Group, i.e., M/s PT Indah Kiat Pulp & Paper Tbk, PT Pindo Delhi Pulp and Paper Mills and PT Pabrik Kertas Tjiwi Kimia Tbk,

Indonesia, Authority notes that all companies have made sales of product under consideration in domestic market during the POI. However, due to the reasons mentioned in the export price determination related paragraph below, the Authority holds not to accept the responses filed by APP Group and not to determine an individual dumping margin for APP group.

Export Price

45. From the response filed by producers/exporters in APP Group i.e. M/s PT Indah Kiat Pulp & Paper Tbk (IK) PT Pindo Delhi Pulp and Paper Mills (PD) and PT Pabrik Kertas Tjiwi Kimia Tbk (TK), Indonesia, the Authority notes that only IK has exported the product under consideration manufactured by it to India during the POI. IK has made exports to India directly as well as through unrelated traders during the POI. The Authority notes that the quantum of exports to India through unrelated traders is more than 30% of total exports by IK to India during the POI. These unrelated traders have not participated in the present sunset review investigation and have not filed the exporter questionnaire response with the Authority. Considering the fact that the exports through unrelated non-cooperative traders is more than 30% of total exports by IK to India, the Authority holds not to accept the response filed by APP Group keeping in mind its consistent practice and instead determine the export price on the basis of facts available.

All other non-cooperating producers/exporters in Indonesia

46. The Authority notes that no other producer/exporter from Indonesia has responded to the Authority in the present investigation. In view of non-cooperation, the Authority has determined normal value for all non-cooperating producers as per facts available in terms of Rule 6(8) of the Rules.
47. With regard to export price, in view of non-cooperation of the producers/exporters, the Authority determined export price for all non-cooperating producers as per facts available in terms of Rule 6(8) of the Rules. The normal value and export price for all other non-cooperating producers and exporters of Indonesia is mentioned in the dumping margin table below.

Singapore

48. From the information available on record, the Authority notes that there is no producer of the product under consideration in Singapore. The product under consideration manufactured in Indonesia is sometimes unloaded in Singapore and then exported to India from Singapore. The exporters in Singapore have responded in this investigation. Separate/individual dumping margin has already been determined for these exporters from Singapore along with their concerned producers from Indonesia.

Therefore, there is no requirement for determination of any separate dumping margin for these exporters from Singapore.

Dumping Margin

49. Considering the normal value and export price determined, as explained above, it is noted that the dumping margin is more than the de-minimis limit prescribed under the Rules.

Dumping Margin Table

Producers	Normal Value USD per MT	Export Price USD per MT	Dumping Margin USD per MT	Dumping Margin%	Dumping Margin Range
<ul style="list-style-type: none"> • PT Riau Andalan Kertas • PT Anugrah Kertas Utama • PT Asia Pacific Rayon 	***	***	***	***	35-45%

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1. Submissions made by other Interested Parties

50. Submissions made by other interested parties with respect to injury and causal link, are as follows:
- i. The economic indicators of the applicant contradict the presumption of the applicant that the injury still exists. The indicators show that there is no injury to the applicant and other domestic producers. There is no likelihood for injury as gap between imports and sales of domestic producers is too large.
 - ii. Price undercutting only occurred in two periods i.e., 2017-18 and 2019-20. Alleged occurrence of undercutting in 2019-20 can be associated with domestic competition and cannot be attributed to imports.
 - iii. Domestic Industry improved its performance despite the fact that bulk of the POI was hugely affected by the Covid-19 pandemic. There is no linkage between the imports and the performance of the domestic industry in any of the preceding years and the POI.
 - iv. The total imports from the subject countries declined from 86,990 MT in the base year to 21,019 MT in the period of investigation.
 - v. The information pertaining to capacity as submitted by the petitioner is unreliable. Annual reports of 2018-19 and 2019-20 show that domestic industry underwent a capacity expansion in 2018 when it acquired Sirpur Paper Mills, and the capacity increased from 4,55,000 in 2018-19 to 5,91,000 in 2019-20.

H.2. Submissions made by the Domestic Industry

51. Submissions made by the domestic industry with regard to injury and causal link, are as follows:
- i. The dumping margin continues to be positive despite imposition of anti-dumping duty.
 - ii. Demand for subject goods increased throughout the injury period but declined in the POI due to the worldwide slowdown due to COVID pandemic.
 - iii. Import volume from the subject countries declined in the POI post imposition of duties and imports in relative terms followed the same trend.
 - iv. Price undercutting is negative in the POI because of unreliable import price. Considering the export price as per Indonesian customs, price undercutting is heavily positive and imports are likely to undercut the prices of the domestic industry in the event of cessation of duties.
 - v. The prices of subject goods and Maplitho paper are representative of each other when comparison is made at the same measurement unit (MT) as the only minor difference is with the GSM. References made to maplitho are only to (a) assess the credibility of actual import price of subject goods and (b) assess the likelihood of prices of the subject goods, and to display that maplitho's import price are the prices at which subject goods would be sold, if duty ceases to exist.
 - vi. Imports would significantly undercut the prices of the domestic industry, which would depress and suppress the prices and also cause price underselling.
 - vii. Capacity of the domestic industry has remained stagnant over the years, while capacity utilization, production, and domestic sales first increased and then declined in the POI due to decline in demand.
 - viii. Market share of the domestic industry and Indian industry increased, whereas that of the subject imports declined. Inventories declined after imposition of duties but increased in the POI due to decline in demand.
 - ix. Profitability, cash profits, and ROI improved till 2019-20 and declined in the POI, but the profit per unit, cash profits per unit did not decline in POI as compared to the preceding 2 years. Hence, decline in gross profits, cash profits, and ROI was due to Covid and not due to imports.
 - x. Employment remained relatively stable over the injury period, while productivity and wages increased up to 2019-20 and declined in the POI.
 - xi. The decline in imports post imposition of duty and positive dumping margin in such imports implies likelihood of dumping in the event of withdrawal of duty and justifies extension of anti-dumping duty.
 - xii. Sirpur is largely manufacturing maplitho which is not PUC. The company commenced production of PUC only in March 2020. Information pertaining to the Sirpur Mill was not included in the application as it would have meant including all the additional expenses incurred by them as well for commencement of production

H.3. Examination by the Authority

52. Rule 11 of the Rules read with Annexure-II provides that an injury determination shall involve an 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 to 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, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.
53. The submissions made by the domestic industry and other interested parties during the course of the investigation with regard to injury and causal link and considered relevant by the Authority are examined and addressed in the present final findings.
54. In consideration of the various submissions made by the interested parties in this regard, the Authority has examined the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury.
55. The Authority has taken note of various submissions made by the domestic industry and other interested parties on injury and causal link, and has analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority ipso facto addresses submissions made by the domestic industry and the other interested parties.
56. As regards the argument that capacity submitted by the petitioner is unreliable as the applicant underwent a capacity expansion in 2018 when it acquired Sirpur Paper Mills, the Authority notes that the Sirpur plant was acquired in 2018 and the production started in March 2020. The Sirpur plant largely produced Maplitho paper. The domestic industry has not considered such capacity and nor has it considered any information pertaining to Sirpur plant (including expenses) in the injury information and thus does not affect the injury analysis.
57. Authority notes that the domestic industry was in production and was selling the material even during country wide lockdown. The domestic industry submitted that it stopped production and sales only for a period of 14 days and recommenced both production and sales even during the lock down period. The data filed by the domestic industry shows production and sale in April, May and June, 2020. Nevertheless, the Authority has additionally examined information excluding Covid period (April-June 2020).

Volume Effect of Dumped Imports on the Domestic Industry

a) Assessment of Demand/apparent consumption

58. Demand or apparent consumption of the product in India has been determined as the sum of domestic sales of the Indian producers and imports from all sources.

Particulars	Unit	2017-18	2018-19	2019-20	POI	POI (Excl. covid period)	POI (Excl. covid period) Annualised
Imports from subject countries	MT	86,990	72,316	64,127	21,019	15,949	21,266
	Indexed	100	83	74	24	18	24
Imports from other countries	MT	5,433	4,284	3,453	1,865	1,142	1,522
	Indexed	100	79	64	34	21	28
Domestic Sales of DI	MT	***	***	***	***	***	***
	Indexed	100	107	104	77	64	85
Domestic Sales of other domestic producers	MT	***	***	***	***	***	***
	Indexed	100	117	111	84	70	93
Demand	MT	***	***	***	***	***	***
	Indexed	100	109	104	74	61	82
Imports from subject countries in relation to Consumption (including captive)	%	***	***	***	***	***	***
	Range	10-20	0-10	0-10	0-10	0-10	0-10
Imports from subject countries in relation to total Domestic production	%	***	***	***	***	***	***
	Range	10-20	0-10	0-10	0-10	0-10	0-10

59. It is noted that the demand for the product under consideration increased till 2018-19 and declined thereafter in 2019-20 and further in the POI.

b) Import Volumes from subject countries

60. 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. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCI&S. The

import volumes of the subject goods from subject country and share of the dumped import during the injury investigation period are as follows:

Particulars	Unit	2017-18	2018-19	2019-20	POI	POI (Excl. covid period)	POI (Excl. covid period) Annualised
Imports from subject countries	MT	86,990	72,316	64,127	21,019	15,949	21,266
	Indexed	100	83	74	24	18	24
Imports from other countries	MT	5,433	4,284	3,453	1,865	1,142	1,522
	Indexed	100	79	64	34	21	28
Domestic Sales of DI	MT	***	***	***	***	***	***
	Indexed	100	107	104	77	64	85
Domestic Sales of other domestic producers	MT	***	***	***	***	***	***
	Indexed	100	117	111	84	70	93
Demand	MT	***	***	***	***	***	***
	Indexed	100	109	104	74	61	82
Imports from subject countries in relation to Consumption	%	***	***	***	***	***	***
	Range	10-20	0-10	0-10	0-10	0-10	0-10
Imports from subject countries in relation to total Domestic production	%	***	***	***	***	***	***
	Range	10-20	0-10	0-10	0-10	0-10	0-10

61. It is seen that imports from subject countries, in absolute terms, has seen a declining trend since 2018-19. Imports in relation to production and consumption also followed the same trend. Subject imports in both absolute terms and relative terms have declined since imposition of duties.

Price Effect of the Dumped Imports on the Domestic Industry

62. The impact on the prices of the domestic industry on account of the dumped imports from subject country has been examined with reference to the price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production and net sales realization (NSR) of the domestic industry have been compared with the landed price of imports of the subject goods from the subject country.

a) Price Undercutting

63. Price undercutting information is given in the table below.

Particulars	Unit	2017-18	2018-19	2019-20	POI	POI (Excl. covid period)	POI (Excl. covid period) Annualized
Landed Value	INR/MT	49,550	63,676	62,572	63,961	63,283	63,283
	Indexed	100	129	126	129	128	128
Domestic Selling Prices	INR/MT	***	***	***	***	***	***
	Indexed	100	111	114	109	110	110
Price Undercutting	INR/MT	***	***	***	***	***	***
	%	***	***	***	***	***	***
	% Range	5-15	(5)-5	0-10	(5)-(15)	5-15	5-15

64. It is seen that landed price of imports is above selling price of the domestic industry and are thus imports are not undercutting the prices of the domestic industry. It has been claimed by the domestic industry that the anti-dumping duty imposed on the basis of reference price has prevented the imports from entering the domestic market at low prices.

b) Price Suppression and Depression

65. In order to assess as to whether imports from subject countries were suppressing/depressing the prices of the domestic industry 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 has compared the cost of production and net selling price of the domestic industry over the injury period, and shown in the table below:

Particulars	Unit	2017-18	2018-19	2019-20	POI
Cost of sales	Rs/MT	***	***	***	***
Selling price	Rs/MT	***	***	***	***
Cost of sales	Index	100	97	95	99
Selling price	Index	100	111	114	109

66. It is seen that after imposition of ADD, whereas the cost of sales has remained in similar region, the selling price has increased over the injury period.

Economic Parameters of the Domestic Industry

67. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on

domestic producers of such products. With regard to the consequent impact of dumped imports on domestic producers of such products, the Anti-dumping Rules further provide that the examination of the impact of the dumped imports on the Domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity, factors affecting domestic prices, the magnitude of the margin of dumping, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The Authority has examined the injury parameters objectively considering various facts and submissions made before the Authority.

a) Production, Capacity, Capacity Utilization and Sales

68. Capacity, production, sales, and capacity utilization of the domestic industry over the injury period is given in the following table:

Particulars	Unit	2017-18	2018-19	2019-20	POI		POI (Excl. covid period) Annualized
					POI	(Excl. covid period)	
Installed Capacity	MT	***	***	***	***	***	***
	Indexed	100	100	100	100	75	100
Production-Plant	MT	***	***	***	***	***	***
	Indexed	100	103	108	87	69	91
Production-PUC	MT	***	***	***	***	***	***
	Indexed	100	103	112	88	69	92
Capacity Utilization	%	***	***	***	***	***	***
	Indexed	100	103	108	87	91	91
Domestic Sales	MT	***	***	***	***	***	***
	Indexed	100	107	104	77	64	85

69. It is noted that:

- i. Capacity of the domestic industry has remained constant over the injury investigation period.
- ii. Production, sales and capacity utilisation increased till 2019-20, but declined in the POI.

b) Market Share in Demand

70. Market share of the domestic industry in demand for the product under consideration is given in the table below:

Particulars	Unit	2017-18	2018-19	2019-20	POI	POI (Excl. covid period)	POI (Excl. covid period) Annualised
Imports from subject countries	%	***	***	***	***	***	***
	Indexed	100	76	71	33	30	30
Imports from other countries	%	***	***	***	***	***	***
	Indexed	100	72	61	47	34	34
Domestic Sales of DI	%	***	***	***	***	***	***
	Indexed	100	98	100	104	105	105
Sales of other domestic producers	%	***	***	***	***	***	***
	Indexed	100	107	107	114	109	112

71. It is seen that the market share of the Indian domestic producers as a whole has increased after the imposition of anti-dumping duty, whereas market share of imports from subject country has declined. Market share of Indian domestic producers as a whole is more than 95% during the POI.

c) Inventories

72. Inventory position with the domestic industry over the injury period is given in the table below:

Particulars	Unit	2017-18	2018-19	2019-20	POI	POI (Excl. covid period)	POI (Excl. covid period) Annualised
Inventory	MT	***	***	***	***	***	***
	Indexed	100	48	127	224	224	224
Inventory as No. of days of Production	No	***	***	***	***	***	***
	Indexed	100	46	113	256	243	243
Inventory as No. of days of Sales	No	***	***	***	***	***	***
	Indexed	100	47	128	261	234	234

73. Average inventory level with the domestic industry has increased in the POI due to fall in demand as a result of Covid-19 Pandemic.

d) Profitability, Return on Investment and Cash Flow

74. The profit/loss per unit, return on investment and cash profit during the injury period is indicated in the table below:

Particulars	Unit	2017-18	2018-19	2019-20	POI	POI (Excl. covid period)	POI (Excl. covid period) Ann
-------------	------	---------	---------	---------	-----	--------------------------	------------------------------

Cost of Sales - Domestic	INR/MT	***	***	***	***	***	***
	Indexed	100	97	95	99	99	99
Selling Price- Domestic	INR/MT	***	***	***	***	***	***
	Indexed	100	111	114	109	110	110
Profit	INR/MT.	***	***	***	***	***	***
	Indexed	100	175	207	160	161	161
Profit	Rs. in Lacs	***	***	***	***	***	***
	Indexed	100	187	216	123	103	137
PBIT- Domestic Sales	INR/MT	***	***	***	***	***	***
	Indexed	100	150	174	139	137	137
Cash Profit	INR/MT	***	***	***	***	***	***
	Indexed	100	148	181	203	201	201
PBIT - Domestic	Rs. in Lacs	***	***	***	***	***	***
	Indexed	100	160	182	107	88	117
Cash Profit	Rs. in Lacs	***	***	***	***	***	***
	Indexed	100	158	189	156	129	171
Return on capital employed	%	***	***	***	***	***	***
	Range	10-20	20-30	20-30	15-25	15-25	15-25

75. It is seen that after imposition of anti-dumping duty, the profitability of the domestic industry has improved till 2019-20 and declined thereafter in the POI. However, the ROI in the POI was still higher than base year.

e) Employment, Productivity and Wages

76. The analysis of the number of employees employed by the domestic industry, its productivity and wages paid show as follows:

Particulars	Unit	2017-18	2018-19	2019-20	POI	POI (Excl. covid period)
No of Employees	No	***	***	***	***	***
	Indexed	100	101	102	101	101
Wages	Rs. in Crores	***	***	***	***	***
	Indexed	100	121	134	98	77
	INR/MT	***	***	***	***	***
	Indexed	100	118	119	112	112
Productivity per Day	MT/Day	***	***	***	***	***
	Indexed	100	103	112	88	92

77. There are no significant changes in employment and wages during the injury investigation period.

f) Growth

78. It is seen that the growth of the domestic industry has been positive and it has been able to register an improvement in performance with imposition of duties. The decline in economic parameters of the domestic industry seen in the POI is result of the Covid-19 pandemic and is not attributable to imports.

Particulars	Unit	2018-19	2019-20	POI	POI (Excl. covid period) Annualised
Production- Plant	Y/Y	0-10%	0-10%	(15-25)%	(10-20)%
Production- PUC	Y/Y	0-10%	0-10%	(15-25)%	(10-20)%
Capacity Utilisation	Y/Y	0-10%	0-10%	(15-25)%	(10-20)%
Domestic Sales	Y/Y	0-10%	(0-10)%	(20-30)%	(10-20)%
Profit/Loss per unit	Y/Y	70-80%	10-20%	(15-25)%	(20-30)%
Cash Profit	Y/Y	50-60%	10-20%	(10-20)%	(10-20)%
Return on Capital Employed	Y/Y	50-60%	0-10%	(20-30)%	(10-20)%
Inventories	Y/Y	(50-50)%	160-170%	70-80%	70-80%

g) Ability to Raise Capital Investments

79. There is no impact on the ability of the domestic industry to raise capital investments.

h) Magnitude of Dumping Margin

80. The dumping margin is positive and significant.

i) Magnitude of Injury Margin

81. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in the Anti-Dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry and duly certified by the practicing accountant for the period of investigation. The NIP has been compared with the landed price from the subject countries for calculating injury margin. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available. It has been claimed that the anti-dumping duty imposed on the basis of reference price has prevented the imports from entering the domestic market at low prices.

Injury Margin Table

S. No.	Producer/Exporter from Indonesia	NIP USD/MT	Landed value USD/MT	Injury Margin USD/MT	Injury Margin %	Range%
1.	<ul style="list-style-type: none"> • PT Riau Andalan Kertas • PT Anugrah Kertas Utama • PT Asia Pacific Rayon 	***	***	***	***	Negative

j) Performance of other domestic producers

82. As noted earlier, M/s West Coast Paper Mills Ltd. and M/s Tamil Nadu Newsprint and Papers Ltd. (TNPL) filed information relating to their performance (both injury and costing information) after initiation of investigation. However, since the applicant has sought extension of ADD on the ground of likelihood of recurrence of injury from subject imports, in the event of cessation of ADD, these producers have not been considered as part of domestic industry. It is however noted that these producers have provided certified injury information as shown below:

Particulars	UOM	2017-18	2018-19	2019-20	POI
Production PUC	MT	***	***	***	***
	Index	100	122	124	102
Capacity Utilization	%	***	***	***	***
	Index	100	114	115	85
Domestic Sales Volume	MT	***	***	***	***
	Index	100	123	122	85
Average Stock	MT	***	***	***	***
	Index	100	129	280	1,537
Cost of sales	Rs./MT	***	***	***	***
	Index	100	109	107	119
Selling price	Rs./MT	***	***	***	***
	Index	100	110	115	111
Profit/(Loss)	Rs./MT	***	***	***	***
	Index	100	124	173	45
Profit/(Loss)	Rs.Lacs	***	***	***	***
	Index	100	153	210	38
Cash Profit	Rs.Lacs	***	***	***	***
	Index	100	149	187	86

Return on Capital Employed	%	***	***	***	***
	Index	100	130	198	72

83. It is thus seen that the certified information furnished by West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd. (TNPL) show a trend similar to that of the applicant domestic industry, JK Paper Ltd. Further, the NIP claimed by these companies is higher than JK Paper Ltd.

Conclusion on current injury

84. It is concluded that the volume of imports has significantly declined during the POI in absolute terms, and in relation to production & consumption. However, the volume of imports still remained substantial and were at a price very close to the reference price/benchmark price fixed for collection of anti-dumping duty in the original investigation. Imports at the prices reported to Indian customs during the POI are not undercutting the domestic industry prices. The domestic industry did not suffer depressing or suppressing effect due to imports on its prices because of the benchmark form of the existing anti-dumping duty. Performance of domestic industry has not deteriorated due to imports over the current injury period. The domestic industry has accordingly not suffered material injury due to subject imports owing to the anti-dumping duty in force.

I. CAUSAL LINK AND OTHER FACTORS

85. The Authority has examined whether other factors listed under the Rules caused injury to the domestic industry.

Volume and value of imports not sold at dumping prices

86. Imports from other countries are not significant in volume and hence cannot be considered as the cause of the injury to the domestic industry.

Contraction in demand or changes in the pattern of consumption

87. Demand for the product under consideration has registered decline during the POI primarily due to ongoing Covid-19 pandemic.

Change in pattern of consumption

88. The pattern of consumption for the product under consideration has undergone a change. Countrywide Covid-19 pandemic has led to increased use of electronic media instead of paper. The consumption of the product under consideration has seen a declining trend with digitisation.

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

89. There is no known trade restrictive practice which could have contributed to the injury claimed by the domestic industry.

Developments in Technology

90. Technology for production of the product under consideration has not undergone any change nor is any change likely in the foreseeable future. Developments in technology is, therefore, not a factor of injury.

Export Performance of the domestic industry

91. Injury examination has been conducted for the domestic operations of the applicant.

J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

92. The Authority notes that this is a sunset review investigation. The domestic industry has claimed that it is not suffering any continued injury and that it is likely to suffer injury in the event of cessation of anti-dumping duty. Accordingly, the Authority has examined the likely scenario of continuation of dumping and recurrence of injury on account of dumped imports, if anti-dumping duty is to be allowed to expire.

J.1. Submissions made by other interested parties

93. Submissions made by the other interested parties on likelihood of continuation or recurrence of dumping and injury are as follows:
- i. Total capacity of subject goods in the exporting country is not the correct criterion to determine the likelihood of dumping and injury to the domestic injury. Total capacity of the responding producers in excess of total sales is to be examined for determining surplus capacity.
 - ii. Mere existence of surplus capacity is not sufficient to establish likelihood of continuation or recurrence of dumping and material injury to the Domestic Industry as was stated by the Hon'ble Tribunal in *Indian Spinners Association v. Designated Authority*. The Petitioner must prove that there is a likelihood of diversion of these surplus capacities to India.
 - iii. There is no unutilized capacity for the subject goods and the Respondents are already operating at optimum capacity utilization level and therefore there is no scope for utilizing unused capacity to increase exports of subject goods to India. The Respondents also submit that that there is no plan for capacity expansion of subject goods in Indonesia by the producers RAK, AKU and APR.

- iv. The data regarding sales of the Respondents show that there is no scope for diversion of subject goods from domestic market sales or other country sales to India. Export sales to India by Respondents RAK, AKU and APR are insignificant when compared to domestic sales and export sales to other countries during the POI. Respondents are not dependent on India for the sale of subject goods manufactured by them.
- v. The circumstances prevalent for the Respondents with regard to surplus capacity and exports to India necessitate a separate assessment of likelihood of injury for the Respondents.
- vi. In the absence of any present injury, there can be no likelihood of continuation of injury to the domestic injury due to imports of subject goods from Indonesia.
- vii. The decline in performance of the Applicant during the POI would have happened even in the absence of any imports. Such information regarding relevant economic parameters is not reflective of the normal situation and cannot form the basis for determination of actual injury and/or likelihood of continuation of injury.
- viii. Analysis of post-POI data will show that the entire claim of injury and likelihood of injury to the domestic industry is based on an abnormal situation that has prevailed in the six months of the POI.
- ix. It is misleading to conclude that India is Indonesia's only market for paper products. India ranks 8th in the list of top export market destination on Indonesia's paper products and the share of exports to India in 2020 was just 2.6%, much smaller than the exports of Indonesia to other countries during the POI.
- x. Indonesia's exports to most of its main export destination countries showed negative trend after 2018 and there was no diversion of exports to other countries due to imposition of anti-dumping duty by India, hence, there is no indication that Indonesia would divert its exports to India in the event of cessation of anti-dumping duty.
- xi. Reference was made to the Appellate Body in the US – Corrosion-Resistant Steel Sunset Review which considered Article 11.3 and laid down a mandatory rule with an exception and thus imposes a temporal limitation on the imposition of anti-dumping duties. The expiry of duties would not lead to the continuation or recurrence of injury to the Indian domestic industry.
- xii. The gap between imports and consumption increased over the last 2 years and this indicates that the domestic product has heavily saturated India's domestic market and that the domestic producers have taken over a major share of the Indian market. This minimizes the likelihood of recurrence of injury.
- xiii. The presumption that the Indonesian market is declining and therefore the Indonesian producers shifted their target market to India to compensate the declining market in Indonesia is misleading. The Indonesian market for paper product is relatively stable and growing and the Indonesian domestic market conditions does not correlate with injury and likelihood of recurrence of injury as presumed by the applicant.

J.2. Submissions made by the domestic industry

94. Submissions made by the domestic industry on likelihood of continuation or recurrence of dumping and injury are as follows:

- i. According the RISI Global Paper Outlook 2019, the producers of the subject goods in Indonesia have high capacities far exceeding the domestic demand. As per Poyry's Report of 2017, the capacity of APP group was estimated at 2.4 Million tons/annum and the capacity of APRIL group as 1.2 Million tons. This capacity is to be seen against the total Indian demand of 0.4 million and total Indian production of 0.5 million tons.
- ii. When the latest production figures and estimated capacity is considered, there will be an unutilized capacity of 0.6 million tons in Indonesia and this unutilized capacity is much higher than the total Indian demand and Indian production.
- iii. According to FAO data, the production in Indonesia has increased despite declining demand in the domestic market. According to RISI report, India is the only key market that registered increasing demand, which naturally led to increasing Indian production. Hence, the increasing Indonesian production is likely to be diverted to India, should duties cease to exist.
- iv. Indonesia is highly export oriented and more than 90% of Indonesian production is being exported. Since, there was a decline in domestic demand in 2018 and 2019, the exports increased during the same period. Further, utilization in the POI has declined for most of the producers which resulted in significant increase in inventories.
- v. There is a decline in demand globally for the subject goods and markets like Indonesia are seeing negative growth in contrast to India which has positive growth. Moreover, Asian market is in a state of over-supply and duty were imposed on Indonesia for the subject goods by three countries indicating a strong likelihood of diversion of subject goods to India, should duty cease to exist.
- vi. Indonesian producers enjoy cost advantage as a result of availability of raw materials at distorted prices and Indonesia is one of the top producers of subject goods in the world.
- vii. Duties were imposed by Australia, USA and Pakistan on the subject goods from Indonesia and Australian Commission has initiated a fresh dumping investigation on A4 Copy paper.
- viii. The likely dumping margin and injury margin considering price of Maplitho paper from subject countries is positive and substantial.
- ix. The export price from Indonesia to top five countries vary significantly. It is as high as 880 USD/MT to as low as 522 USD/MT.
- x. Exports from Indonesia to Australia, Pakistan and USA have been made at dumped and injurious prices. Thus, the price to these countries also shows that the dumping and injury is likely to recur in the event of cessation of duties.
- xi. Decline in demand has caused adverse impact on the performance of the domestic industry but the claim of the domestic industry is that cessation of anti-dumping duty is likely to lead to continuation of dumping and recurrence of injury to the domestic industry which is in a fragile state in view of decline in demand.
- xii. The domestic industry would be forced to reduce the prices of the product concerned significantly in the event of cessation of duty having regard to the likely prices of import of subject goods into India. This would further lead to decline in profits, cash flow and return on investment.

- xiii. Domestic industry is likely to lose its sales volume if it maintains its normal price levels as the consumers would increasingly switch over to the imports and if the domestic industry prefers to lose sales volume, it will result in bigger injury with an increase in inventories, decline in production, utilization and productivity.
- xiv. Removal or anti-dumping duty besides impacting the producing companies, would also impact the 500,000 farmers who are engaged in farm forestry. This would further affect the employment opportunities of the local community in the rural areas, reducing their income and aggravating the rural-urban distress migration.

J.3. Examination by the Authority

- 95. The Authority observes that this is a sunset review investigation and the Authority is conducting a likelihood examination of dumping and consequent injury in the event of cessation of existing anti-dumping duty.
- 96. All factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of continuation or recurrence of dumping and injury in the event of cessation of the duty. The Authority has considered various information, as made available by the interested parties during the course of investigation, in order to evaluate the likelihood of continuation or recurrence of dumping or injury.
- 97. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia for factors which are required to be taken into consideration viz.:
 - i. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
 - ii. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
 - iii. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
 - iv. Inventories of the article being investigated.
- 98. Further, the Authority has also examined other relevant factors having a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry.
 - i. **Continued & existing dumping**

99. The Authority notes that dumping of product under consideration has continued from subject countries. The dumping margin determined for responding exporters is positive and substantial. In fact, the dumping margin determined in the present investigation is higher than the dumping margin determined at the time of original investigations. Thus, the exporters are resorting to dumping despite measures in place and is indicative of likely dumping in the event of cessation of duties. The Authority notes that combined production and exports of the two responding producers is significantly high. The domestic industry submitted that these responding producers represent the entirety of Indonesian capacities for the product. None of these responding producers have provided any justification or evidence why dumping in significant volumes would not resume in the event of cessation of ADD. Further, the evidence on record establishes that the volume of dumped imports would resume in significant volumes in the event of cessation of ADD. The contention of the domestic industry that the export price of the producers is significantly lower than the export price of the traders eventually exporting the product to India has also remained uncontroverted.

ii. Volume of imports of subject goods from subject countries

100. The Authority notes that imports from the subject countries have declined significantly after the imposition of anti-dumping duty. The price at which the producers have sold the material to respective traders, the price at which subject goods have been exported to a number of countries and the extent of unutilised capacities collectively demonstrate that the volume of imports is likely to increase significantly in the event of cessation of duty.

iii. Surplus capacity in Indonesia

101. The Authority notes that the domestic industry has provided information from Poyry's Report, RISI Report and data extracted from Food and Agricultural Organisation (FAO). Based on the information provided in these Reports, the domestic industry reported that the unutilised capacity in Indonesia for product under consideration is approximately 6 lakh tonnes during the POI, which exceeds the gross Indian demand.

iv. Surplus capacity with cooperating producers in Indonesia

102. Indonesia is one of the largest producers/exporters of the subject goods. The aggregate information with regard to surplus capacity held by participating producers from Indonesia is as under:

Particulars (APRIL Group)	Unit	Total
Total Installed Capacity	Ton/Year	***
Total Production	Ton/Year	***
Capacity Utilisation Percentage	%	***
Capacity Utilisation Percentage Range	%	95-105

Particulars (APP Group)	Unit	Total
Total Installed Capacity	Ton/Year	***
Production Quantity	Ton/Year	***
Capacity Utilisation Percentage	%	***
Capacity Utilisation Percentage Range	%	60-70

Particulars	Unit	Total
Demand in Indonesia*	MT/year	***
Capacity (APRIL +APP)	MT/year	***
Surplus capacity	MT/year	***
Surplus capacity	Range	(20,00,000-30,00,000)

*Source: Questionnaire response filed by APP Group

103. It is seen that:

- i. the capacities established by the producers is significantly more than the domestic demand. The surplus capacity is 9 times of the demand prevailing in Indonesia.
- ii. While APRIL group's capacity is fully utilised, the APP group, which has higher capacities, has significant unutilised capacities. The surplus capacity with APP Group alone is higher than the gross Indian demand for the product.

v. High export orientation of producers

104. The Authority notes that a significant portion of the capacity for the subject goods in Indonesia is meant for export markets. The aggregate information with regard to domestic sales and export sales by participating producers from Indonesia is given below.

Sales Quantity - PUC (APP Group)	MT	Total	Share of Sales in Percentage	Range
(a) Domestic Sales – PUC	MT	***	***	5-15%
(b) Export Sales - India – PUC	MT	***	***	0-10%
(c) Export Sales - Other Countries - PUC	MT	***	***	85-95%
(d) Total Sales	MT	***	100%	100%

Sales Quantity - PUC (APRIL Group)	MT	Total	Share of Sales in Percentage	Range
(a) Domestic Sales – PUC	MT	***	***	10-20%
(b) Export Sales - India – PUC	MT	***	***	0-10%
(c) Export Sales - Other Countries - PUC	MT	***	***	85-95%
(d) Total Sales	MT	***	100%	100%

105. It is seen that the exports to other countries by the producers in Indonesia is in the range of 85-95%. Thus, the producers are highly export oriented. Further, these producers are selling to a number of third countries at a low price.

i. Trade remedial measures imposed by other countries on Indonesia

106. As per information available on record, it is noted that trade remedial measures have been imposed by the United States of America (USA), Australia and Pakistan on the product under consideration exported from Indonesia. This shows that the producers in the subject country have been dumping goods in other countries and causing injury to the domestic industry of such countries. It also indicates that these markets (US, Australia and Pakistan) remain restricted for producers in Indonesia, thus, making the possibility of diversion of their surplus capacities to Indian market even greater in the event of cessation of duties.

ii. Inventories with participating producers/exporters from Indonesia

107. The aggregate information with regard to inventories held by participating producers from Indonesia is given below.

Inventories	Unit	Total	Range
APRIL Group	MT	***	10,000-20000
APP Group	MT	***	90,000-100000

108. The inventory level is significant. The inventory level alone is 22% of the total Indian demand.

iii. Price attractiveness of Indian market

109. The aggregate information furnished with regard to export sales to India and third countries by participating producers from Indonesia is given below.

FOR POI	Unit	Customs data	APP	April
Third Country volume	MT	14,76,878	***	***
Third country rate				
Producer's price	\$/MT	691	***	***
Exporter's price	\$/MT		***	***
Volume of exports to third countries below				
DI selling Price	MT	***	***	***
NIP for the DI	MT	***	***	***
Foreign producer's export price to India	MT		***	***
Indian Demand for POI	MT	***	***	***
Volume of exports to third countries below (as % of Indian demand)				
DI selling Price	%Range	230-240%	80-90%	100-110%
NIP - DI	%Range	60-70%	10-20%	100-110%

Exporter export price to India	%Range	100-110%	100-110%
--------------------------------	--------	----------	----------

110. It is seen from the table above that:

- a. Export price from producers of APP group to other countries are at higher price as compared to the export price of the producers of APRIL group. However, there are significant differences in the prices reported by the producers and exporters. Further, whereas APRIL group has fully utilised its production capacities, APP Group holds unutilised production capacities beyond the Indian demand.
- b. The combined volume of exports made at price below the level of selling price prevailing in India, as per information provided by the producers in Indonesia, is *** MT and amounts to almost ***% of Indian demand
- c. The combined volume of exports made at price below the level of non-injurious price prevailing in India, as per information provided by the producers in Indonesia, is *** MT which amounts to almost ***% of Indian demand.
- d. The combined volume of exports made at price below the level of price at which exports have been made to India, as per information provided by the producers in Indonesia, is *** MT and amounts to almost *** % of Indian demand.
- e. Response by Indonesian producers/ exporters also shows significant variation between export prices to various countries.
 - i. The unutilised capacity with the APP group is more than the gross Indian demand and therefore are in itself sufficient to cater to the entire demand for the product in the country.
 - ii. While April group is fully utilised as far as its capacity is concerned, it is seen that its export price to India during the investigation period was materially below the selling price, cost of production and NIP of the domestic industry.
 - iii. Further, considering the low-priced volume of exports by the company to other countries, the company is capable of taking away significant portion of Indian demand by diverting their third country exports to Indian market in the event of cessation of anti-dumping duty.

It is thus seen that the Indian market is high price attractive to the subject foreign producers and cessation of duties is likely to lead to diversion of significant third countries exports to Indian market.

Conclusion on Likelihood of Dumping and Injury

111. Considering the information on record, and after due examination of the evidence on record, the Authority concludes that:

- i. Even when volume of imports has declined in the current period, the dumping has continued from the subject countries and the margin of dumping is also quite significant. In fact, the dumping margin has increased.

- ii. The responses filed by the responding producers show that there are significant unutilised capacities available with APP group, sufficient enough to cater to the entire Indian demand.
- iii. Significant exports to third countries have been made by participating producers/ exporters at prices below the level of export prices to India, Indian domestic selling price and non-injurious price of the domestic industry.
- iv. Significant quantum of third country exports have been made at prices below the level of export price to India, Indian domestic selling price and Indian non-injurious price. Thus, significant exports can be diverted to India at injurious price.
- v. Both the producers are highly export oriented. The domestic demand in Indonesia can hardly meet 10% of installed capacities. The foreign producers have maintained significant inventories.
- vi. Various parameters collectively and cumulatively thus establish that the subject imports are likely to increase significantly at dumped and injurious prices in Indian market in the event of cessation of the existing ADD, leading to likelihood of continuation of dumping and recurrence of injury to the domestic industry.

K. POST-DISCLOSURE COMMENTS

Submissions of other interested parties

112. Other interested parties have reiterated their submissions with regard to determination of normal value, injury and causal link and likelihood of continuation or recurrence of dumping and injury. Additionally, the following submissions have been made:

- a. The landed prices are higher than the non-injurious price of the Domestic Industry. In view thereof, the Authority should consider the export price and landed value of participating producers/ exporters and provide individual dumping margin and injury margin.
- b. Authority should give due consideration to the difficulties experienced by interested parties in supplying the information in terms of Article 6.13. However, in the instant investigation, the Authority has not given any due cognizance of the fact that producer cannot compel unrelated exporters to participate in the investigation. The Authority has also not provided the legal basis or logic under the Anti-Dumping Rules or Anti-Dumping Agreement to reject the response on such basis. The Appellate Body of WTO has held that the Authority has to give due consideration to the difficulty faced by the responding exporter in supplying some information. The Appellate Body also emphasized that cooperation is a two-way process, stated that the investigating authority are not entitled to insist upon absolute standards or impose unreasonable burden upon the exporters.
- c. The exporter requested re-consideration of their data as they have done their due diligence by requesting unrelated exporters to participate in the investigation.

Therefore, now for their non-corporation, DGTR should penalize responding exporters.

- d. Since the current investigation is a sunset review investigation, the Authority is required to reach to a determination about likely prices of the subject goods and also about the likelihood of dumping and injury. Therefore, the Authority should consider their direct prices recovered from Indian market.
- e. While considering capacity and capacity utilization, the Authority has not discounted covid impact for exporters during POI. This has resulted in misleading likelihood analysis as far as it related to excess or surplus capacity.
- f. Even if only JK Paper Ltd. is treated as a constituent of the domestic industry, the Authority should nevertheless verify the information submitted by West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd and thereafter consider the same for objective assessment of material injury and likelihood of continuation or recurrence of injury to the domestic industry as a whole.
- g. The observations of the Authority indicate absence of injury and likelihood of injury to the domestic industry due to import of subject goods from the subject countries.
- h. The decline in production, sales and capacity utilisation in POI is because of a decline in demand in India in the POI due to Covid-19 pandemic and not due to the imports. This should be clearly noted as reason for the decline in these volume parameters in the final findings.
- i. If the Authority concludes in the final findings that anti-dumping duty is to be recommended, the Authority is required to consider the lower of injury margin and dumping margin determined in the disclosure statement while recommending the duty in accordance with lesser duty rule.
- j. Even if anti-dumping duty is continued on exports of subject goods made from Indonesia and Singapore pursuant, the Authority should determine that no anti-dumping duty is required to be continued on exports made by APRIL Group.
- k. There is no likelihood of dumping and injury to domestic industry due to import of subject goods from APRIL group because the Authority has noted that:
 - (i) There has been a significant decline in the imports of subject goods from subject countries after the imposition of anti-dumping duty.
 - (ii) There is no surplus capacity available with the Respondents.
 - (iii) Respondents only have inventories in the range of 10,000-20,000 MT available with them. This is insignificant as compared with the Indian demand.
 - (iv) Majority of exports by Respondents are to third countries. Export sales to India by Respondents are insignificant when compared with export sales to other countries. There are no factors indicating diversion of these exports from third countries to India. There is no surplus capacity or inventory available with the Respondents that can be put to use to increase exports to India if the anti-dumping duty is withdrawn by India.
- l. The claim of surplus capacity of 0.6 million tonnes is incorrect. Actual capacity of participating producers/exporters in the subject investigation namely, APRIL group and APP group is required to be considered for assessing existence of surplus capacity in Indonesia.

- m. Export price to third countries has remained higher than export price to India during all three years prior to the POI. Export price to India in the POI is higher due to special circumstances prevailing in 2020. There is no trend showing that Indian market is price attractive.
- n. There has been no request either from participating producers/exporters from subject countries or from the domestic industry to examine price attractiveness by comparing volume of exports to third countries at low prices with Indian demand.
- o. This analysis has not been undertaken by the Authority in any of the earlier sunset review investigations. Such examination has also not been suggested by any court or tribunal in India as a relevant counter-factual assessment in sunset review investigation for determining the likelihood of dumping and injury.
- p. It is not relevant to determine price attractiveness of Indian market based on a simple comparison of export sales to third countries with Indian demand without further context regarding likelihood of diversion of exports from third countries to India.
- q. The Authority must examine the post-POI data of JK Paper Ltd. and other domestic producers in India. There is substantial improvement in overall profitability of these paper producers in the post-POI period.
- r. If the Authority concludes that anti-dumping duty should be recommended for further period on all exports from Republic of Indonesia and Republic of Singapore, Respondent requests the Authority to consider that original anti-dumping duty was recommended for a period of 3 years instead of full 5 years period and therefore antidumping duty should not be continued for more than 3 years pursuant to the sunset review.
- s. If the Authority recommends continuation of anti-dumping duty, Respondent also requests the Authority to recommend reference price-based duty as done in the original investigation but after reducing the level of reference price from the present USD 855.01 per MT to the level of NIP determined in the subject investigation.

Submissions made by the domestic industry

113. The domestic industry has reiterated its earlier submissions with regard to likelihood of recurrence of injury and public interest, and in addition has submitted as follows in its comments to the Disclosure Statement.
- a. The import price from Indonesia reported in DGCI&S is unreliable considering significant difference in the import price reported to the Indian customs and Indonesian customs. Uncoated paper in rolls was earlier being imported at a price Rs. 3,472 pmt lower than Uncoated paper in sheet, with imposition of antidumping duty, the product is now being imported at a price Rs. 9698 cheaper than Uncoated paper in sheet. This clearly shows unreliability of the import price. The difference between CIF and FOB price is to the tune of 250 USD/MT. This difference amount is very high and unattributed to the traders' margins. The Authority considering huge discrepancy in data should determine export price based on prices reported by the producers.
 - b. Considering the Authority's observation in the previous investigation that significant volume of imports is being reported as originating in Singapore even though there is no manufacturing in Singapore, the Authority is requested to kindly fully reconcile the

- imports reported as originating in Singapore in the questionnaire responses of participating producers and Indian customs data.
- c. The present duty needs to be extended without modification since the dumping and injury to the domestic industry is based on the likelihood of dumping and injury to the domestic industry.
 - d. The Authority failed to consider submissions by domestic industry concerning (a) declining demand in Indonesia and globally; (b) likely dumping and injury margin from Indonesia; (c) cost advantages with exporters in Indonesia.
 - e. The non-injurious price determined is too low resulting into insufficient injury margin. Further, the Authority has reduced the non-injurious price on account of number of factors without sufficient disclosure thus not allowing the domestic industry to make any effective comments.
 - f. Highest utilization should not be considered as optimum for determination of NIP. If the domestic industry has been able to produce beyond 100%, making that actual capacity utilisation as the norm is penalising efficient industries and dubbing them inefficient for subsequent lower utilisation.
 - g. The Authority is requested to disclose various facts in non-confidential version, such as (a) copy of communications sent by the Authority and copy of replies filed by the interested parties; (b) submissions by interested parties; (c) copy of rejoinder submissions; (d) disclosure of exports to third countries; (e) full disclosure of NIP.
 - h. The absence of duty will also impact the large number of farmers engaged in growing plantations of Eucalyptus, Subabul, Casuarina, Acacia, Poplar, etc. The domestic industry is fully competent to cater to the entire Indian demand of the subject goods. There are large number of producers of subject goods in the domestic market and capacities with the Indian industry is largely unutilized. Currently, imports of the subject goods from Indonesia attract NIL rate of duty. Therefore, in a situation where NIL duty exists, the impact of ADD on the consumer will be minimal while providing a level playing field to the domestic industry. None of other interested parties have claimed or substantiated any adverse impact of duty.

Examination by the Authority

114. The Authority notes that some of the submissions by the domestic industry and other interested parties are repetitive in nature. These submissions have already been examined at appropriate places in the Final Findings. Further, the Authority has examined the additional submissions of the interested parties as under:
- i. As regards the argument that rejection of response of APP group is not correct, it is noted that the quantum of exports to India through non-participating unrelated traders is substantial and therefore Authority found it appropriate not to accept the response filed by APP Group as per the consistent practice followed by the Authority and instead determined the export price on the basis of facts available.
 - ii. As regards the argument that covid period adjustment has not been done for the exporters, it is noted that there is no data provided with regard to quantification of impact of Covid19 by the exporters themselves.
 - iii. As regards the argument that there is no likelihood with respect to APRIL group, the Authority notes that even though the capacities with the APRIL group have

been fully utilized, there is significant gap between the export prices reported by the producers of APRIL group and their traders, thus demonstrating the leverage available to the producer to export at dumped and injurious price. The producer's export price to third countries for significant volumes are at low price and below the level of selling price and NIP of the domestic industry. Thus, high export orientation and third country export prices of APRIL group indicate likelihood of diversion of exports of subject goods from other countries to India at injurious prices and consequent recurrence of injury to the domestic industry in the event of cessation of ADD.

- iv. As regards the argument that post POI data should be examined as the domestic industry has improved its performance, it is noted that since there is enough evidence on record to establish the likelihood of continuation of dumping and recurrence of injury, it was not deemed necessary to examine post-POI data.
- v. As regards the argument that NIP determined is low, it is noted that NIP has been determined as per Annexure III of the Rules and is consistent with the past practice of the DGTR.
- vi. As regards the submission of opposing interested parties that the duties should be extended only for three years as was done in the original investigation, the Authority notes that no justification has been given for limiting duties to three years. The mere fact that the duties were earlier recommended for three years in itself does not imply that the present extension should also be for three years only. In any case, the interested parties are free to seek review of duties, if they consider that there is no justification for continued imposition of ADD.
- vii. As regards furnishing of transaction wise import data, it is clarified that APP Group has provided the said information was not furnished initially in the exporter's questionnaire response but has subsequently been provided during desk verification.

L. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

115. Authority considered whether imposition of proposed ADD shall have adverse public interest. For the same, the Authority examined whether the imposition of the proposed duty on imports of the product under investigation would be against the larger public interest. This determination is based on consideration of information on record and interests of various parties, including domestic industry, importers and consumers of the product.
116. The authority issued gazette notification inviting views from all interested parties, including importers, consumers and other interested parties. Authority also prescribed a questionnaire for the consumers to provide relevant information with regard to present

investigations, including possible effect of ADD on their operations. The duties have been in force since 4th December, 2018.

117. From the information on record, it is noted that imports have occurred above the reference price during the period of investigation and no burden of antidumping duty has been faced by the users. The subject goods do not have a downstream industry and is largely used by public at large. The Authority has assessed the impact of current level of ADD on the end consumers. It is noted that the impact on the end consumer at the current level of anti-dumping duty is approximately 0.64% of average selling price of the product.
118. There are other alternate sources of supply of subject goods. Countries such as Thailand, USA, Australia, Vietnam and Malaysia are other manufacturers of subject goods, wherefrom imports can be sourced in case of demand-supply gap.
119. The Authority notes that fair competition in the Indian market will not be reduced by the continuation of the anti-dumping measures. On the contrary, continuation of anti-dumping measures would remove the unfair advantages gained by dumping practices and prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.
120. 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. From the information submitted by the domestic industry, it is noted that the imposition of duties has benefitted the producers of the subject goods.

M. CONCLUSION

121. Having regard to the contentions raised, information provided, submissions made and facts available before the Authority as recorded in these findings and on the basis of the determination of dumping and consequent injury to the domestic industry made hereinabove, the Authority concludes that:
 - a. The applicant domestic producer constitutes domestic industry under Rule 2(b) of the Rules and the application filed by the applicant on behalf of domestic producers satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Since the application is based on likelihood of dumping and injury, West Coast Paper Mills Ltd. and Tamil Nadu Newsprint and Papers Ltd have not been included in the scope of domestic industry.
 - b. The product under consideration continues to be exported to India at prices below normal value resulting in continued dumping. The volume of imports has declined because of antidumping duty. However, the volume of import is likely to increase significantly, considering the dumped and injurious price at which goods have been exported from Indonesia to third countries, high export orientation, significant surplus capacities in Indonesia. It is evident that the dumping of the product is likely

- to continue and the volume of imports is likely to increase significantly in the event of cessation of anti-dumping duties.
- c. The volume of imports has significantly declined in absolute terms, and in relation to production & consumption in India. Imports were not undercutting the domestic industry prices & the domestic industry did not suffer depressing or suppressing effect on its prices due to the existing antidumping duty. Further, performance of domestic industry has not deteriorated over the current injury period, and the domestic industry has not suffered material injury due to subject imports owing to the anti-dumping duty in force.
 - d. In event of expiry of anti-dumping duty, there is clear possibility of dumping in significant volumes and consequent injury to the domestic industry. Indonesia is one of the largest producers of the subject goods. There are significant unutilized capacities in Indonesia, sufficient to cater to entire Indian demand. Significant exports to third countries have been made by the producers at prices below the level of selling price, non-injurious price of the domestic industry and third country prices. It is also seen that various countries have imposed trade remedial measures on subject goods from Indonesia.
 - e. There is thus likelihood of continuation of dumping and recurrence of injury to the domestic industry considering (a) sufficient surplus capacity (b) high export orientation of Indonesian producers (c) the significant quantum of injurious exports to third countries (d) price attractiveness of Indian market and (e) trade remedial measures imposed by other WTO member countries on imports of subject goods from Indonesia.

N. RECOMMENDATIONS

122. The Authority notes that the sunset review was initiated and notified to all the interested parties and adequate opportunity was given to the domestic industry, exporters, importers/ users and the other interested parties to provide information on the aspects of dumping, injury and causal link and the likelihood of continuation or recurrence of dumping and injury. Having initiated and conducted the sunset review into dumping, injury and causal link and the likelihood of continuation or recurrence of dumping and injury in terms of the provisions laid down under the rules, the Authority is of the view that continued imposition of anti-dumping duty is required on the subject goods from the subject countries.
123. Under these circumstances, the Designated Authority considers it appropriate to recommend continuation of existing quantum of anti-dumping duty on the imports of subject goods from subject countries. The Authority, thus, considers it necessary to recommend continuation of existing definitive anti-dumping duty imposed vide Notification no. 56/2018-Customs dated 4th December 2018 for further period of two (2) years 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. 7 of the duty table appended below, provided the landed value is less than the value indicated in Col 7.

DUTY TABLE

S N	Heading/ Sub- heading	Description of Goods	Country of Origin	Country of Export	Producer	Amount (US\$/MT)
1	2	3	4	5	6	7
1	4802*	Uncoated paper in rectangular sheet of following sizes, with permissible limits (a) 210mm x 297 mm also known as A4 size; (b) 297mm x 420mm also known as A3 size; (c) 215mm x 345mm	Indonesia	Any country including Indonesia.	a) PT Riau Andalan Kertas b) PT Anugrah Kertas Utama c) PT Asia Pacific Rayon	855.01
2	- do -	- do -	Indonesia	Any country including Indonesia.	Any combination other than S. No.1	855.01
3	- do -	- do -	Any country other than Indonesia	Indonesia/Singapore	Any	855.01

** Custom classification is only indicative and the determination of the duty shall be made as per the description of PUC.*

124. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 88,9 and 9A of the customs Tariff Act, 1975, as amended from time to time.

O. FURTHER PROCEDURE

125. An appeal against these findings after its acceptance by the Central Government shall lie before the Customs' Excise and Service tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff Rules, 1995.


(Anant Swarup)
Designated Authority