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F. No. 6/23/2019 -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: 22nd December, 2020

NOTIFICATION

FINAL FINDINGS

Case No. (OI) 16/2019

Subject: Final Finding in Anti-Dumping Duty investigation concerning imports of Faced Glasswool in Rolls originating in or exported from China PR.

A. BACKGROUND

1. F.No 6/23/2019-DGTR : M/s U.P. Twiga Fiberglass Limited (hereinafter also referred to as the Applicant) has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter also referred to as the Rules) for imposition of Anti-dumping duty on imports of "Faced Glass Wool in Rolls" (hereinafter also referred to as the subject goods or PUC) from China PR (hereinafter also referred to as the subject country). The exact description of the product under consideration (PUC) has been dealt with in the respective section of this Final Finding.
2. The Authority, on the basis of prima facie evidence submitted by the applicant, issued a Notification No. 6/23/2019-DGTR dated 24th September 2019, published in the Gazette of India, initiating the subject investigation in accordance with Rule 5 of the above Rules to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from subject country, and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described herein below has been followed by the Authority with regard to the subject investigation:
 - i. The Authority, under the above Rules, received a written application from the Applicant on behalf of the Domestic Industry, alleging dumping of “Faced Glasswool in Rolls” originating in or exported from China PR.
 - ii. The Authority notified the embassy of China PR in India about the receipt of the anti-dumping application before proceeding to initiate the investigations in accordance with sub-rule (5) of Rule 5 supra.
 - iii. The Authority issued a public notice dated 24th September, 2019 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning imports of the subject goods.
 - iv. The embassy of subject country in India was informed about the initiation of the investigation in accordance with Rule 6(2) of the Rules with a request to advise the exporters/producers from subject country to respond to the questionnaire within prescribed time limit.
 - v. Copy of the non-confidential version of the application filed by the Applicant was made available to the known producers / exporters of the subject country and the embassy of the subject country in accordance with Rule 6(2) & 6(3) of the Rules.
 - vi. The Authority forwarded a copy of the public notice initiating anti-dumping investigation to the following known producers / exporters in the subject country and provided them an opportunity to file response to questionnaire in the form and manner prescribed and make their views known in writing in accordance with the Rule 6(4) of the Rules:
 - a. M/s Owens Corning (China) Investment Co
 - b. M/s Owens Corning (China)
 - c. M/s Beiyang Building Material Co., Ltd.
 - d. M/s China I king Industrial Group Co., Ltd.
 - e. M/s Hebei United Energy Tech co., Ltd.
 - f. M/s Huamei Energy Saving Technology Co.,
 - g. M/s United Insulation Ltd
 - h. M/s Jiujiang Fengjirun Trading Co. Ltd.
 - i. M/s Langfang Dongxin Shezhou Trade Co., Ltd.
 - j. M/s Ecofox Glass Wool Insulation Co. Ltd
 - vi. The Authority also allowed two extensions of time for filing the questionnaire response i.e. till 22nd November 2019 and 2nd December 2019 respectively. In response to the notification, following producers / exporters from the subject country responded by filing Exporter's Questionnaire responses.

- a. M/s Owens Corning (China) Investment Co. Ltd.
- b. M/s Owens Corning Guangzhou Fiberglass Co. Ltd.
- c. M/s Beiyang Building Material Co., Ltd.

vii. The Authority forwarded a copy of the public notice initiating anti-dumping investigation to the following known importers/users/user associations (whose names and addresses were made available to the authority) of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):

- a. M/s Tranquil, Maharashtra
- b. M/s B.M Insulations Pvt. Ltd.
- c. M/s Green Eco Engineers
- d. M/s Owens Corning India Pvt. Ltd.
- e. M/s Sipla Solutions
- f. M/s Aarkay Industries
- g. M/s All Arch India Pvt Ltd.
- h. M/s Avon Refractories Pvt Ltd .
- i. M/s Rewo International
- j. M/s Sun Enterprises
- k. M/s Oberoi Construction Ltd.
- l. M/s Incline Realty Private Limited
- m. M/s Jayswal Agencies
- n. M/s Kirby Building Systems India Ltd.
- o. M/s Multicolor Steels Pvt. Ltd.
- p. M/s Rail Coach Engineers
- q. M/s Interarch Building Products Pvt. Ltd.
- r. M/s Shapoorji Pallonji & Company Pvt Ltd
- s. M/s Vardhman Spinning
- t. M/s Voltas Ltd.
- u. M/s Uniproducts
- v. M/s Japan Metal Building Systems Pvt Ltd
- w. M/s E-Pack Polymers (P) Ltd.
- x. M/s Decor Home India Pvt Ltd
- y. M/s Blue Star Ltd.
- z. M/s Indica Industries Pvt. Ltd.
- aa. M/s TATA Bluescope Steel Ltd
- bb. M/s Vijay Tank & Vessels (P) Ltd.
- cc. M/s Everest Industries

viii. In response to the above, following importers/users/user association have filed their submissions/representations in the above matter.

- a. M/s Owens Corning India Pvt. Ltd.
- b. M/s B.M Insulations Pvt. Ltd.
- c. M/s WAVE Suspension Systems India Private Limited
- d. M/s Armstrong World Industries (India) Pvt. Ltd.

ix. The Authority made available non-confidential versions of the evidence presented by the interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6 (7).

x. The Authority has examined the information furnished by the Applicant to the extent possible on the basis of guidelines laid down in Annexure-III to work out the cost of production and the non-injurious price of the subject goods in India. Non-injurious price has been determined based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the Applicant on the basis of Generally Accepted Accounting Principles (GAAP) so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.

xi. The period of investigation (POI) for the purpose of present investigation is from 1st April 2018 to 31st March 2019 (12 months). However, the injury investigation period covers the data of previous three years, i.e. April 2015 to March 2016, April 2016 to March 2017, April 2017 to March-2018 and POI.

xii. Further information was sought from the Applicant and other interested parties to the extent deemed necessary. On the spot verification of the data provided by the Applicant was carried out to the extent considered necessary for the purpose of the present investigation.

xiii. Transaction wise data was called from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) for determination of volume and value of imports of product concerned in India.

xiv. The Authority held an oral hearing on 14.05.2020 to provide an opportunity to the interested parties to present relevant information orally in accordance with Rule 6 (6). The Authority held 2nd oral hearing also on 23.07.2020 due to change in Designated Authority in accordance with the judgment of the Hon'ble Supreme Court in the matter of Automotive Tyre Manufacturers' Association (ATMA) vs. Designated Authority, in Civil Appeal No. 949 of 2006 on 07-01-2011. The interested parties who presented their views orally at the time of oral hearing were asked to file written submissions of the views expressed orally. The interested parties were provided opportunity to offer rejoinder submissions to the views expressed by other interested parties. Relevant submissions made therein have been duly considered and addressed appropriately.

xv. Exporters, producers and other interested parties who have neither responded to the Authority, nor supplied information relevant to this investigation have been treated as non-

cooperating interested parties and the Authority has recorded this Final Finding on the basis of facts available.

xvi. 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 6th November, 2020 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

xvii. “***” in this Final Finding represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.

xviii. The exchange rate adopted by the Authority for the subject investigation is 1 US\$ = Rs. 70.85

C. SCOPE OF PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. The product under consideration as defined in the initiation notification for the purpose of present investigation is " “Faced Glass Wool in Rolls” also referred as Fiberglass Wool (Insulation Material) or Resin Bonded Glass Wool. The product finds major uses in construction of metal and concrete building, heating, ventilation and air conditioning system to provide cooling services to buildings, acoustic application, shipbuilding, transport industry including railways and automobiles. The product has inherent strength of superior thermal and acoustic performance in addition to non-combustible and fire safe properties. Buildings achieve high energy efficiency by using this product and applications of this product have been increasing for different purposes.

C.1. Submissions by the Domestic Industry

5. The product under consideration for the purpose of present investigation is “Faced Glass Wool in Rolls” also referred as Fiberglass Wool (Insulation Material) or Resin Bonded Glass Wool. The Domestic Industry clarifies that the scope of the present investigation is confined to the faced glass wool imported in rolls and the glass wool imported in tiles/board form are not included in the product scope of the present investigation.
6. Glass wool consists of fine glass fibers combined with binder to make blankets and slabs/boards. The process involves passing glass through a fiberizing machine and drawing fibers in a controlled manner from spinners by centrifugal action of rotating spinners, binder is sprayed simultaneously and then passed through curing oven to form rolls, blanket etc.
7. Glass wool uses common glass-making raw materials, typically consisting of silica sand, soda ash (sodium carbonate), feldspar, dolomite, limestone and borax penta hydrate. Other

materials used are recycled glass cullet and bought out sheet glass cullet. The raw materials are mixed in a batch mixing process, then fed together into an electrical furnace/ gas furnace where it is heated to approximately 1500°C. The stream is tapped from furnace and is fed into a conditioner called forehearth where the glass is brought to a temperature where it can be fiberized.

8. The product finds major uses in construction of metal and concrete building, heating, ventilation and air conditioning system to provide cooling services to buildings, acoustic application, shipbuilding, transport industry including railways and automobiles. The product has inherent strength of superior thermal and acoustic performance in addition to non-combustible and fire safe properties. Buildings achieve high energy efficiency by using this product and applications of this product have been increasing for different purposes.
9. The subject products are classified under Chapter Heading 70 "Glass and glassware". The subject goods are being imported under various sub-headings like 7019 9010, 7019 9090, 7019 1900, 7019 3900, 7019 5900 etc. of the Customs Tariff Act, 1975. In any case, it is a consistent approach taken by the Authority that the customs classification is for indicative purposes only and the description of goods shall prevail for the imposition and collection of duties.

C.2. Submissions made by the other interested parties

10. Two interested parties (importers) namely Wave Suspension Systems (India) Pvt. Ltd. and Armstrong World Industries (India) Pvt. Ltd. have stated that they import 'Glasswool Base Boards' and 'Finished Ceiling Tiles' respectively for which glasswool is processed and treated. They have stated that the products imported by them are in the form of 'flat products'. The two importers have therefore, requested the Authority to specify PUC clearly so as to exclude "Faced Glasswool in flat / tabular form" such as tiles, sheets or boards.
11. Wave Suspension Systems (India) Pvt. Ltd. and Armstrong World Industries (India) Pvt. Ltd. have stated that the classification of the product imported by them is under HS Code 7019 3900 whereas the classification of PUC is under HS Code 70199010. However, the petition notes that the PUC is also imported under HS Codes 70193900. To avoid ambiguity regarding scope of the product under consideration and to avoid demand of anti-dumping duty by customs authorities on the import made by M/s Wave Suspension Systems (India) Pvt. Ltd. and Armstrong World Industries (India) Pvt. Ltd. have requested the Authority to specifically exclude "Glasswool Base Board" and "Finished Ceiling Tiles" from the scope of PUC.
12. M/s Beiyang Building Material has stated that the petition seeks to cover the PUC when they are imported to India in rolls. But the company's products are exported to India in boards/slabs. The PUC is mainly for building construction to provide thermal insulation to achieve high energy efficiency, which is not visible and in low density from 16 to 24kg.

The product exported by them are mainly for interior decoration of ceiling, wall and open areas, with excellent visual and acoustic performance. The density is from 100kg to 120kg. The company's products are deeply processed with fine appearance and performance, with high added value. The CIF price exporting to India market is more than doubled comparing the prices calculated and provided by the petitioner.

13. M/s B.M. Insulation has stated that they are importing Glasswool Plain and FSK (facing craft) and selling the same in their home market. The product as per investigation is Facing and they are also importing plain which is not covered under the investigation. The imported glasswool has minimum compressed packing as compared to Twiga material and it is easy to handle for application.

C.3. Examination by the Authority

14. The product under consideration in the present investigation as per the initiation notification is "Faced Glass Wool in Rolls" also referred to as Fiberglass Wool (Insulation Material) or Resin Bonded Glass Wool. The subject products are classified under chapter 70 "Glass and glassware". The subject goods are being imported under various sub-headings like 7019 9010, 7019 9090, 7019 1900, 7019 3900, 7019 5900 etc. of the Customs Tariff Act, 1975.

15. The product finds major uses in construction of metal and concrete building, heating, ventilation and air conditioning system to provide cooling services to buildings, acoustic application, shipbuilding, transport industry including railways and automobiles. The product has inherent strength of superior thermal and acoustic performance in addition to non-combustible and fire safe properties. Buildings achieve high energy efficiency by using this product and applications of this product have been increasing for different purposes.

16. As regards the exclusion of "Faced Glasswool in flat / tabular form", it is noted that the initiation notification defines the Product under Consideration as "Faced Glasswool in Rolls". Glasswool in any other form (e.g., in flat/tabular/Glasswool Base Board/Finished Ceiling Tiles) apart from what has been defined in the Product under Consideration is outside the scope of the Product under Consideration. Further, the Domestic Industry has also clarified that the present investigation is only limited to "Faced Glasswool in Rolls". The Authority therefore excludes "Faced Glasswool in flat/ tabular form" from the scope of PUC.

17. With regard to like article, Rule 2(d) of the Anti-Dumping Rules provides as under:

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

18. After considering the information on record, the Authority holds that the product under consideration produced by the domestic industry and imported from the subject country are comparable in terms of physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The goods produced by the domestic industry and imported from the subject country are like articles in terms of the Rules. The two are technically and commercially substitutable. Thus, the Authority holds that the subject goods produced by the domestic industry are like article to the product under consideration imported from subject country within the scope and meaning of Rule 2(d) of Anti-Dumping Rules.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

19. The application has been filed by M/s U.P. Twiga Fiberglass Limited, (hereinafter also referred to as Petitioner /Applicant) for imposition of anti-dumping duty on the subject goods from the subject country. The Applicant is the only producer of the subject goods in India and therefore has clear standing to constitute domestic industry within the ambit of the Rules.

20. Applicant has not imported the subject goods from the subject country during the POI. Applicant is also not related (either directly or indirectly) to any exporter or importer of product under consideration in the subject country. Thus, the Applicant is eligible Domestic Industry under Rule 2(b) of the AD Rules.

Submissions made by the other interested parties

21. None of the interested parties has made submissions on the standing of the Domestic Industry.

Examination by the Authority

22. Rule 2 (b) of the AD 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”

23. The application in the present case has been filed by M/s U.P. Twiga Fiberglass Limited, the only producer of the subject goods in the domestic market. The production of the applicant constitutes for 100% of the total Indian production.

24. The Applicant has also certified that they are neither related to exporters or importers nor they have imported the subject goods from subject country. Accordingly, the Authority holds that the Applicant satisfied the requirement of standing under Rule 5(3) and constitutes domestic industry within the meaning of Rule 2(b).

E. CONFIDENTIALITY

Submissions by the Domestic Industry

25. The responding producer/exporter from China namely M/s Owens Corning Guangzhou Fiberglass Co Ltd. (Producer) and Owens Corning (China) investment Co. Ltd. (related exporter) along with the related importer namely M/s Owens Corning (India) Pvt. Ltd. have miserably failed to adhere to the provisions of Rule 7 read with the guidelines provided under various Trade Notices issued by the Authority. The following information has not been provided by the said parties in terms of the Trade Notice No. 10/2018 dated 07.09.2020:

- a. Write-up on stage-wise manufacturing process not provided.
- b. No. of employees provided in trends while Trade Notice requires actual numbers.
- c. Productivity per day provided in trends while Trade Notice requires actual numbers.

26. The non-confidential version of the questionnaire response filed by the exporter does not contain all the information contained in the confidential version without assigning proper reasons. It was obligatory for the exporter to give proper statement of reasons as to why confidentiality was claimed and why summarization was not possible for certain information.

27. The submission of the exporter that the applicant has not complied with the Trade Notice No. 7/2018 as it did not submit the hard copy of the import data to the Authority while filing the application is incorrect. The applicant submits that it duly filed the hard copy of the import data with the petition which could be acquired by any interested party after following the guidelines mentioned in the said Trade Notice.

28. The submission of the exporter that the applicant has not complied with the Trade Notice No. 1/2013 as it did not submit the statement of confidentiality with the petition is also without any merit. The applicant has not claimed any information confidential in the petition apart from what has been expressly allowed by the Authority to be kept confidential vide Trade Notice No. 10/2018. In contrast, the Chinese exporter itself has violated the Trade Notice No. 10/2018 and Trade Notice No. 1/2013 since it has not provided the information which is mandatorily required to be provided in terms of the said Trade Notices. Further, the Chinese exporter has not given any reasoning for keeping such information confidential.

Submissions made by the other interested parties

29. The various submissions made by other interested parties during the course of the present investigation with regard to confidentiality and considered relevant by the Authority are as follows:

- i. The petitioner has failed to provide the DGCI&S import listing which has been relied on by it for the purpose of the present investigation. It is very well known that vide Trade Notice: 07/2018 dated 15th March, 2018, DGTR has mandated every petitioner to provide a hard copy of the sorted import data along with the petition. However, no such data has been filed by the petitioner in the present investigation. The Authority may direct the petitioner to kindly provide the same.

30. In accordance with Trade Notice no. 01/2013 dated 9th December 2013, every interested party is required to provide a statement of reasons why summarization is not possible, and the Authority has provided a proforma which is mandatorily required to be provided. However, there is no statement of reasons provided by the petitioner along with the non-confidential petition submitted by it.

Examination by the Authority

31. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties through the public file containing non-confidential version of evidences submitted by various interested parties for inspection as per Rule 6(7).

32. Due to COVID 19 pandemic, as the physical public file was not accessible, the Authority through notice dated 7th July, 2020, all interested parties were requested to send NCV of their submission to other interested parties.

33. With regard to confidentiality of information Rule 7 of Anti-Dumping 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, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

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

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

34. The WTO Agreement on Anti-Dumping provides as follows with regard to confidentiality of information-

"Article-6.5: Any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, be treated as such by the authorities. Such information shall not be disclosed without specific permission of the party submitting it.

Article-6.5.1: The authorities shall require interested parties providing confidential information to furnish non-confidential summaries thereof. These summaries shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence. In exceptional circumstances, such parties may indicate that such information is not susceptible of summary. In such exceptional circumstances, a statement of the reasons why summarization is not possible must be provided.

Article-6.5.2: If the authorities find that a request for confidentiality is not warranted and if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, the authorities may disregard such information unless it can be demonstrated to their satisfaction from appropriate sources that the information is correct.

Footnote to Article 6.5.2: (footnote 18 of the WTO Agreement on Anti-Dumping) provides as follows— Members agree that requests for confidentiality should not be arbitrarily rejected."

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

parties providing information on confidential basis was directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidences / information / submissions submitted by various interested parties in the form of public file.

F. MISCELLANEOUS ISSUES

Submissions by the Domestic Industry

36. Wherever the entries in import data indicate the kind of facing in the imported product, the applicant has identified the PCN accordingly. However, in other entries, there is not even a mention of the kind of facing used in the imported product. In such a circumstance, it is practically impossible for the applicant to identify the PCNs from the import data when the full details of the PCN as to the kind of facing, thickness etc., are not given in the entries in DGCI&S import data.
37. As regards the contention that the Chinese exporter was able to identify all the PCN's in the import data, it is submitted that it could have been possible for them to identify the precise entries as, in terms of the Chinese exporter's own admission in para 5 of their submissions, they account for more than 71% of the total Chinese imports in the country. The applicant submits that given the fact that the responding Chinese exporter itself is exporting majority of the products in the country, they would exactly know what they are exporting in India and also the specific keywords which they might be using instead of the names of generally known facings etc.
38. The objection raised by the Chinese exporter regarding PCN methodology is not sustainable. The initiation notification invited comments on PCN methodology within 14 days from initiation. However, the Chinese producer did not raise any objection at that stage. Such being the case, they cannot be allowed to object to the PCN methodology at this stage of the investigation.
39. The costs and prices of the Product under Consideration hugely depend upon the facing on the product as the facing itself amounts for around 30-40% of the total cost of the product. Further, any variation in density or thickness of the Product under Consideration leads to change in the surface area on which facing is applied, therefore, significantly affecting the prices.
40. The applicant clarified that post filing of the application and its scrutiny by the DGTR, some minor changes with respect to the cost happened which also led to change in profits and ROCE. While filing the non-confidential version of the application the said changes were duly reflected in the format H. However, the corresponding figures in the write-up were mistakenly not changed. In any case, the difference in such figures is minuscule and does not at all affect the merit of the arguments based on those figures.

41. The exclusion of Kuwait as subject country is absolutely in accordance with law and the past practices of the Authority. There are legal conditions imposed by the technology supplier under which the exporter from Kuwait cannot access the Indian market. The Domestic Industry is a licensee of Saint-Gobain ISOVER and uses the technology provided by Saint-Gobain ISOVER to produce Glass wool products. As per the agreement between Saint-Gobain ISOVER and the Domestic Industry, Saint-Gobain ISOVER subsidiaries or affiliates are prohibited from producing or marketing Glass wool in India. Therefore, the exporter from Kuwait (KIMMCO) being a joint venture company of Saint-Gobain ISOVER and Alghanim, cannot produce or sell the subject goods in the Indian market. Such being the case, it was considered appropriate that it would not only be illogical but counterproductive to include Kuwait as a subject country. The same would have only increased the scope of the investigation without there being any benefit coming out of the investigation. This fact was also brought into the knowledge of the Authority by the Domestic Industry during the discussions held before the initiation of the investigation. The Authority, after considering all the facts and information as well as its past practice, proceeded to initiate the investigation present investigation against China.

42. The imports from Kuwait were made as the tender condition prescribed for the use of KIMMCO (The exporter from Kuwait) product with nil formaldehyde content. The Domestic Industry has submitted that at the time imports were made, the specific grade of the product (formaldehyde free) was out of shelf of the Domestic Industry. The Domestic Industry submitted the purchase orders of their client which specifically mentions "KIMMCO" brand as specification of the product along with "formaldehyde free" in the technical specification in purchase order annexure. They clarified that they are fully capable of producing formaldehyde-free product. However, the same were not available at the time when imports were made, due to production, scheduling and delivery issues.

43. In terms of Rule 5(3), the Authority is required to examine whether there is sufficient evidence regarding the initiation of an investigation. This examination involves the information/evidence in relation to dumping, injury and causal link. Thus, it is absolutely clear that the Authority is legally obliged to examine the circumstances in relation to the three-pronged tests at the pre-initiation stage itself. In the instant case, the Authority has appreciated the submissions of the Domestic Industry in their application itself and clarification given during the pre-initiation discussions as to why there is no need to include Kuwait as a subject country and arrived at the determination accordingly. It is clear that the Authority took into consideration the quantum of imports, their trend and prices and the fact that these were a one-time import necessitated on account of requirement of specific brand/technical specification by the buyer.

44. The Kuwait imports are not even a cause of injury or potential injury to the Domestic Industry for the reasons mentioned in the submissions. Further, it is a well-settled law that for satisfying the requirement of existence of causal link in anti-dumping investigations, it is absolutely not necessary that dumped imports must be the sole or even principal cause of injury.

45. There is neither any factual nor any legal basis to even suggest that such a causal link has been broken, as has been assumed by the exporter in a self-serving manner.

46. The Domestic Industry submitted that while the exporter has made its submission in this regard simply “assuming” that the imports from Kuwait has caused injury to the Domestic Industry, it has not provided any evidence to substantiate its assumption. That the burden is on the exporter to demonstrate that the injury to the Domestic Industry has been caused/also caused by other factors. In this regard, the WTO panel in China – X-Ray Equipment found that where an interested party identifies a factor other than dumped imports but does not provide evidence showing that this factor is causing injury to the domestic industry, the investigating authority is not required to make a determination with regard to that factor.

47. The entire argument of the exporter that the imports from Kuwait have caused injury to the Domestic Industry is based on its submission that its own import prices are in the vicinity of the import prices from Kuwait. However, this submission of the exporter is logically and legally fallacious. The causal link analysis in terms of Article 3.5 of the Anti-dumping Agreement and para (v) of the Anti-dumping Rules is with respect to “dumped imports” and not with respect to the imports from a particular exporter. It is not even the case of the only cooperating exporter that their exports or the exports by other Chinese exporters to India are not at dumped prices. Such being the case, any price comparison to establish injury cannot be based upon the prices of a singular exporter but has to be based upon the cumulative import prices from the subject country.

48. The contention of the exporter that the subject goods from Kuwait have only been imported by the Domestic Industry itself and it is the imports from Kuwait that has caused injury to the Domestic Industry is self-contradictory and does not hold any merit whatsoever. For the reasons already explained, it would be logically and legally fallacious to assume that the imports from Kuwait have caused injury to the Domestic Industry.

49. The submission of the exporter regarding imports from Kuwait being of a special grade which are not produced by the applicant is factually incorrect and is a mere figment of its imagination. The Domestic Industry has never stated that it cannot produce the imported grade of the Product under Consideration.

50. The importer BM Insulation has neither filed a questionnaire response nor have they made any request to the Authority for getting registered as an interested party in the format and timeline prescribed in the said Trade Notice. Therefore, the submission of

the importer B.M Insulation should be ignored altogether for the purpose of the present investigation.

Submissions made by other interested parties

51. The petition does not meet the standards of Rule 5. While the exporter has been able to identify 100% of PCN's in the import data, the petitioner has only identified 21% PCN's. The reason for this cannot be attributed to lack of availability of the relevant information.
52. The petitioner has identified density, thickness, first facing and second facing as the parameters affecting prices. However, perusal of the import data shows that the parameter given by the applicant is not actually so. The Designated Authority may kindly direct the applicant to show from its own sales data that the product prices have in fact moved based on the parameter given by the applicant.
53. The data presented by the petitioner in the write up of the petition contradicts with the Format H enclosed as Annexure-2. The fact that the loss claimed in the write up of the petition and the costing formats do not match, leave a lot to be examined about the petitioner's argument for injury.
54. The applicant has presented incorrect and misleading facts relating to the imports from Kuwait. The subject goods imported from Kuwait are at least 334 MT during the period of investigation. The imports from Kuwait falls under two PCNs and the analysis of these two PCN prices with Owens prices show that the prices for one of the PCNs from Kuwait are lower than Owens Corning prices.
55. The reason for exclusion of Kuwait is not what has been stated by the petitioner. The reason is import by the petitioner itself and its knowledge about lack of its standing if Kuwait is considered as subject country.
56. Considering the extent of price undercutting and injury margin determined by the petitioner and considering the above price difference in the import prices, it is evident that imports from Kuwait are at injurious prices. The petitioner has declared these as un-dumped imports. Such being the case, Owens Corning requests the Designated Authority to kindly consider and hold that (a) it is the volume of undumped imports that has caused injury to the petitioner, (b) petitioner has selectively proceeded with its application against imports from China and excluded Kuwait, (c) the causal link is broken due to presence of significant imports from non-target sources.
57. The applicant submitted that these imports are of a special grade not produced by the applicant. Owens Corning is astonished at this "revelation" at this belated stage of the proceeding. Firstly, the applicant never informed the Designated Authority that there are some grades which the domestic industry does not produce. Secondly, the applicant sought antidumping duty on all those product types for which the domestic industry

itself is contending that it is not producing a like article, and is rather forced to import to meet the customer demand. Thirdly, the domestic industry has misled the Authority on the scope of the product under consideration. Fourthly, the domestic industry has stated this fact at the back of the interested parties and Owens Corning has come to know about such pertinent fact when the previous hearing process is already over. But for the second hearing held by the Designated Authority, Owens Corning would not have been even aware about such important facts, even when Owens Corning is diligently participating in the present investigations. Above all, such submission violates the principles of natural justice. Owens Corning is participating in the present investigation till date without knowing details of the grades that have been imported into India because the domestic industry is not producing the same.

The Designated Authority is requested to kindly consider the estimates of normal value and hold that the imports from Kuwait are at dumped price or not. Thereafter, the Designated Authority may ascertain whether the petitioner proceeded on discriminatory basis in respect of imports from China alone.

58. During the hearing, the legal counsel of the applicant has claimed that the product is sold through tender process. It has been accepted in the hearing that the applicant quoted extremely low prices to get the tender and as a result the applicant's selling prices has not increased whereas the selling price of the Owens corning shows rising trend. Thus, the domestic industry accepted in the hearing that the low prices are due to "fear" and the domestic industry has quoted lower prices only to get the orders.
59. If Anti-Dumping Duty is imposed on the only manufacturer, i.e. Twiga Glasswool, there will be monopoly of prices, delivery, quality etc.

Examination by the Authority

60. As regards the issue of lack of identification of PCNs by the Domestic Industry, the Authority notes that not all the import listings in the DGCI&S data reflect the PCN parameters i.e., density, thickness, first facing and second facing. The requirement at the time of filing of application is to provide 'best available information' as against 'absolute' information. The Authority has analysed dumping and injury on PCN to PCN basis since one of the cooperating producer/exporter and one of the cooperating importer accounts for almost 73% and 8%, respectively, of the total imports of PUC in the period of investigation. Thus, almost 81% of the total import of PUC during the period of investigation is being accounted for PCN to PCN analysis.
61. As regards the argument relating to PCN methodology, the Authority notes that the initiation notification specifically provided 14 days period to the interested parties to provide their comments on the PCN methodology. However, none of the interested parties raised any issues with the PCN methodology at that time. In view thereof, the Authority holds that since no opposition was made to the PCN methodology by any party at the

appropriate stage, the same cannot be allowed at such late stage of the investigation. This is without prejudice to the merit or demerit of the concerns raised by the exporter.

62. As regards the arguments of interested parties regarding contradiction in write-up and Format H of the non-confidential version of the petition, the Authority notes that it has relied upon verified numbers of the Domestic Industry for the purpose of the present Final Finding. The Domestic Industry also, during the course of the hearing itself, had clarified the position that the minor differences were on account of an inadvertent clerical error, which were inconsequential and verified latter.
63. The Authority notes the issues raised by the exporter in the context of the exclusion of Kuwait from the purview of the investigations and holds that all countries, whose exports to India are above de minimis, need to be analysed on relevant respect to consider their inclusion in the investigation.
64. The Authority notes that imports of PUC were to the extent of 334 MT during the POI for which the Domestic Industry has submitted that these were necessitated for a particular technical specification (i.e., “formaldehyde free” product) which was not available with the Domestic Industry at the relevant time due to production, scheduling and delivery issues. Nevertheless, the Authority notes that the Domestic Industry had not claimed imports from Kuwait as dumped. On this being the case the investigation is limited to China PR only. On the issue of causal link between dumped imports and injury, the Authority has considered injury to the domestic industry on account of imports from non-subject countries including Kuwait in the injury analysis as undertaken in all cases while analysing causal link.

G. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

Normal Value

Submissions by the Domestic Industry

65. In terms of Para 8 of Annexure I of the anti-dumping rules, China has to be presumed to be a Non-market Economy Country unless the concerned firms/ producers/ exporters are able to rebut the said presumption based on the criteria spelt out in Para 8(3). This is also in line with the position taken by the Authority in previous cases, and by investigating authorities in other countries. Chinese producers' cost and price cannot be relied upon for determination of normal value. The domestic industry respectfully submit that China PR should be treated as non-market economy country for the following reasons:
 - a) Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values.
 - b) Market economy treatment must be rejected in such situations where Chinese exporters are unable to establish that their books are consistent with International

Accounting Standards (IAS). The requirement on insisting compliance with International Accounting Standards is to ensure accuracy and adequacy of revenues and expenses, assets and liabilities expressed in the annual report.

- c) Market economy status cannot be granted unless the responding Chinese exporters pass the test in respect of each and every parameter laid down under the rules. Contrarily, while examining material injury existence of a single parameter is considered sufficient to establish such injury. In other words, where one parameter is sufficient to establish existence of injury, failure to pass one single parameter is sufficient to reject the claim of market economy status.
- d) It is not for the Authority to establish that the responding companies are operating under market economy environment and are entitled for market economy treatment. But it is for the responding Chinese exporters to establish that they are operating under market economy conditions.
- e) Market economy status cannot be granted unless the responding company and its group as a whole make the claim. If one or more companies forming part of the group have not filed the response, market economy status must be rejected.
- f) It has been submitted that the normal value for China in such a case can be determined only in accordance with the provisions of para 7 of the Annexure I to Anti-dumping Rules without invoking proviso to 8(2) in view of the aforementioned facts and circumstances.
- g) The normal value in China can thus be determined on the basis of (a) import price from third country into India, (b) selling price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit. It is also submitted that since these options for determination of normal value are available, the Designated Authority may not kindly consider "any other basis" because this is required to be applied only when the basis listed under the law cannot be applied.
- h) Para 8(2) of Annexure-I leaves no choice for the Designated Authority but to presume China to be a Non-Market Economy country. However, the same is open to rebuttal by the Chinese firms under the provision of Para 8(3).
- i) The significant extent of continued government intervention in certain important sectors of the Chinese economy warrants maintaining China's designation as a Non-Market Economy country. It is a known fact that China's economy is controlled by the state forces and there is a significant interference and control of the state machinery in the country's economy. The grant of Market Economy status under China's accession to the WTO is not automated but contingent upon China's compliance with the preconditions mentioned in the Accession Protocol.

66. The Domestic Industry has relied upon import data procured from DGCI&S for computing export price for the subject country. Further, the data pertaining to adjustments claimed in the export price i.e., ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to arrive at ex-factory export price are supported by backup documents and same have been appropriately disclosed to the other interested parties.
67. The questionnaire responses filed by producers/exporters are grossly deficient and not filed in terms of the latest trade notice.
68. Domestic Industry has also submitted that the Chinese exporter has not filed response for three of its related parties involved in production and sales of the subject goods in China. They have also stated that the Chinese exporter has not filed Section H of the exporters questionnaire which mandatorily seeks information relating to exports to third countries.
69. The Domestic Industry has stated that no adjustment can be allowed to the Chinese producer/exporter unless the Domestic Industry is provided with the details of the adjustments claimed by such producer/exporter and the Domestic Industry is given an opportunity to contest the said adjustments through a hearing.

Submissions by the other interested parties

70. The exporter M/s Beiyang Building Material Co. Ltd. has filed the Market Economy Questionnaire for claiming Market Economy Treatment.
71. The cooperating producer/exporter namely, M/s M/s Owens Corning Guangzhou Fiberglass Co Ltd. and M/s Owens Corning (China) Investment Co. Ltd. have not claimed market economy treatment considering the position adopted by the authority in the past cases.

Examination by the Authority

72. The Authority sent questionnaires to the known exporters from the subject country, advising them to provide information in the form and manner prescribed. M/s Owens Corning Guangzhou Fiberglass Co Ltd. and M/s Owens Corning (China) Investment Co. Ltd. along with their related trader in India and M/s Beiyang Building Material Co. Ltd. have filed the prescribed questionnaire responses.
73. It was alleged by the domestic industry in their application that Chinese companies continue to operate on non-market economic conditions as there exists significant government intervention in various activities including exchange rate management. Based on the claims of the domestic industry, the Authority advised the producers/ exporters in China to respond to the notice of initiation and provide information relevant to determination of their market economy status to demonstrate that they are operating under market economy conditions.

The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters from China for providing sufficient information in this regard. The Authority also requested Government of China to advise the producers/ exporters in their country to provide all the relevant information.

74. As per Paragraph 8 of Annexure I of the Anti-Dumping Rules, the presumption of a non-market economy can be rebutted, if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in subparagraph (3) of Paragraph 8 and establish the facts to the contrary. The cooperating exporters/ producers of the subject goods from People's Republic of China are required to furnish necessary information/ sufficient evidence as mentioned in subparagraph (3) of paragraph 8 in response to the supplementary questionnaire to enable the Designated Authority to consider the following criteria as to whether:

- i. The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
- ii. The production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
- iii. Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and;
- iv. The exchange rate conversions are carried out at the market rate.

75. Although M/s Beiyang Building Material has filed supplementary questionnaire response, they have not exported the PUC during the POI, M/s Owens Corning Guangzhou Fiberglass Co. Ltd. and M/s Owens Corning (China) Investment Co. Ltd have not filed the supplementary questionnaire response wherein they were sought to rebut the presumptions as mentioned in para 8 of Annexure 1 of the Antidumping Rules. Therefore, the Authority holds that the responding Chinese producers/ exporters have failed to provide sufficient evidence to establish that they are operating under market economy conditions. Under the circumstances, the Authority proceeds in accordance with Para 7 of Annexure - I to the Rules in this regard.

76. The Authority notes that for determination of normal value based on third country cost and prices, the complete and exhaustive data on domestic sales or third country export sales, as well as cost of production and cooperation of such producers in third country is required.

No such information with regard to prices and costs prevalent in these markets have been provided either by the applicant or by the responding producers/ exporters, nor any publicly available information could be accessed, nor the responding producers/ exporters have made any claim with regard to an appropriate market economy third country. Therefore, for the purpose of determination of Normal Value, the Authority has constructed the normal value, wherever warranted, based on best available fact in accordance with the Rules.

a. Normal value for China PR

77. The Authority has constructed the normal value for China PR on the basis of cost of production in India, duly adjusted, including selling, general and administrative expenses. The constructed normal value is as mentioned in the dumping margin table below.

b. Export price in the case of M/s Owens Corning Guangzhou Fiberglass Co Ltd. and M/s Owens Corning (China) Investment Co. Ltd.

78. M/s Owens Corning Guangzhou Fiberglass Co Ltd. and M/s Owens Corning (China) Investment Co. Ltd. along with their related trader in India. The Authority examined the Exporters Questionnaire response and noted response has been filed for all the quantity exported to India directly or indirectly. The exports details furnished by producer have been considered for determining ex-factory export price for grant of individual dumping and injury margin. The exporter has claimed adjustment on account of inland freight, ocean freight, overseas freight, bank charges, credit and the same have been accepted after necessary verification. The constructed normal value and weighted average net export price is as mentioned in the dumping margin table below.

Determination of Dumping Margin

DUMPING MARGIN

79. The dumping margin for the subject goods is evaluated by comparing the normal value with the export price of each PCN separately. Where the normal value was not available with respect to any specific PCN, comparison were made between normal value and export price made using the closest possible PCN.
80. The Authority has considered the highest dumping margin and injury margin on the best facts available including response of cooperating producer/exporter for according dumping margin and injury margin to residual category.
81. The DI has informed vide letter dated 2nd November 2020 that the Chinese exporter Owens Corning is giving substantial post sales discounts to the consumers directly as well as through their related importer. The exporter in their email dated 3rd November 2020 has clarified that no post export discounts are offered. It is noted that DI has not submitted any evidence regarding substantial post sales discounts offered by the exporter.

82. M/s Owens Corning India Pvt. Ltd., the related importer has resold 813 MT of subject goods during the period of investigation at a loss. The Authority has therefore, adjusted the exporters export price further, with the losses incurred. The weighted average dumping margin so determined is as below:

	Qty.	Normal value	Export price	Dumping margin	Dumping margin	Dumping margin
	MT	USD/MT	USD/MT	USD/MT	%	Range
M/s Owens Corning Guangzhou Fiberglass Co Ltd.	***	***	***	***	***	20-40
Any other producer/exporter from China PR	***	***	***	***	***	40-60

H. DETERMINATION OF INJURY AND CAUSAL LINK

Submissions made by the Domestic Industry

83. The following are the injury related submissions made by the domestic industry during the course of the present investigation and considered relevant by the Authority:

- i. Imports of the product under consideration from the subject country have shown increase over the years with a significant increase in POI. Imports have also shown increase in relation to production and consumption in India.
- ii. Market share of the subject country in demand has been continuously increasing while there is a decline in the market share of the Domestic Industry.
- iii. With reduction in the prices by the Chinese producers, the only choice available to the Indian producer is to either realign their prices with the changes in the import prices or to lose orders and hence the market share reduced during the entire injury investigation period while the profits of the Domestic Industry also took significant hit.
- iv. Domestic industry prices reflect the effect of the prices that are being offered by the exporters in the domestic market.
- v. The market share, production, sales and capacity utilization of the Domestic Industry has

been adversely affected by the dumped imports from subject country.

- vi. The price underselling, price undercutting is positive and substantial. Further, the Domestic Industry is suffering from price depression as they are not able to increase its prices to remunerative level
- vii. Performance of the domestic industry has steeply deteriorated in terms of profits. In fact the profitable situation of the Domestic Industry has turned into losses and return on investments and cash profits have also followed the same trend.
- viii. The decline in profitability of the domestic industry was due to significant increase in the import volume at non-remunerative prices from subject country.
- ix. The Product under Consideration in the present case is 'faced glass wool in rolls'. The PUC accounts for nearly 41% of the applicant's total production of glass wool. In the circumstances, reliance on the figures reported in the Annual Report is of no consequence.
- x. There has been decrease in selling price despite increase in cost of production and thus the dumped imports are creating price suppression effect on the domestic industry.
- xi. The domestic industry has suffered material injury in connection with dumping of subject goods from the subject country. Further, the domestic industry is threatened with continued injury, should the present condition continue.

Submissions made by the other interested parties

84. The following are the injury related submissions made by the producers/exporters/importers/other interested parties during the course of the present investigation and considered relevant by the Authority.

- i. The import prices have increased in the POI as compared to the previous years.
- ii. The applicant has incorrectly claimed that it has been forced to reduce the prices for the product due to imports, whereas the fact is that import price has increased.
- iii. There is no volume effect of imports. The fall in the production and domestic sales of the domestic industry cannot be attributed to the increase in imports from the subject country.
- iv. The prices of Owens Corning are much higher and could not have caused injury to the Domestic Industry.

- v. Since Owens Corning China exports to India are entirely to Owens Corning India and the two are affiliated, it is the Owens Corning India resale price that alone must be considered to determine whether the applicant in fact suffered price undercutting as a result of the import of the product.
- vi. The subject country imports have had no impact on the prices of the domestic industry and hence losses suffered by the domestic industry cannot be attributed to the subject country imports.
- vii. The petitioner in its Annual Report for the year 2018-19 stated that it is planning to set up a new glass wool production line. Even if it is once assumed that the petitioner was operating at 100% capacity utilization in the base year, with the decrease in the overall capacity utilization by around 13%, it was been already left with significant idle capacities in the period of investigation. Therefore, the obvious question should be why the petitioner has proposed a new capacity for glass wool when it has claimed losses in the petition.
- viii. If the entire glass wool division of the petitioner is in profits, how has the petitioner claimed losses when even the market for non-product under consideration reduced in the injury period. It appears that the petitioner has actually escalated its cost for the product under consideration in the petition.
- ix. The imports from China have no negative impact on the performance of the Domestic Industry.
- x. That there is no price undercutting, price underselling, price suppression and depression and therefore, the claim of the Domestic Industry of any injury on account of imports from subject country should be rejected.
- xi. The inability of the domestic industry to meet the domestic demand has resulted in the increase in imports to fulfil the rise in consumption.
- xii. That the Domestic Industry is suffering injury on account of factors other than imports from the subject country.

Examination by the Authority

85. The Authority has taken note of the arguments and counterarguments of the all the interested parties with regard to injury to the Domestic Industry. The injury analysis made by the Authority hereunder addresses the various submissions made by the interested parties.

86. In view of the above, the Authority considers it appropriate to cumulatively assess the effects of dumped imports of the subject goods from the subject country on the domestic industry.

87. Rule 11 read with Annexure-II of the Rules provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....*” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure-II of the Rules. The Authority has taken note of various submissions of the domestic industry and the exporters / importers / traders / users on injury to the domestic industry and has analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.

I. Volume Effect of Dumped Imports and impact on the Domestic Industry

i. Assessment of Demand

88. For the purpose of the present investigation, demand or apparent consumption of the product in India has been defined as the sum of domestic sales of the Applicant and imports from all sources. The demand so assessed is given in the table below:

Year	2015-2016	2016-2017	2017-2018	POI
Domestic Industry sales (MT)	***	***	***	***
Total domestic sales (MT)	***	***	***	***
Imports from Subject country (MT)	304	793	701	1157
Imports from other countries (MT)	143	15	25	388
Total Imports (MT)	448	809	727	1545
Total demand (MT)	***	***	***	***

89. It is noted from the above table that the demand of the subject goods has increased in the POI as compared to the base year. It is further noted that the imports from the subject country has also increased in the POI as compared to the previous years of injury period.

ii. Imports volumes and share of the imports from subject country

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

Year	2015-16	2016-17	2017-18	POI
Imports from Subject country (MT)	304	793	701	1157
Trend	100	261	230	380
Imports from other countries (MT)	143	15	25	388
Total Imports (MT)	448	809	727	1545
% share of Subject country in total imports	68%	98%	97%	75%
Trend of subject country imports in total imports	100	144	142	110
Total demand (MT)	***	***	***	***
% Share of Subject country in demand	***	***	***	***
Trend of Demand (Indexed)	100	110	97	114

91. From the above, it is seen that-

- a. Imports from the subject country have increased during the entire injury period and the POI.
- b. The imports from the subject country have witnessed increase in relation to total imports and consumption in India.
- c. The share of subject country imports in demand has increased throughout the injury investigation period.

iii. Price Effect of Dumped Imports on the Domestic Industry

92. With regard to the effect of the dumped imports on prices, it is required to be analyzed whether there has been a significant price undercutting by the dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in the normal course. The impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis the cost of production, Net Sales Realization (NSR) and the Non-Injurious Price (NIP) of the Domestic industry have been compared with the landed cost of imports from subject country.

a. Price Undercutting

93. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry as below:

Particulars	Unit	2015-2016	2016-2017	2017-2018	POI
Imports from Subject country	MT	304	793	701	1157
Landed price of imports	Rs/MT	63,596	78,077	90,130	1,09,537
Net selling price	Rs/MT	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	80-90	50-60	30-40	10-20

94. It is noted that the landed value from the subject country is below the selling price of the Domestic Industry throughout the injury investigation period. Therefore, price undercutting is positive and significant throughout the injury investigation period.

b. Price Suppression and Depression

95. In order to determine whether the imports from the subject country are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the Authority considered the changes in the costs and prices over the injury period, as detailed below:

Year	2015-2016	2016-2017	2017-2018	POI
Landed value Rs/MT	63,596	78,077	90,130	1,09,537
Trend	100	115	129	172
Domestic selling price Rs/MT	***	***	***	***
Trend	100	100	98	98
Cost Rs./MT	***	***	***	***
Trend	100	97	100	109

96. From the above Table, it is noted that the average landed value of imports from the subject country has been below the cost of the Domestic Industry. This has exerted pressure on the Domestic Industry not to raise its price to the remunerative levels. The Authority holds that the imports from the subject country have suppressing/depressing impact on the prices of the Domestic Industry.

c. Price Underselling (injury margin) during POI

97. The Authority has evaluated that the price underselling suffered by the domestic industry on account of dumped imports from the subject country. For this purpose, the non-injurious

price determined for the domestic industry has been compared with the average landed price of imports. The same is as below:

Price underselling	Unit	Total Glass Wool
NIP	Rs/MT	***
Landed price of imports	Rs/MT	1,09,537
Price underselling	Rs/MT	***
Price underselling	%	***
Price underselling	Range	0-20

98. It is noted from the above table that the price underselling on account of imports of the subject goods from the subject country is positive.

iv. Economic Parameters of the Domestic Industry

99. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of such products. With regard to consequent impact of these 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. An examination of the performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

100. The various injury parameters relating to the domestic industry are discussed herein below:

i. Market share:

101. The details of imports, domestic sales and the market share of the domestic industry is as below:

Year	2015-2016	2016-2017	2017-2018	POI
Domestic Industry sales (MT)	***	***	***	***
Total domestic sales	***	***	***	***
Imports from Subject country (MT)	304	793	701	1157
Imports from other countries (MT)	143	15	25	388

Total Imports (MT)	448	808	726	1545
Total demand (MT)	***	***	***	***
Trend	100	110	97	114
Market share of Domestic sales in demand	***	***	***	***
% Share of Subject country in demand	***	***	***	***

102. From the above, it is noted that:

- Import of the subject goods from the subject country has increased throughout the injury investigation period.
- Market share of the subject country increased during the injury investigation period while, during the same time, the market share of the Domestic Industry has decreased.

ii. **Profitability:**

103. Analysis of the performance of the domestic industry with regard to actual profit/loss, is given in the table below:

Year	2015-2016	2016-2017	2017-2018	POI
Domestic Sales (MT)	***	***	***	***
Trend	100	104	91	94
Sales value (Rs. Lacs)	***	***	***	***
Trend	100	103	89	92
Selling price/unit	***	***	***	***
Trend	100	100	98	98
Cost (Rs. Lacs)	***	***	***	***
Cost/unit	***	***	***	***
Trend	100	97	100	109
Profit/loss per unit	***	***	***	***
Trend	100	125	73	-15

104. It is noted from the above that the performance of the domestic industry has been adversely affected in the period of investigation. This is essentially on account of the dumped imports from the subject country coming at low prices due to which the domestic industry had to lower its prices to match the prices of imports. This price pressure on the Domestic Industry had not let them to increase its selling price to fully recover its cost. Accordingly, the overall profits of the Domestic Industry declined significantly leading to losses in the POI.

iii. **Return on Investment:**

105. The return on investment also followed the same trend as of profit. As can be seen from the Table below.

Year	2015-16	2016-17	2017-18	POI
Capital employed (Rs. Lacs)	***	***	***	***
Profit before interest (Rs. Lacs)	***	***	***	***
ROCE %	***	***	***	***
Trend	100	110	57	-12

106. It is noted from the above that the ROCE of the Domestic Industry has also been pushed from a substantially positive position to negative.

iv. Production and Capacity Utilization:

107. It is noted from the verified data that the Domestic Industry have sufficient capacity to cater the need of the domestic demand. However, due to the presence of the dumped imports from the subject country, the Domestic Industry was not able to fully utilize its capacity. In fact, the capacity utilization of the Domestic Industry declined throughout the injury investigation period. This factor also shows clear injury to the Domestic Industry. The details are given in the below table:

Year	2015-16	2016-17	2017-18	POI
Capacity (MT)	15288	15288	15288	15288
Production PUC (MT)	***	***	***	***
Production NPUC (MT)	***	***	***	***
Production Total (MT)	***	***	***	***
Capacity utilization (MT)	86.11%	82.96%	76.86%	75.28%

v. Sales Volume and Value:

108. It is noted from the Table below, that the sales volume of the Domestic Industry has decreased in the POI as compared to the base year which is mainly due to the presence of the dumped imports. Further, the selling price of the Domestic Industry has also declined despite increase in cost. This clearly shows the adverse impact of the dumped imports on the Domestic Industry.

Year	2015-2016	2016-2017	2017-2018	POI
Domestic Sales (MT)	***	***	***	***
Trend	100	104	91	94
Selling Price/unit	***	***	***	***
Trend	100	100	98	98

vi. Inventories:

109. The data relating to inventory of the subject goods is shown in the following table.

Particulars	UoM	2015-16	2016-17	2017-18	POI
Average Inventory	MT	***	**	***	***
Trend	Indexed	100	138	110	87

110. From the above, it is noted that in order to minimize the inventory cost and also to reduce losses, Domestic Industry is forced to reduce its inventory.

vii. Employment and Wages:

111. It is noted that the number of the employees has remained more or less same throughout the injury investigation period. However, it is noted that despite price pressure, Domestic Industry was forced to increase the wages paid to employees during the injury investigation period. The position with regard to employment and wages is as follows:

Year	2015-2016	2016-2017	2017-2018	POI
Employees	***	***	***	***
Trend	100	108	97	102
Wages/employee (Rs)	***	***	***	***
Trend	100	102	120	115

viii. Productivity:

112. It can be seen from the table below that productivity in terms of total production per employee has in the POI as compared to the previous years. This factor clearly shows the negative impact of the non-remunerative imports from the subject country.

Year	2015-2016	2016-2017	2017-2018	POI
Production (MT)	***	***	***	***
Trend	100	102	89	91
Employees	***	***	***	***
Trend	100	108	97	102
Production/employee	***	***	***	***
Trend	100	95	92	90

ix. Growth

113. There was negative growth of the domestic industry in terms of sales, production, profits, cash profit as well as ROI despite increase in demand. The Domestic industry has

contended that they were not able to achieve positive growth due to the presence of the dumped imports.

x. Magnitude of Dumping:

114. Magnitude of dumping is an indicator of the extent to which the dumped imports can cause injury to the domestic industry. The analysis shows that the dumping margin determined for cooperating producer/exporter is above the *de minimis*.

xi. Ability to raise Capital Investment:

115. The future investment in the sector is affected by the presence of imports from the subject country. The profitable situation of the Domestic Industry turned into losses in the period of investigation along with reduced market share which indicates that the ability of the domestic industry to raise capital investments for the sector is seriously affected.

xii. Factors affecting domestic prices:

116. The examination indicates that there is a growing demand in India for the subject goods. The import prices from the subject country are affecting the prices of the domestic industry in the domestic market. It is also noted that the average landed value of subject goods from the subject country is below non-injurious price of the domestic industry. Further, landed value from subject country had suppressed / depressed effect on the prices of the Domestic Industry causing financial losses to them. The imports of the product under consideration from countries other than subject country are not claimed to be dumped and thereby causing injury to the domestic industry. Demand for the product is showing an increase trend and, therefore, could not have been a factor responsible for price depression and suppression faced by the domestic industry.

I. Conclusion on Material Injury

117. An examination of the various parameters of injury along with the volume and price effects of imports indicates that material injury has been caused to the Domestic Industry during the period of investigation. There is an increase in the volume of imports of subject goods from the subject country during the injury investigation period in absolute terms as well as in relation to the total imports, domestic production and total demand in the country. Other volume parameters like sales, production and capacity utilization of the domestic industry also indicate that the domestic industry has suffered volume injury on account of dumped imports of subject goods from the subject country. With regard to price effect, it is noted that imports of the subject goods from the subject country are putting the price pressure on the domestic industry. The domestic industry has also suffered price suppression on account of imports of product under consideration from subject country as sales price of subject goods has decreased despite increase in cost of production of subject goods during the injury period.

J. Other Known Factors & Causal Link

118. Having examined the existence of material injury, volume and price effects of imports on the prices of the domestic industry, in terms of its price undercutting, underselling and price suppression, and depression effects, other indicative parameters listed under the Anti-Dumping Rules and Agreement on Anti-dumping have been examined by the Authority to see whether any other factor, other than the alleged dumped imports could have contributed to injury to the domestic industry.

(a) Volume and prices of imports from third countries

i. The average import price from Kuwait is noted to be higher than that of China especially the non-cooperative producer/exporters. The Authority notes the condition of imports by the Domestic Industry i.e. one time tender of particular specification and with no continuing trend and non-claim of dumping and further the average import price from Kuwait being higher than average import price from China. The Authority holds that imports from Kuwait have not led to injury.

(b) Contraction of demand and changes in the pattern of consumption.

i. There has been no contraction of the demand of the product concerned. Therefore, decline in demand is not as a possible reason of injury to the Domestic Industry.

(c) Developments in technology:

ii. Technology for production of the product concerned has not undergone any significant change. Thus, development in technology is also not a factor causing injury to the Domestic Industry. The subject goods produced by the Domestic Industry is like article to the goods produced and exported by the producers in India.

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

iii. There is no trade restrictive practice, which could have contributed to the injury to the Domestic Industry as the raw materials as well as the subject goods are freely importable in the country.

(e) Export performance of the domestic industry

iv. It is noted that the Authority has only considered the domestic performance of the Domestic Industry. Therefore, performance in the export market has not affected the present injury analysis in any manner whatsoever.

(f) Productivity of the Domestic Industry

v. It is noted that the productivity of the domestic industry has marginally improved in the POI as compared to the preceding year.

119. It is thus noted that listed known other factors do not show that the domestic industry could have suffered injury due to these other factors.

Magnitude of Injury and Injury Margin

120. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in anti-dumping Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The NIP of the domestic industry has been worked out and it has been considered for comparing the landed price from the subject country for calculating injury margin. For determining NIP, the best utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been done with the utilities. The best utilization of production capacity over the injury period has been considered. The optimum production in POI has been calculated considering the best capacity utilization and the same production has been considered for arriving per unit fixed cost. No extraordinary or non-recurring expenses have been charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e. Average Net Fixed Assets plus Average Working Capital) for the product under consideration was allowed as pre-tax profit to arrive at the NIP as prescribed in Annexure-III and being followed. The non-injurious price so determined has been compared with the landed price of imports from the subject country to determine the injury margin.

121. It is further noted that the Owens Corning has informed the Designated Authority on 22nd September 2020 that in case of related importer the finance cost includes interest on term loans and net loss on foreign currency transactions and requested to exclude these cost as the purpose of term loan is for expansion of Glass Fibre and net loss on foreign exchange transaction is due to term loan. However, the documentary evidence in support of their claim has not been provided. Therefore, entire finance cost incurred by related importer is allocated to PUC on turnover ratio. It is further noted that due to COVID 19 situation, only desk verification of documents provided has been carried out.

122. The Authority notes from the response filed by M/s Owens Corning Guangzhou Fiberglass Co Ltd., producer and exporter from China PR, that their wholly owned Indian subsidiaries have incurred a loss during the sale of the subject goods imported from their parent companies. As their sales price of subject goods are lower than their purchase price suitable adjustment has been made in their landed price.

123. Injury margin computed for co-operative and any others exporters/producers from subject country is as under:

	Qty	NIP	Landed value	Injury margin	Injury margin	Injury margin
	MT	USD/MT	USD/MT	USD/MT	%	Range
M/s Owens Corning Guangzhou Fiberglass Co Ltd. China PR	***	***	***	***	***	0-20
Any other producer/exporter from China PR	***	***	***	***	***	0-20

K. Post Disclosure statement submissions

Submission of Domestic Industry

124. The landed value of imports mentioned in the disclosure statement appears to be incorrect and highly inflated. The same while being much higher than the landed value computed by the Domestic Industry on the basis of the DGCI&S data, is also much higher than the import prices provided by the so called cooperating Chinese exporter M/s Owens Corning itself in its written submissions dated 19th May, 2020 pursuant to the hearing

125. As regards the issue pertaining to the adjustment of finance cost of the related importer and the loss incurred by it, the Domestic Industry submits that the proposal of the Authority to allocate the finance cost towards PUC and adjustment of the losses incurred by the importer in the landed value, is correct and in line with the consistent approach of the DGTR. The Domestic Industry humbly requests the Authority to kindly intimate the Domestic Industry in case there is any change in the approach proposed in the disclosure statement.

126. No new evidence/information can be accepted at this stage, it is submitted that in the unlikely event the Authority taking cognizance any new evidence/information, the same may be provided to the Domestic Industry and a hearing be accorded to the Domestic Industry before considering such evidence/information.

Submissions of other interested parties

127. The Authority is requested to definitively confirm exclusion of other forms of faced glasswool, namely, face glasswool in flat/tabular from the scope of the product under consideration in the final findings

128. There is no causal link between the injury being suffered by the domestic industry and the alleged dumped imports of the subject goods. Since the data provided in the petition filed by the domestic industry was inconsistent, the Respondent was unable to effectively comment on the injury parameters of the domestic industry.

129. The name of the entity, Wave Suspension Systems (India) Private Limited has been changed to Knauf Ceiling Solutions (India) Pvt Ltd, vide a Certificate of Incorporation pursuant to change of name bearing Corporate Identification Number U74999PN2007PTC137041 electronically issued and signed on 28th September 2020 (Attached as Exhibit I). We request the Authority to kindly take the same into account while issuing final findings in the subject investigation.

130. Owens Corning India is not a wholly owned subsidiary of Owens Corning China. The only relationship between the two company is because the two are controlled by one common entity. Since the adjustment has been made on the basis of factually incorrect assumption that Owens Corning India is a wholly owned subsidiary of Owens Corning China, Owens Corning India submits that this itself justifies a review of the disclosure and adoption of Owens Corning China prices for the purpose of determination of injury margin. It is also pointed out in this regard that the authority has in the past carried out this adjustment only in those cases where the importer in India is controlled by the producer concerned. However, in the instant case, Owens Corning China does not control Owens Corning India. The correction is unwarranted.

131. Owens Corning India earlier reported that the interest expense incurred by company are largely on account of interest on term loans taken by the company for its manufacturing operations. The company has made the expansion in its manufacturing facilities of Glass Fiber plant recently for which company has obtained term loan of Rs. *** from its related party. The said information can be seen even from annual report. The interest cost in the financial accounts are largely on account of term loans and not working capital. No further information/ clarification was desired from Owens Corning India thereafter. Owens Corning India stated that the annual report contains relevant information. This itself constituted sufficient evidence.

132. While the disclosure statement has noted the difficulties caused by COVID, Owens Corning China and Owens Corning India are unable to understand the difficulties in seeking further clarifications through communications and phone calls, particularly when the Directorate routinely seeks substantial information and clarification orally and through phone calls. Such being the case, the disclosure statement is based on an assumption and without seeking proper clarification from Owens Corning India

Examination by the Authority

133. As regard the submission of the domestic industry that the landed value of imports mentioned in the disclosure statement appears to be incorrect and highly inflated and is also much higher than the import prices provided by the cooperating Chinese exporter, the

Authority notes that the cooperating exporter M/s Owens Corning in its written submissions dated 19th May, 2020 pursuant to the hearing had submitted the landed value on the basis of description provided in the transaction wise import data only. However, during desk verification, the exporter claimed that there are classification/description issues in the DGCI&S transaction wise import data. Some transactions contained consignments of both PUC and NPUC. The Authority has, therefore, calculated the landed value of the cooperating exporter on the basis of verified information as provided during the desk verification of the cooperating exporter. This landed value of imports from China PR has been accordingly adjusted.

134. The Authority has already excluded other forms of faced glasswool, namely, faced glasswool in flat/tabular such as tiles, sheets or boards, from the scope of the product under consideration in the final findings.

135. The causal link between the injury being suffered by the domestic industry and the alleged dumped imports of the subject goods has already been examined in previous paragraphs.

136. As regards the submission that Owens Corning, India is not a wholly owned subsidiary of Owens Corning, China and the only relationship between the two companies is because the two are controlled by one common entity, the Authority notes that even if two companies are controlled by a common entity, they are related entity.

137. As regards name change of Wave Suspension Systems (India) Private Limited as Knauf Ceiling Solutions (India) Pvt Ltd, it is noted that the certificate of name change attached with response could not be downloaded as there was some error in attaching the file. Moreover, the duty table is in respect of foreign producer(s)/exporter(s) only and hence this request from the importer does not have any relevance.

138. As regards submission of Owens Corning India relating to interest expense, it is noted that in case of related importer the conclusive documentary evidence in support of their claim has not been received. Therefore, allocation of entire finance cost incurred by related importer to PUC on turnover ratio basis has been found to be appropriate.

L. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES.

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

140. It is recognized that the imposition of anti-dumping duty might affect the price levels of the product under consideration and downstream goods manufactured using the product under consideration. This might consequently have some effect on the relative competitiveness of the downstream products. However, since levy of an anti-dumping duty is restricted to the amount necessary to redress the injury to the domestic industry, fair competition in the Indian market will not be reduced by the anti-dumping measure. Imposition of anti-dumping measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the product under consideration.

M. CONCLUSION

141. Having regard to the contentions raised, information provided, and submissions made by the interested parties and facts available before the Authority as recorded in these final findings and on the basis of the above analysis, the Authority concludes that:

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

N. RECOMMENDATION

142. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Rules and having established positive dumping margin as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of definitive antidumping duty is required to offset dumping and injury. The Authority, therefore, considers it necessary and recommends imposition of anti-dumping duty on imports of subject goods from the subject country in the form and manner described here under.

143. In terms of provision contained in Rule 4(d) & Rule 17(1) (b) of the Rules, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, definitive anti-dumping duty equal to the amount mentioned in Column 7 of the duty table below is recommended to be imposed for five (5) years from the date of the Notification to be issued by the Central Government, on all imports of subject goods as mentioned in Column 3 of the duty table originating in or exported from subject country.

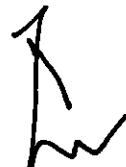
DUTY TABLE

S.no.	Heading/Sub-heading	Description of Group	Country of origin	Country of export	Producer	Duty Amount	Currency	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	7019 9010, 7019 9090, 7019 1900, 7019 3900, 7019 5900	Faced Glass Wool in Rolls*	China PR	Any country including China PR	Owens Corning Guangzhou Fiberglass Co Ltd	14.60	USD	MT
2	-do-	-do-	China PR	Any country including China PR	Any other than Sl no. 1 above	400.23	USD	MT
3	-do-	-do-	Any country other than China PR	China PR	Any	400.23	USD	MT

*Faced Glass Wool in Rolls excludes "Faced Glasswool in flat / tabular form" such as tiles, sheets or boards.

O. Further Procedure

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



(B.B. Swain)
Special Secretary and Designated Authority