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F. No.15/10/2015-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi 110001

NOTIFICATIONDate: 6th July, 2016**(Final Findings)**

Subject: - Sunset Review investigation relating to Anti-Dumping Duties imposed on imports of ‘certain glass fibre and articles thereof’ originating in or exported from China PR

A. Background of the Case

1. F. No. 15/10/2015-DGAD– Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and thereafter (hereinafter referred 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 referred as the Rules), the Designated Authority (hereinafter referred to as the Authority) initiated an antidumping investigation for imposition of anti-dumping duty on imports of certain glass fibre and articles thereof, originating in or exported from the China PR vide initiation notification dated 8th January 2010. The Authority issued the Preliminary Findings on 2nd June 2010 and provisional duties were imposed vide Customs Notifications dated 14th July, 2010. The Authority issued Final Findings on 6th January 2011 and definitive duties were imposed on 4th March 2011. The Authority thereafter initiated a Mid-term review investigation against imports of subject goods from subject country on 19th September 2013 and on the basis of the recommendation of the Authority in its final finding dated 10th February, 2014, micro Glass Fibre with fibre diameter in the range of 0.3 - 2.5 microns was excluded from the ambit and scope of the anti-dumping duty recommended, vide Customs Notification dated 9th May, 2014.
2. And Whereas M/s Owens-Corning (India) Pvt. Ltd. and Owens Corning Industries (India) Pvt. Ltd. (hereinafter referred to as petitioners) have filed a duly substantiated application before the Authority, on behalf of the producers of the subject goods, in accordance with the Act and the Rules, alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from the subject country and consequent injury to the domestic industry and have requested for continuation of the anti-dumping duties, imposed on the imports of the above goods, originating in or exported from the subject country.

3. On the basis of the duly substantiated application filed on behalf of the domestic industry and in accordance with section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority initiated a sunset review investigation, vide Notification No. 15/10/2015-DGAD dated 7th July, 2015 to review the need for continued imposition of the duties in respect of ‘certain glass fibre and articles thereof’, originating in or exported from China (hereinafter referred to as subject country), and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. The validity of the anti-dumping duty on the imports of the subject goods from the subject country was extended by the Central Government up to and inclusive of 13th day of July, 2016, vide Notification No.33/2015-Customs (ADD) dated 13th July 2015.
4. The scope of the present review covers all aspects of the original investigation concerning imports of the above goods, originating in or exported from the subject country.

B. Procedure

5. The procedure described below has been followed with regard to the subject investigation:
 - i. The Embassy of the China in New Delhi was informed about the initiation of the investigation in accordance with Rule 6(2).
 - ii. The Authority provided access to the copies of the non-confidential versions of the applications to the known exporters and the embassies of the subject countries and other interested parties in accordance with Rules 6(3) supra..
 - iii. The Authority forwarded copies of the public notice to the following known producers/exporters in the subject countries and provided them opportunity to make their views known in writing within forty days thereof in accordance with the Rules 6(2) & 6(4):
 - i. Chongqing Polycomp International Corp
 - ii. Jushi Group Co. Ltd
 - iii. Taishan Fiberglass Inc. Economic Development Zone
 - iv. Zibo PPG Sinoma Jinjing Fiber Glass Co Ltd
 - v. Shandong Fiberglass Composite Materials Co., Ltd
 - vi. Changzhou Tianma Group Co., Ltd
 - vii. PPG Sinoma Jingjing Fiber Glass Co. Ltd.
 - viii. Changzhou New Changhai Fiberglass Co., Ltd
 - ix. Jiangsu Changhai Composite Materials Holding Co Ltd
 - x. Taishan Fiberglass Zoucheng Co., Ltd
 - xi. Shandong Aste New Materials Co Ltd
 - xii. Shandong Fiberglass Composite Materials Co., Ltd
 - xiii. CNBM International Corporation
 - xiv. Changzhou Tianma Group Co., Ltd

- xv. China National Materials Industry Import & Export Corporation
- xvi. Shandong Taishan-PDO Glass Fiber Products Co., Ltd
- xvii. Sinoma Jinjing Fiber Glass Co., Ltd
- xviii. Zhejiang Jiashan Glass Fibre Weaving Factory

6. Questionnaire Responses have been received from the following exporters:

- i. Jushi Group Jiujiang Co. Ltd.
- ii. Jushi Group Co. Ltd. Tongxiang
- iii. Jushi Group Chengdu Co. Ltd.
- iv. Chongqing Polycomp International Corporation
- v. Taishan Fibreglass Inc.

7. Market Economy Treatment (MET) questionnaire was also forwarded to the known producers/exporters in China PR and the Embassy of China PR in India with the request to provide relevant information to the Authority within the prescribed time limit.

8. None of the responding exporters have claimed market economy treatment and have therefore not submitted Market Economy Treatment (MET) questionnaire response.

9. The Authority forwarded a copy of the public notice to the following known importers/consumers (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 forty days from the date of issue of the letter in accordance with the Rule 6(4):

- i. Kemrock Industries & Exports Ltd.
- ii. Pentair Water India P Ltd
- iii. Amiantit Fibreglass India Limited
- iv. Sundaram Brake Linings Ltd
- v. Graphite India Limited
- vi. Indore Composite Pvt. Ltd.
- vii. Aksh Optifibre Limited
- viii. Balaji Fibre Reinforcement Pvt. Ltd.
- ix. O. K. Glass Fibre Limited
- x. Jushi (India) FRP Accessories Pvt. Ltd.
- xi. Sky Fibreglass Solutions Pvt. Ltd.
- xii. Aarvi Composites Pvt. Ltd.
- xiii. Kush Synthetics Private Limited
- xiv. Advance Textiles & Materials Private Limited

10. Importer Questionnaire Response was received from one importer namely Jushi (India) FRP Accessories Pvt. Ltd.

11. The following users/importers have filed submissions though without a detailed Questionnaire response. Submissions made by these parties have also been taken into account in the present determination.
 - i. M/s UP Twiga Fiberglass Ltd
 - ii. M/s Urja Products Pvt Ltd.
 - iii. M/s Saertax India Pvt Ltd.
12. After initiation of a copy of the initiation notification was also sent to the following other known domestic producer of the subject goods, namely, M/s Goa Glass Fibre Limited. The company extended support to the sunset review application and have provided their injury information. However, the information received was at much belated stage and the data furnished by M/s Goa Glass Fibre Limited has not been considered for injury determination.
13. The Period of Investigation (POI) for the purpose of the present review is April, 2014 to March, 2015. The examination of trends in the context of injury analysis covers the periods April 2011-March 2012, April 2012-March 2013, April 2013-March 2014 and the POI.
14. The Authority has relied on the DGCI&S data for analysis of dumping and injury analysis. The domestic Industry has furnished data as per the secondary source namely IBIS at the time of initiation and later supplemented it with DGCI&S data.
15. The Authority made available non-confidential version of the evidence presented by interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6(7).
16. The Authority has examined the information furnished by the domestic producer to work out the cost of production and determined the non-injurious price of the subject goods in India, as per its consistent practices, so as to ascertain if anti-dumping duty, lower than the dumping margin, would be sufficient to remove injury, if any, to the domestic industry.
17. In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 23rd December, 2015, which was attended by the interested parties. The interested parties were requested to file written submissions of their views expressed orally.
18. The submissions made by the interested parties during the course of the investigation and considered relevant by the Authority, have been addressed in this final Finding Notification.

19. Verification of the information and data submitted by the participating domestic producers and subject exporters was carried out to the extent deemed necessary.
20. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
21. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has used 'best information available' and has treated such parties as non-cooperative.
22. A disclosure statement was issued on 23.6.2016 containing essential facts under consideration of the Designated Authority, which have formed the basis for this Final Finding Notification. Time up to 29.06.2016 was given to furnish comments, if any, on Disclosure Statement. The Authority has considered post disclosure comments received from interested parties appropriately.
23. '****' in this Final Finding Notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
24. The exchange rate for the POI has been taken by the Authority as Rs.61.69 = 1 US\$.

C. SCOPE OF PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

Submissions by the Domestic Industry

25. The following are the submissions made by the domestic industry with regard to scope of the domestic industry and standing:
 - i. There is no known difference in product produced by the petitioner and exported from the subject countries. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc.
 - ii. Wet chopped strands do not have different physical and chemical properties and instead bear the same properties as that of other kinds of glass fibre. Moreover, the variation is not so significant as to render them different products. Different uses for wet chopped strands do not make it a different product as end use substitutability can never be seen as a criteria for like product determination.
 - iii. The petitioner was producing wet chopped strands earlier and the same has been discontinued due to commercial viability. This product type is being produced by

- other domestic producer and therefore this product type cannot be excluded from the scope of the investigation.
- iv. M/s Owens Corning's have stated that they are not manufacturing Wet Chopped Strands. M/s Goa Glass Fibre Ltd. has stated that they have the capability to produce dry and wet chopped strands. The wet chopped strands were being produced by them till last year but they have stopped because of non-remunerative prices and if prices are better they will be able to produce in future as they have the capabilities
 - v. A new advanced glass fibre product called Cemfil is an *alkali resistant glass fibre for concrete reinforcement*, CEMFIL" is a brand name of Owens Corning and not manufactured in India. At the time of original investigation, Alkali Resistant Glass was not excluded, as the product type was neither being imported from subject country nor there was any domestic production by the Petitioners. Unless a product type is being imported into India, question of exclusion does not arise. In the present investigation period, however, the product type is being imported into India, while still there is no domestic manufacturer for Alkali Resistant Glass in India. The petitioners had requested at the time of initiation to exclude it from the scope of PUC

Submissions by producers/exporters/importers/other interested parties

26. The following are the submissions made by exporters/importers/other interested parties have made any submissions in this regard:
 - i. M/s UP Twiga Fiberglas Ltd, have stated that wet chopped strands are not like products to the products supplied by the domestic industry. Wet chopped strands are not 'identical or alike to the article under investigation for being dumped in India' and neither do wet chopped strands have "characteristics closely resembling those of the articles under investigation", in terms of Rule 2(d) of the AD Rules and Article 2.6 of the WTO ADA for the reasons below:
 - ii. Wet chopped strands have different chemical and physical characteristics as compared to the products produced by the domestic industry. The moisture content in wet chopped strands is in excess of 8% to 12% and glass content up to 88% to 92% whereas normally glass content in chopped strands is more than 96% and moisture cannot exceed in any case more than 2%. Evidence of the difference between wet chopped strands and glass fibre supplied by the domestic industry has been demonstrated based on the specifications provided on the global website of the domestic industry.
 - iii. The production process for wet chopped strands differs significantly from that of the chopped strands. The production process for chopped strands includes batching, melting, fiberization, coating and lastly drying. However, for wet chopped strands, the process differs from the stage of fiberization as the moisture requires to be kept in and therefore it cannot be coated or dried.

- iv. The functions and end-uses of wet chopped strands differ significantly from chopped strands. Wet chopped strands are manufacturing or fibre glass tissues or veils and its end-use applications are in carpet tiles, cushions, vinyl flooring, asphalt roofing, shingles, etc. Wet chopped strands are used in wet-processes and in non-woven applications. Evidence in this regard has been provided based on the global website of the domestic industry.
- v. The findings of the Tribunal in *Oxo Alcohols Industries' Association v. Designated Authority* [2001 (130) ELT 58] and *Indian Refractory Makers Association vs Designated Authority*, 2000 (119) E.L.T 319 (Tribunal), make it clear that products not produced by the domestic industry that are of a different grade/type should be excluded from the levy of anti-dumping duty.
- vi. The Authority can exclude products in a sunset review investigation if the need to restrict the scope of the product under consideration is established. In this regard, reliance was placed on the findings of the Authority in *Sunset Review anti-dumping investigation concerning imports of Ductile Iron pipes originating in or exported from China PR*; *Sunset Review Investigation of Anti-dumping duty imposed on imports of PVC Paste Resin originating in or exported from European Union*; *Sunset Review Investigation of anti-dumping duty imposed on imports of Nylon Filament Yarn from China PR, Chinese Taipei, Malaysia, Indonesia, Thailand and Korea RP*.
- vii. It has been stated by the importer that during the public hearing, the domestic industry accepted that it is not producing wet chopped strands in India and further that wet chopped strands are different products from the products manufactured by the domestic industry. The DI also clarified that wet chopped strands cannot be manufactured at its current facility and further that it does not have future plans of producing wet chopped strands in its facility in India.
- viii. It has been mentioned by the importers that M/s Owens Corning have stopped manufacturing Chopped Strands for all applications from 2015 onwards. They were earlier making Chopped Strands for thermoset application and not for thermoplastic application, that's how Chopped Strands for thermoplastic applications were excluded from the scope of the PUC. Now M/s Owens Corning have stopped making Chopped Strands for thermoset applications and hence these also should be excluded from the scope of the PUC.

Examination by the Authority

27. The product under consideration in the original investigation was defined as “glass fibre, including glass roving (assembled rovings (AR), direct rovings (DR), glass chopped strands (CS), glass chopped strand mats (CSM). Specifically excluded from the scope of the product under consideration are glass wool, fibre glass wool, fibre glass insulation in wool form, glass yarn, glass woven fabrics, glass fibre fabric, glass woven rovings and chopped strands meant for thermoplastic applications, micro glass fibre used in battery separator, surface mat/surface veil/tissue”.

28. In the midterm review investigation, the scope of the product under consideration was modified to exclude “glass wool, fibre glass wool, fibre glass insulation in wool form, glass yarn, glass woven fabrics, glass fibre fabric, glass woven rovings and chopped strands meant for thermoplastic applications, micro glass fibre with fibre diameter in the range of 0.3 to 2.5 microns, surface mat/surface veil/tissue”.
29. The Authority noted the submission of M/s UP Twiga Fiberglass Ltd, that the scope of PUC should exclude Wet chopped strands as domestic industry does not produce the wet chopped strands. The production process, physical and chemical characteristics and usage of wet chopped strand is different from the product under consideration. Domestic industry has not been able to demonstrate that the subject goods and wet chopped strands are like articles. A specific reference was made to both the producers seeking confirmation regarding the exact items being manufactured by them. M/s Owens Corning have confirmed that they are not manufacturing Wet Chopped Strands. M/s Goa Glass Fibre Ltd. has stated that they have the capability to produce dry and wet chopped strands but wet chopped strands were not being produced by them currently because of non-remunerative prices. The Authority notes that in spite of antidumping duty protection the domestic producers have stopped making wet chopped strands therefore the submission of importer/user is correct to the extent that there is no availability of wet chopped strands in India. Thus, the Authority has decided to exclude wet chopped strands from the present scope of product under consideration.
30. As regards the observation of the importer regarding Chopped Strands for thermoset application. A specific reference was made to M/s Owens Corning seeking confirmation regarding the list of items being manufactured by them. M/s Owens Corning have confirmed that they are manufacturing Chopped Strands for thermoset applications. In view thereof, it has been decided by the Designated Authority that Chopped Strands continue to be within the scope of the PUC.
31. None of the opposing interested parties have made submissions against exclusion of Cemfil (*alkali resistant glass fibre for concrete reinforcement*), the Authority therefore decided to exclude this new product type from the scope of the PUC.
32. Thus, the scope of the product under consideration in the present SSR investigation is as follows:
- “Glass fibre, including glass roving (assembled rovings (AR), direct rovings (DR)), glass chopped strands (CS), glass chopped strands mats (CSM). Specifically excluded from the scope of the product under consideration are glass wool, fibre glass wool, fibre glass insulation in wool form, glass yarn, glass woven fabrics, glass fibre fabric, glass woven rovings, chopped strands meant for thermoplastic applications, micro glass fibre with fibre diameter in the range of 0.3 to 2.5 microns, surface mat/surface veil/tissue, wet chopped strands and Cemfil (alkali resistant glass fibre for concrete reinforcement),”*

D. DOMESTIC INDUSTRY AND STANDING

Submissions by the Domestic Industry

33. Following are the submissions made by the domestic industry with regard to scope of the domestic industry and standing:
- i. The Petitioners have submitted that there is one other producer of the subject goods apart from the petitioners, i.e. M/s Goa Glass Fiber.
 - ii. Both the petitioners are related to Owens Corning, USA, which is the parent company.
 - iii. The petitioners have stated that they have not imported the product under consideration from the subject country.
 - iv. Production by the petitioners constitutes a major proportion of Indian production and petitioners therefore satisfy the requirement of standing under the Anti-Dumping Rules and constitute domestic industry.

Submissions by producers/exporters/importers/other interested parties

34. . There is no submission by any of the opposing interested parties.

Examination by Authority

35. 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”.

36. The application was filed by M/s. Owens-Corning (India) Pvt. Ltd. and Owen Corning Industries (India) Pvt. Ltd. The Authority notes that there is another producer of the subject goods in the country namely M/s Goa Glass Fibre Ltd which has supported the application after initiation of the investigation. M/s Goa Glass Fibre Ltd had filed its information at a much belated stage and therefore the data has not been considered for injury determination. The petitioners have not made any imports from subject countries during POI. The production of the applicant producers constitutes major portion of the total production of the subject goods and therefore, the applicants constitute domestic industry within the meaning of the term as per the AD Rules.

E. MISCELLANEOUS ISSUES

Submissions by the domestic industry

37. Views of the domestic industry in this regard are as follows:
- i. The petitioner has not imported the product under consideration from China.

- ii. Petitioner has imported following kinds/forms of glass fibre product from third countries. The volume and import price is also given below. Further, the price at which these product types are being imported from China during POI is also mentioned below. It would be seen that the price at which petitioner has imported the product from third countries is materially higher than the price at which product has been exported by Chinese producers.

SN	Product type	Imports by Owen			Owens'	Imports from China		
		Volume (MT)	Value (RS)	Price (RS/MT)	Price (RS/MT)	Volume (MT)	Value (RS)	Price (RS/MT)
1	AR/Roving	***	***	***	***	***	***	***
2	CSM	***	***	***	***	***	***	***
3	T-30/DR	***	***	***	***	***	***	***
4	DUCS	NIL	NIL	NIL	--	***	***	***
5	Total	***	***	***		***	***	***

- iii. The petitioner has imported these products at much higher price than China, or the resale price of Petitioner is much higher than China. Since imports have been made by petitioner and further since the petitioner is related to the exporter, under the law, the resale price of these products are required to be considered.
- iv. M/s Urja Products has made factually incorrect statement. Both E glass fibers and C glass fibers are nothing but part of product under consideration. The product under consideration has been categorized into following categories at the time of original investigations and in the present investigation. By his own admission C glass fibre is much cheaper and if these are allowed to be imported, the domestic industry shall suffer injury.
- v. As regards Saretex India, Saretex is a producer of glass fabric. Petitioner had not included glass fabric within the scope of product under consideration at the time of original investigation. Present case being a sunset review, Petitioner in any case cannot enhance scope of the product under consideration in a review investigation. Further, the value addition in making glass fabric is above 35% and therefore imports of glass fabric cannot be considered as circumvention of anti-dumping duty. Petitioner explored possibilities of filing fresh dumping petition for glass fabric. However, production of the Petitioner alone constitutes below 50% of Indian production and therefore Petitioner cannot file the petition without association of other domestic producers. Petitioner shall further explore filing of petition with the association of other producers. In any case, merely because glass fabric is being imported into the Country at dumped prices, the same does not imply that the Authority should exclude the product being produced and supplied by the domestic industry. In fact, exclusion of the product type from scope of duty shall not only imply injury to the petitioner domestic industry, but also producers of glass fabric. Glass fabric in any case would

continue to suffer injury, as Chinese producers are likely to dump the product in any case.

Submissions by the opposing interested parties

38. Views of the opposing interested parties in this regard are as follows:

- i. The importer has pointed out that the domestic industry has been importing the product under consideration from its global affiliates consistently during the period of investigation and continues to do so even in the period April - October 2015. The imports by the domestic industry are not in small volumes but are rather significant volumes and at prices lower than the imports of the subject goods from subject country in India. The domestic industry has imported approximately 1405 MT of direct roving during the POI at USD 0.84 per kg from the United States. In the same period, an import from China, which was subject to anti-dumping duties at the rate of about 20%, was being imported by the consumer at the cost of around USD 1.03 per kg. The DI has been supplying imported goods to their customers as their own production is not sufficient.
- ii. M/s Urja Products Pvt Ltd, a manufacturer of Glass fabric, has pointed out that the Domestic industry is only manufacturing glass fibre of coarse tex and the users of finer tex or finer grade are at a disadvantage with the imposition of duties. They have further pointed out that there are two types of configuration namely E glass fibre for electrical grade glass filament and C glass fibres for Chemical resistant glass yarns. The Domestic industry is making rovings only from E glass and that importers should be allowed to import C glass rovings, which are much cheaper, without ADD duty. The imposition of duty will affect the downstream industry as is making Chinese imports more expensive.
- iii. M/s Saertex India Pvt Ltd, manufacturer of glass fibre fabric, has opposed imposition of ADD on imports of glass fibres on the grounds that there is no ADD on glass fabric. The ADD on glass fibre will make the raw material expensive for manufacture of glass fabric thereby leading to a situation whereby imports of glass fabric will get intensified and all the manufacturers of glass fabric will suffer from cheap imports of fabric. They have therefore requested for removing of duty from glass rovings, which is a raw material for glass fabric or also impose duty on glass fabric which is their finished goods and used for making wind mill blades.

Examination by the Authority

39. The specific submissions made by the opposing interested parties and considered relevant, are addressed by the Authority as below:

- i. As regards imports by the petitioner company from third countries, the authority notes that these imports are from countries not under investigation. These imports are by the petitioner from their global affiliated producers and therefore under the Rules, authority is required to consider the resale price of the products in order to examine

the effect of these imports on the domestic prices. Further, under Rule 2(b), imports of the products from subject countries alone are required to be considered. Imports from third countries are not relevant of the purpose of determining eligibility of the petitioner as a domestic industry. Since imports from these countries are by a company who is related to the exporter, the authority is required to consider the resale price of such products. Information provided by the petitioner clearly shows, that the resale price of these products are much higher than the purchase price.

- ii. As regard E-Glass Fibre and C-Glass Fibre, the authority notes that both are part of the PUC and therefore there cannot be a case for any exclusion of these product types. The authority notes that the petitioner is also selling glass rovings in the market and dumping margin & injury margin have been determined for four different variants of PUC i.e. Direct Rovings, Assembled Rovings, Chopped Strands and Chopped Strand Mats. The PUC has not been identified grade wise or tex wise during the original investigation or the present review investigation.
- iii. As regard imports of Glass Fabrics, the Authority notes that Glass fabric is beyond the scope of PUC in the present case. In case Glass fabric is being dumped by Chinese producers, the same cannot fall within the scope of present investigations. The affected domestic industry must seek relief either under Rule 5 or under Rule 25. The rationale of the Anti-Dumping Duty is to create a level playing field for both, the domestic industry and the foreign exporter. In case the downstream industry/importer/user intend that there should be duty on their finished goods then it has to be examined separately and it requires filing of an independent separate application which shall be examined on its merits.

F. Market Economy Treatment, Normal Value, Export Price and Dumping Margin

Submissions by the Domestic Industry

40. The domestic industry inter alia submitted as follows:
 - i. China is a non-market economy country. No country has granted market economy status to China. Further none of the exporters satisfy each and every condition developed from jurisprudence to qualify for grant of market economy status. Thus, the Chinese producers' cost and price cannot be relied upon for determination of normal value.
 - ii. India is an appropriate surrogate county for China as it would result in access to accurate and adequate information. Further, India has been considered as an appropriate surrogate country by other investigation authorities too.
 - iii. The normal value has been determined accordingly on the basis of cost of production in India, duly adjusted, in view of the fact that the selling price is a loss making price.
 - iv. The petitioners have relied upon transaction wise import data provided by DGCIS for calculation of export price.

- v. In view of significant difference in the cost of and price of various product types, petitioners have determined separate export price for each product type.
- vi. In case of high sea sale transaction, the Authority should not consider the price paid by final consumer. In fact, it should be construed that the questionnaire responses are not complete in these cases.
- vii. EU and USA have held India as an appropriate market economy third country in a variety of cases. There is no reason to reject the observations and determinations of the EC merely because margins determined by them are higher than the margins determined by India. Even though the export price of the product from China to Europe is higher than that to India, the dumping margin in India is lower compared to dumping margin determined by Europe.
- viii. Petitioners have given detailed information consumption, conversion cost and other relevant pricing data to the Designated Authority as per the prescribed formats.

Submissions by producers/exporters/importers/other interested parties

41. The following are the submissions made by exporters/importers/other interested parties have made any submissions in this regard:
- i. The DA must determine the dumping margin based on the export price of the exporter as it has extended full cooperation in the instant investigation. The export price thus, must be based on the data placed on record by the exporter.
 - ii. The normal value for China is inconsistent with the requirements of Annexure I (7) of the AD Rules. The guidance of the Supreme Court in *Shenyang Matsushita S. Battery Co. Ltd. v. Exide Industries Ltd. and others* clearly states that prices paid or actually payable in India is to be resorted to only as a last resort. India cannot be considered as an “appropriate market economy third country” for computing the normal value for China.
 - iii. India cannot be considered as an appropriate market economy third country as such computation would be erroneous owing to the fact that the petitioners and exporters from China PR are completely different entities functioning in India and China PR respectively which mean that there are various functional variations between the two.
 - iv. Recourse to prices paid or payable in India is only available when the other two options have been exhausted, which the Petitioner has failed to do.
 - v. The Petitioner has failed to propose an analogue country for price computation and this is in direct contravention of the above law point. Imports of the product from the United States can also be used for such normal value determination as the law permits it.
 - vi. With regard to high sea sales undertaken, the price paid by final consumer must be considered rather than price provided in the exporter’s data.
 - vii. Parties must be informed about the selection of such third country so that they may offer their comments about the same.

- viii. Petitioners have failed to provide details regarding raw material prices used, consumption norms, conversion costs, other costs and profits for the normal value determined.

G. Examination of MET Claims and Determination of Normal Value in China PR

42. At the stage of initiation, the Authority proceeded with the presumption that China PR is a non-market economy country. Upon initiation, 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. The Authority sent copies of the MET questionnaire to all the known producers/exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China to advise the producers/exporters in China to provide the relevant information. Questionnaire Responses have been received from the following exporters:

- i. Jushi Group Co. Ltd., Tongxiang
- ii. Jushi Group Jiujiang Co. Ltd.
- iii. Jushi Group Chengdu Co. Ltd.
- iv. Chongqing Polycomp International Corporation (CPIC)
- v. Taishan Fibreglass Inc.

43. However, none of the exporters have chosen to rebut non market economy claim. The Authority notes that in the past years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members.

44. In view of the above position and in the absence of rebuttal of non-market economy presumption by any Chinese exporting company, the Authority considers it appropriate to treat China PR as a non-market economy country in the present investigation and proposes to proceed with para-7 of Annexure-I to the Rules for determination of normal value in case of China PR.

Para 7 of Annexure I of the Anti-dumping Rules provide that:

“In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable

delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.”

45. As per the above provisions normal value in China is required to be determined based on domestic selling prices in a market economy third country, or the constructed value in a market economy third country, or the export prices from such a third country to any other country, including India. However, if the normal value cannot be determined on the basis of the alternatives mentioned above, the Designated Authority may determine the normal value on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted to include reasonable profit margin.
46. Interested parties have claimed that imports of the product from the United States can also be used for normal value determination, however it is noted that imports from USA constitutes only one type of product. Thus, in the absence of any reliable price and cost details for the subject goods in any market economy third country the Designated Authority has constructed the normal value in China on the basis of price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin. Accordingly, the Authority has determined the Normal Value for the subject goods exported by all exporters in China for each product type as detailed below.

Name of the Exporter	Constructed Normal Value
Jushi Group Co Ltd, Tongxiang	*** US\$/Kg
Jushi Group Jiujiang Co., Ltd	***US\$/Kg
Jushi Group	***US\$/Kg
Chongqing Polycomp International Corporation	***US\$/Kg
Taishan Fibreglass Inc.	*** US\$/Kg
All other exporters/producers	***US\$/Kg

Determination of Export Price

47. The authority notes that the questionnaire response has been filed by Jushi Group Jiujiang Co. Ltd, China PR claiming that the company is an exporter of the product under consideration. The company has claimed export of the product under consideration to India during the investigation period. The data filed by the exporter in their questionnaire response was verified at their factory and the individual dumping margin to be determined by the Authority for Jushi Group Jiujiang Co. Ltd is mentioned in dumping margin table below.
48. The authority notes that the questionnaire response has also been filed by Jushi Group Zhejiang Co. Ltd, China PR claiming that the company is an exporter of the product under consideration. The company has claimed export of the product under consideration to India during the investigation period. The data filed by the exporter in their questionnaire response was verified and the individual dumping margin to be determined by the Authority for Jushi Group Zhejiang Co. Ltd is mentioned in dumping margin table below.

49. The authority notes that the questionnaire response has been filed by Jushi Group Chengdu Co. Ltd China PR claiming that the company is a producer of the product under consideration. The company has claimed no export of the product under consideration to India during the period of investigation.
50. The authority notes that the questionnaire response has also been filed by M/s Jushi (India) FRP Accessories Pvt. Ltd, the importer is related to the Jushi Group exporters. They have claimed imports from their related exporter and have given details of all the transactions. The same was verified at their office in Mumbai. However, they could produce only limited documents as many have been destroyed in a fire at their warehouse.

Name of the Exporter	Export Price (US\$/Kg)
Jushi Group Co Ltd, Tongxiang	***
Jushi Group Jiujiang Co., Ltd	***
Jushi Group	***

51. The authority notes that the questionnaire response has been filed by Chongqing Polycomp International Corporation China PR claiming that the company is an exporter of the product under consideration. The company has claimed export of the product under consideration to India during the investigation period. The data filed by the exporter in their questionnaire response was verified at their factory and the individual dumping margin to be determined by the Authority for Chongqing Polycomp International Corporation is mentioned in dumping margin table below.

Name of the Exporter	Export Price (US\$/Kg)
Chongqing Polycomp International Corporation	US\$ ***/kg

52. The authority notes that the questionnaire response has been filed by Taishan Fibreglass Inc. China PR claiming that the company is an exporter of the product under consideration. The company has claimed export of the product under consideration to India during the investigation period. The data filed by the exporter in their questionnaire response was verified with the original documents and the individual dumping margin to be determined by the Authority for Taishan Fibreglass Inc. is mentioned in dumping margin table below

Name of the Exporter	Export Price (US\$/Kg)
Taishan Fibreglass Inc.	US\$ ***/kg

Export Price for Non-Co-Operative Exporters/ Producers from China PR

53. The Authority has determined the Export Price in respect of non-cooperative exporters from China PR as per facts available in terms of Rule 6(8) of the Antidumping Rules. Accordingly, after making the due adjustments, the weighted average net export price at ex-factory level in respect of all non-co-operative exporters from China PR has been determined as shown in the table below:

Determination of Dumping Margin

54. After the analysis of the data, the dumping margin is worked out as mentioned in the table below.

Exporter	CNV	Export Price	Dumping Margin	Dumping Margin	Dumping Margin Range
Units	(US\$/Kg)	(US\$/Kg)	(US\$/Kg)	(%)	(%)
Jushi Group Co. Ltd., Tongxiang	***	***	***	***	45-55
Jushi Group Jiujiang Co. Ltd	***	***	***	***	45-55
Jushi Group	***	***	***	***	45-55
Chongqing Polycomp International Corporation	***	***	***	***	40-50
Taishan Fibreglass Inc.	***	***	***	***	50-60
Non Co-operative Exporter	***	***	***	***	80-90

H. Determination of Injury and Causal Link**Submissions by the domestic industry**

55. The domestic industry has *inter alia* made the following submissions with regard to the injury and causal link:

- i. The dumped imports from the subject country have continued to enter the Indian ports in significant amount despite anti-dumping duty.
- ii. Subject imports are available at prices lower than domestic prices. If the anti-dumping duty is removed, the dumped imports volume shall intensify.
- iii. The imports are undercutting the domestic prices in the POI. Resultantly, the domestic industry will be faced with price depression in the market in the event of cessation of anti-dumping duties. This will result in decline in profits and consequently return on capital employed and cash profits.
- iv. The petitioners have influenced downstream investments in new technology and product applications by growing their customer portfolio and developing new applications for their products. Removal of anti-dumping duty would severely hamper the growth of the domestic industry and its capacity to invest in novel products and applications.
- v. In case duty is revoked and consequently imports from the subject countries increase, the Domestic Industry would be forced to reduce the prices of the product concerned significantly given the fact that the product concerned is a commodity product.
- vi. Should the Domestic Industry be forced to reduce the prices, its natural impact would be on the profitability of the Domestic Industry. Decline in profits would lead to decline in cash flow and return on investment.

- vii. Should the Domestic Industry choose to maintain its normal price levels, it is likely to lose its sales volume as consumers would increasingly switch over to the imports.
- viii. Should the Domestic Industry prefer to lose sales volumes, it would spell much bigger injury, as decline in sales volume would result in increase in inventories level, decline in production, capacity utilization, and productivity.
- ix. The petitioners have not claimed continued injury but rather recurrence of injury and continuation of dumping in the event of cessation of antidumping duty.

Submissions by producers/exporters/importers other interested parties

56. The following submissions were made by producers/exporters/importers/other interested parties with regard to injury to the domestic industry:

- i. There is a 33% decline in the imports from the subject country in the POI as compared to the base year of the injury period. Further, imports in relation to production have declined from 39% in 2011-12 to 25% in the POI. The trend in imports relative to consumption also exhibits a steep decline, falling from 28% in 2011-12 to 19% in the POI.
- ii. Domestic industry holds 61% of the domestic demand. Imports constitute merely 19% of domestic demand. The imports from the subject country have the ability to impact the performance of the Petitioners as much as the other domestic producers, that hold 12% of the market share, are able to.
- iii. China's import price increased by 27% in the POI as compared to 2011-12. Further, the imports from the subject country hold less than 20% of the domestic demand. Imports from other countries and sales of other domestic producers together hold 24% of the domestic demand. The price of imports made by the Domestic Industry is significantly lower than import price from the subject countries. Therefore, there is no negative price effect with respect to imports from the subject country.
- iv. Domestic industry accepted that decline in the performance in the period 2012-13 on the above parameters was due to a decline in the demand which was due to an impact on the major consumer sectors of the goods. However, post 2012-13 and 2013-14, all the performance indicators improved.
- v. The capacity utilization of the Petitioners is at nearly 90% which is a strong indication of a thriving industry.
- vi. Profits for the domestic industry's operations in the domestic market have increased by 40% in the POI as compared to 2011-12. The cash profits have increased by 13% and the PBIT by 38% in the POI as compared to 2011-12. Even the range of the ROCE has increased to 20-30% in the POI as compared to 2011-12. Companies that have a ROCE of 20-30% cannot be considered as companies that are being injured or being threatened with injury.
- vii. Inventories have declined by nearly 50% in the POI as against 2011-12. In addition, inventory levels have steadily declined over the course of the injury period and the POI.

Examination by the Authority

57. The injury analysis made by the Authority addresses various arguments put forth by the interested parties in their submissions, at relevant places.
58. Rule 11 of the AD Rules read with its Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...”. While 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.
59. 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 supra.
60. The present investigation is a sunset review of anti-dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutatis mutandis in case of a review as well. The Authority has, therefore, determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. Further, since anti-dumping duties are in force on imports of the product under consideration, the Authority considers whether the existing anti-dumping duties on the imports of subject goods from the subject countries are required to be considered while examining injury to the domestic industry. The Authority has examined whether the existing anti-dumping measure is sufficient or not to counteract the dumping which is causing injury.
61. According to Section 9(A)(5) of the Customs Tariff Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.
62. According to Section 9(A)(5) of the Customs Tariff Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a

further period of five years and such further period shall commence from the date of order of such extension.

63. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any.

I. Assessment of Demand/Apparent Consumption

64. The Authority has considered the transaction-wise import data procured from DGCI&S for the assessment of volume and value of imports from the subject country and other countries. The Authority has considered sum of domestic sales of the Indian Producers and imports from all sources to define the demand or apparent consumption of the product in India. The demand so assessed is shown in the following table:

Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Sales of Domestic industry	MT	49,307	45,114	43,865	49,767
Sales of Other domestic producers	MT	10,000	10,000	11,700	12,400
Imports from Subject country	MT	18,028	16,765	15,087	16,922
Imports from other countries	MT	7,518	4,075	2,687	10,629
Total Demand	MT	84,853	75,954	73,339	89,718

65. It is noted that the demand declined in 2012-13 and 2013-14 as compared to base year and thereafter increased in the POI. Petitioners have submitted that the decline in 2012-14 was for the reason that during this period there was a slowdown in all the major consumer sectors of the subject goods such as Wind Energy, Pipe/Infrastructure industries, telecom industries and automobile industries.

II. Volume Effects of Dumped Imports

Import Volume and Market Share

66. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports either in absolute terms or relative to production or consumption in India. Annexure II (ii) of the anti-dumping rules provides as under:

“While examining the volume of dumped imports, the said authority shall consider whether there has been significant increase in the dumped imports either in absolute terms or relative in production or consumption in India”

67. The volume of imports of the subject good from the subject country have been analysed as under:

Particulars	UOM	2011-12	2012-13	2013-14	POI
Imports Volume					
China	MT	18,028	16,765	15,087	16,922
Other Countries	MT	7,518	4,075	2,687	10,629
Total	MT	25,546	20,840	17,774	27,551
Share in Imports					
China	%	71%	80%	85%	61%
Other Countries	%	29%	20%	15%	39%
Total	%	100%	100%	100%	100%
Total Imports in relation to					
Production (DI)	%	35%	32%	24%	37%
Consumption	%	30%	27%	24%	31%
Subject country's imports in relation to					
Indian Production	%	22%	22%	18%	19%
Consumption	%	21%	22%	21%	19%

68. It is seen that imports from subject country are significant though they have declined over the injury period as a result of anti-dumping duty in force. Imports have also remained significant in relation to production and consumption in India.

III. Price effect of dumped imports and impact on domestic industry

69. The impact on the prices of the domestic industry on account of dumped imports of the subject goods from the subject country have been examined with reference to price undercutting, price underselling, price suppression and price depression. 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 landed value of dumped imports of subject goods from the subject country.

70. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission incurred by the domestic industry have been adjusted. The price underselling is an important indicator of assessment of injury; thus, the Authority has worked out a non-injurious price and compared the same with the landed value to arrive at the extent of price underselling. The non-injurious price has been evaluated for the domestic industry as per its consistent practices by appropriately considering the cost of production for the product under consideration during the POI. The position is as follows:

i. Price Undercutting

71. Price undercutting has been determined by comparing the export price from subject country with the domestic selling price in India of the subject goods for the period.

S. No.	Subject country	Units	2011-12	2012-13	2013-14	2014-15
1	Import Volume	MT	18,028	16,765	15,087	16,922

2	Landed Value of Imports	Rs./KG	49	54	56	59
3	Net Sales Realization	Rs./KG	***	***	***	***
4.	Net Sales Realization	Rs./KG Indexed	100	103	113	123
5	Price Undercutting	Rs./KG	***	***	***	***
6.	Price Undercutting	Rs./KG Indexed	100	83	111	132
7	Price Undercutting	%	***	***	***	***
8	Price Undercutting Range	%	25-35	20-30	25-35	30-40

72. It is noted that the landed price of imports is below the selling prices of domestic industry despite existence of anti-dumping duty signifying significant positive price undercutting in the event of cessation of anti-dumping duties leading to injury to the domestic industry.

ii. Price Suppression/ Depression

73. In order to determine whether the imports of the product under consideration are suppressing or depressing the prices of the product under consideration in the domestic market, the Authority has considered the trends in the cost of sales and the sales revenue for the domestic industry as per the data provided by the domestic industry. The relevant information is given below.

Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Landed Value of Imports	Rs./Kg	49.24	53.73	55.70	59.22
Trend	Index	100	109	113	120
Cost of Sales	Rs./Kg	***	***	***	***
Trend	Index	100	116	118	141
Selling price	Rs./Kg	***	***	***	***
Trend	Index	100	103	113	123

74. It is noted that both, cost of sales and selling price of the domestic industry, has increased over the injury period. Thus, the imports are not suppressing or depressing the prices of the domestic industry. However, landed price of imports without ADD is even below the level of cost of sales of the domestic industry. Thus, cessation of anti-dumping duties is likely to lead to increase in low priced imports causing significant price suppression and depression in the domestic market.

iii. Price Underselling

75. For the purpose of determining price underselling, comparison has been made between the landed price of imports and non-injurious price. The price underselling margins as under:

Particulars	Unit	China PR
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Non Injurious Price	Rs./MT	***
Landed Value (POI)	Rs./MT	59.22
Price Underselling	Rs./MT	***
Underselling	%	*** %
Underselling	% Range	30-40

76. It is noted from the above table that the domestic industry has suffered significant price underselling during the investigation period on account of imports of the subject goods from the subject country.

IV. Examination of other economic parameters of the domestic industry

77. Annexure II to the Anti-dumping Rules requires that a determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of like product. The Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments 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.

78. The various injury parameters as above relating to the domestic industry have been examined as follows:

i. Capacity, production, capacity utilization and sales

79. The table below shows the capacity, production, capacity utilization and sales of the domestic industry for the product under consideration during the injury investigation period.

Particulars	Unit	2011-12	2012-13	2013-14	POI
Capacity	MT	89,511	89,511	89,511	89,511
Production	MT	73,241	64,862	72,699	75,369
Captive	MT	5,293	5,890	8,078	8,156
Capacity Utilization	%	82%	72%	81%	84%
Domestic Sales	MT	49,307	45,114	43,865	49,767

80. It is noted that the capacity of the domestic industry increased marginally in 2013-14. Production, capacity utilisation, and domestic sales volume declined in 2012-13 but increased thereafter. The decline in these parameters for the 2012-13 was in view of the decline in demand.

b. Market share in Demand

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

Particulars	Unit	2011-12	2012-13	2013-14	POI
Subject country	%	21.25	22.07	20.57	18.86
Other Countries	%	8.86	5.37	3.66	11.85
Domestic industry	%	58.11	59.40	59.81	55.47
Other domestic producer	%	11.79	13.17	15.95	13.82
Domestic producers as a whole	%	69.89	72.56	75.76	69.29

82. It is noted that the market share of domestic industry has increased whereas market share of the subject country has declined over the injury period as a positive effect of anti-dumping duty in force.

c. Impact on profit/loss, cash flow and return on capital employed

83. Performance of the domestic industry with respect to the product under consideration has been examined in terms of the profit/loss, cash flow and return on capital employed, as follows:

Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of sales	Rs./Kg	***	***	***	***
Trend	Indexed	100	116	118	141
Selling price	Rs./Kg	***	***	***	***
Trend	Indexed	100	103	113	123
Profit/(Loss) per unit	Rs./Kg	***	***	***	***
Trend	Indexed	100	13	79	3
Profit/(Loss) - total	Rs. Lacs	***	***	***	***
Trend	Indexed	100	12	70	3
Cash Profit	Rs. Lacs	***	***	***	***
Trend	Indexed	100	48	86	115
ROCE	%	***	***	***	***
ROCE	Range %	5-15	0-10	0-10	0-10

84. The Authority notes that the profit, cash profit and return on investment declined in 2012-13 and increased thereafter in 2013-14. All these parameters have shown a steep downward trend during POI as compared to the previous year.

d. Employment and Wages

85. The position of the domestic industry with regard to employment and wages is as follows:

Particulars	Unit	2011-12	2012-13	2013-14	2014-15
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Employment	No	***	***	***	***
Trend	Indexed	100	100	95	94
Wages	Rs lakh	***	***	***	***
Trend	Indexed	100	123	145	149
Productivity per person per day	Kg.	282	250	294	309

86. Since the domestic industry is a multi-product company, employment is not an indicator of the adverse effect of dumping. It is however noted that employment level of the domestic industry has declined over the injury period whereas wages paid have increased.

e. Inventories

87. The inventory level with the domestic industry has declined as follows:

Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Average Stock	MT	***	***	***	***
Trend	Index	100	94	76	59

f. Productivity

88. The productivity per day and per employee of the domestic industry has increased over the injury period as can be seen from the table below:

Particulars	Unit	2011-12	2012-13	2013-14	POI
Productivity per day	MT	***	***	***	***
Trend	Indexed	100	89	99	103
Productivity per employee	MT	***	***	***	***
Trend	Indexed	100	88	104	109

g. Ability to raise capital investments

89. The Authority notes that the profitability of the domestic industry has improved during the injury period therefore the domestic industry is in a position to raise capital and investment. Petitioners have however submitted that one of the critical parts of the manufacturing unit (product under consideration) is its furnace and the typical life of the same is around 10 years. The existing furnace at both the petitioners plant are due for rebuild by end of 2016 or early 2017 which would involve an investment of about Rs. 250 crores and with an additional capacity of 30-35 KT. Thus, if the measures are allowed to expire the petitioners' capability to raise the capital investment would be jeopardised.

h. Growth

90. The domestic industry has grown in terms of production, sales volume, market share, profits, return on investment and cash profits after decline in 2012-13. However, the

imports continue to enter the domestic market at dumped prices and are undercutting the prices of the domestic industry.

Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Production	%	-	-11%	12%	4%
Domestic Sales Volume	%	-	-9%	-3%	13%
Cost of Sales	%	-	16%	1%	20%
Selling Price	%	-	3%	9%	9%
Profit/ Loss per unit	%	-	-87%	516%	-97%

i. Magnitude of Dumping

91. Magnitude of dumping, as an indicator of the extent to which the dumped imports can cause injury to the domestic industry, shows that the dumping margins determined against the subject country continues to be above de minimis and significant.

J. Magnitude of injury and injury margin

92. The Authority has determined the non-injurious price for the domestic industry, taking into consideration the cost of production of the domestic industry. The domestic industry contended that the authority should allow return on investment considering that significant investments are already depreciated and therefore either the authority should allow return on investment after considering market value of these investments or at least a higher rate of return. The authority has however followed its consistent practice of allowing 22% return on investment. The non-injurious price of the domestic industry has been compared with the landed value of the subject goods from the subject country to determine the injury margin. The NIP has been determined for various types of PUC namely Direct Rovings, Assembled Rovings, Chopped Strands and Chopped Strand Mats. The injury margin has been worked out as follows:

Particulars	Non-Injurious Price	Landed Value	Injury Margin	Injury Margin	Injury Margin Range
Unit	US\$/Kg	US\$/Kg	US\$/Kg	%	%
Jushi Group Co. Ltd. Tongxiang	***	***	***	***	15-25
Jushi Group Jjiuang Co. Ltd	***	***	***	***	20-30
Jushi Group	***	***	***	***	15-25
Chongqing Polycomp International Corp.	***	***	***	***	15-25
Taishan Fibreglass Inc.	***	***	***	***	20-30
Non Co-operative Exporter	***	***	***	***	40-50

K. Causal Link

93. The Rules mandates the Authority to examine the causal links between the dumped imports and the injury caused to the domestic industry on account of the dumped imports. The following issues have been brought to the notice of the authority and examined as per information available for the non-attribution analysis:
- i. **Contraction in demand:** There has been rise in demand of the product concerned over the injury period. Possible decline in demand cannot be considered as a possible reason of injury to the Domestic Industry
 - ii. **Pattern of consumption:** - There is no significant change in the pattern of consumption for the subject goods affecting the conditions of the domestic industry.
 - iii. **Conditions of competition:** - The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.
 - iv. **Developments in technology:** - The Authority notes that the investigation has not shown that there was any significant change in technology in the manufacturing process or usage of the product
 - v. **Export performance of the domestic industry:** - The volume of exports of the domestic industry has increased during the injury investigation with a slight decline in the POI. In any case, the performance of the domestic industry has been segregated and analysed for its domestic operations only.

L. Conclusion on Injury and Causal Link

94. It is noted that growth of the domestic industry in terms of all economic parameters like production, capacity utilization, domestic sales, market share, profits, cash profits and return on capital employed has been positive. There is thus no adverse effect on the economic parameters of the domestic industry during the POI on account of subject imports. However, there is significant injury on account of dumped imports in terms of price undercutting, underselling, price suppression and depression

M. Likelihood of Continuation or Recurrence of Dumping and Injury

95. The Authority observed that this is a sunset review investigation and the focus of this investigation is to examine the likely scenario of injury if the duties were to be removed, even if there is no current injury. The subject imports have, even though, declined are still entering into the domestic market and dumped and injurious price.

Views of the Domestic Industry

96. Following submissions have been made by the domestic industry with regard to likelihood of continuation or recurrence of dumping and injury:

- i.* China is attracting anti-dumping duties imposed by European Commission since 2010. The European Commission has recently enhanced the anti-dumping duty on China by undertaking an interim review and has also imposed anti subsidy duty on imports of subject goods from China. This clearly indicates the intensity at which the goods are being exported by the subject country.
- ii.* Imports have increased by 316% from the base year of the original investigation, whereas demand has increased by 136%. Thus imports have increased more than increase in demand despite existence of anti-dumping duty as can be seen from the below table. It is likely that revocation of duties would lead to further increase in imports and the domestic market being taken away by imports.
- iii.* Dumping Margins determined in previous investigations and present petition are positive and significant. This clearly shows likelihood of dumping and consequent injury in the event of cessation of anti-dumping duty. In the previous investigation the Authority attributed a dumping margin ranging from 25%-60% for both cooperating and non-cooperating exporters. In the current investigation, the dumping margin determined for all products is 16%.

Producer	Capacity (000 MT)
Jushi Group Co., Ltd	1,000
Chongqing Polycomp International Corp.	448
Taishan Fiberglass Inc. and Taishan Fibreglass (zoucheng) Co., Ltd.	425
Weibo	170
Shandong Fiberglass Composite Materials Co., Ltd.	180
Jiangsu Changhai Composite Materials Co. Ltd.	100
Changzhou tianma group Co. Ltd	30
PPG Sinoma Jingjing Fiber Glass Co.Ltd.	60
Xingtai JinNiu Fiber Glass Co.,Ltd.	60
Jiangsu Jiuding New Material Co,Ltd	70
Total	2543

- iv.* Producers of subject goods in the subject country maintain huge capacities. Domestic industry has provided the following information on the estimated capacities of some of producers in China to illustrate the fact of surplus capacities in these countries enabling them to dump the goods in the event of revocation of the duty. Relevant information showing the production capacities with producers from subject country is shown in table below:
- v.* The petitioners also relied upon the Global and China Glass Fiber Industry Report, 2012 – 2015 referred to by the European Glass Fiber Producers Association in its application for imposition of countervailing duties continuous filament glass fiber products, the capacity with the producers from China increased to above 4 million MT and the consumption of China was

approximately 1,874,000 MT in 2012 much below the level of the productions of the producers from China.

- vi.* The petitioners submitted that the average prices at which subject goods are being exported to third countries are much lower than the export price to India as per China Customs data. It thus shows that China is capable of exporting goods at much lower price. Cessation of anti-dumping duty would make the Indian market more lucrative and the producers would start exporting at increased intensity at prices that will cause significant injury to the domestic industry.

Year	India		To World	
	Quantity (MT)	USD/KG	Quantity (MT)	USD/KG
2007	35,165	1.2	7,48,689	1.1
2008	43,277	1.3	8,57,711	1.3
2009	48,420	1.0	6,23,782	1.1
2010	57,505	1.1	8,11,707	1.1
2011	49,329	1.3	8,91,991	1.2
2012	42,934	1.3	9,27,016	1.2
2013	31,114	1.4	9,24,685	1.2
2014	37,806	1.3	9,29,138	1.2

- vii.* Public research shows that, in 2012, Chinese production was around 3 million MT. The total available capacity would be much higher than the production level of the subject country. Glass fibre industry is an encouraged industry in China and the production and supply of Glass fibre is expected to further increase as is evidenced by the findings by the EC. Jushi plans to increase its capacity to 1.5 million tons accounting for 25% of the global production and plans to export 50% of it. Taishan fibreglass announced in 2013, its plan to operate a glass fibre furnace capable of producing 80,000 MT/year.
- viii.* The petitioners have analyzed the exports from China to third countries as per China customs. It is seen that exports to the tune of 141,388 MT made by China to third countries, are at dumped prices, which is more than the total demand in India. Further, dumped exports by China are significant in relation to production, sales and consumption in India.
- ix.* Comparison of the landed price of imports with that of the selling price of the Domestic Industry shows significant price undercutting. Should the present anti-dumping duty be revoked, it is evident that exporters would further increase their exports in the Indian market, given the huge capacities with them, causing injury to the Domestic Industry.

Views of other Interested Parties

97. There is no likelihood of continuation or recurrence of dumping and injury to the domestic industry based on the factors below:

- i. During the injury period and the POI, imports from subject country have declined steadily both in absolute terms and in relation to production and consumption.
- ii. There is no dumping during the POI and post POI period, there is no likelihood of recurrence of any dumping.
- iii. There is no evidence to establish that there are huge unused capacities in China in regard to production of the subject goods.
- iv. Reference to investigations by the European Commission are not relevant as the duty should be determined based on the facts and data submitted in the instant investigation.
- v. An unsubstantiated table, stating increased capacities in China without any information source does not prove an increase in capacity of exporters. In fact as many as 16 Chinese fiberglass kilns has entered cold repair period and backward capacity was eliminated just before the POI in the current investigation.
- vi. Mere availability of capacity is not a sufficient ground to conclude that there will be likelihood or continuation of dumping and subsequent injury.
- vii. Post POI data is used to analyse the likelihood of continuation or recurrence of dumping and injury. Post POI data is to be analysed only if the Domestic Industry has not suffered injury in the POI.
- viii. The findings of other authorities should not impact Indian Authority and there cannot be a selective approach of adopting European Commission principles and not others.
- ix. Level of current and past dumping margins is irrelevant as the present investigation is for examining injury and dumping for a fresh period.
- x. Imposition of antidumping duty by EU does not imply increased imports in India and there is no evidence for it and that import in India is a fact because of demand supply gap.

Examination by the Authority

98. The Authority has examined the contention of the domestic industry and other interested parties to examine likelihood of continuation or recurrence of dumping and injury. The following analysis shows whether there is likelihood of continuation or recurrence of dumping and injury to the domestic industry in the event of revocation of antidumping duties:

a. Positive dumping margin and injury margin despite anti-dumping duty

99. The Authority notes that even though subject imports have declined over the injury period, the dumping margin and injury margin continues to remain positive. Thus, producers from subject country are likely to intensify dumping and cause injury to the domestic industry in the event of cessation of antidumping duty.

b. Antidumping measure by other country

100. It is noted that European commission has carried out anti-dumping investigations and anti-subsidy investigations and imposed anti-dumping duties and countervailing duties on producers and exporters of the subject goods from subject country. Imposition of duty has been enhanced through interim review and an expiry review is being currently undertaken. This clearly indicated the inclination of exporters in the subject country to export goods at dumped prices.

c. Dumping Margin determined in previous and present investigations

101. The Authority notes that the Dumping Margin determined in previous investigations and present investigation are significant which indicates likelihood of continuation of dumping and consequent injury in the event of cessation of anti-dumping duty.

d. Excess production capacity of the producers

102. Domestic industry has submitted and has placed on record various documents showing high export orientation by Chinese producers and significant capacity availability with these producers. As per records, producers in China have large production capacities for the subject goods, much more than the domestic demand in India. In the event of revocation of existing anti-dumping duties, there is a strong likelihood of dumping of the product in India. Domestic industry has submitted that Glass fibre industry is an encouraged industry in China and the production and supply of Glass fibre is expected to further increase.

e. Price undercutting in the absence of measures

103. The Authority examined the effect of cessation of anti-dumping duty in terms of price undercutting effect on the prices of the domestic industry in the market and its consequent impact on the domestic industry. It is noted that the price undercutting with and without anti-dumping duty is high in the POI. Thus, the Authority notes that it is evident that if anti-dumping duties currently in place are allowed to expire; the imports would cause severe price undercutting which would cause material injury to the Domestic Industry.

f. Exports to India are at prices higher than prices for the rest of the World

104. The Authority has considered the average prices data provided by the Petitioner at which subject goods are being exported to third countries and to India as per China Customs data. It is noted that the average price at which subject goods are being exported by subject country to third countries are lower than the export price to India, which itself is at dumped price. It is thus noted that the exports to third countries are at much lower dumped price. Cessation of anti-dumping duty is likely to make the Indian

market more lucrative and the producers from subject country would start exporting at increased intensity at prices that will cause significant injury to the domestic industry.

J. Causal Link

105. Under Section 9A (5) of the Act, the Authority is required to examine the likelihood of dumping and injury and the need for continuation of duties. The investigation has shown that the imports were at dumped prices, the domestic industry has once again suffered injury and the volume is likely to increase if antidumping duty were allowed to be ceased. Notwithstanding, the Authority has examined whether other listed known factors could have caused or are likely to cause injury to the domestic industry.

- a) Imports from third countries: - Imports from third countries are either negligible in volume or higher in prices. Third country imports are unlikely to cause injury to the domestic industry.
- b) Demand for the product: - There is no contraction in demand for the product under consideration and therefore claimed injury to the domestic industry cannot be due to possible contraction in demand.
- c) Changes in the patterns of consumption: - The pattern of consumption with regard to the product under consideration has not undergone any change. Change in the pattern of consumption is unlikely to contribute to the injury to the domestic industry.
- d) Trade restrictive practices of and competition between the foreign and domestic producers: - There is no trade restrictive practice which can contribute to the injury to the domestic industry.
- e) Developments in technology: - It is noted that the technology for production of the product has neither undergone any material change. Developments in technology, therefore, do not appear to be a possible factor of injury.
- f) Performance of other products produced and sold by the domestic industry: - The domestic industry is a multi-product company. However, injury analysis has been made with respect to the product under consideration only.
- g) Export performance: - the domestic industry has claimed injury only on the account of the domestic operations. The authority has segregated export performance at appropriate places.

K. POST DISCLOSURE COMMENTS

Views of the Domestic Industry

106. The comments submitted by DI have been summarized and are as below:

- i. UP Twiga cannot be entertained as an interested party for the reason that the company has not filed importer's questionnaire response. This directly emanates from the decision of the Hon'ble CESTAT in the matter of Merino Panel Products Ltd. vs. Designated Authority. Had the importer filed questionnaire response well in time, it could have been perhaps treated as an interested party.
- ii. The product under consideration has been reported under customs classification other than the specified, and further since there are a number of product types which are within the scope of the PUC and a number of product types which are beyond the scope of the product under consideration. Therefore, the Designated Authority has been requested to specify in duty table the product under consideration which should attract duty regardless of the customs classifications under which goods are being cleared by the importers. Anything mentioned in the para relating to "product under consideration" but not stated in duty table is likely to get ignored while issuing notification by the Ministry of Finance. Further, the Customs authorities at the port consider and rely upon the notifications issued by the MOF.
- iii. The petitioner has not imported the product under consideration from China. Petitioner has imported glass fiber from third countries.
- iv. Both E glass fibers and C glass fibers are nothing but part of product under consideration. The product under consideration has been categorized into various categories at the time of original investigations and in the present investigation. By the importer's own admission, when glass fiber is much cheaper and if these are allowed to be imported, the domestic industry shall suffer injury.
- v. Petitioner had not included glass fabric within the scope of product under consideration at the time of original investigation. Present case being a sunset review, Petitioner in any case cannot enhance scope of the product under consideration in a review investigation. In any case, merely because glass fabric is being imported into the Country at dumped prices, the same does not imply that the Authority should exclude the product being produced and supplied by the domestic industry.
- vi. The imposition of anti-dumping has led to improvement in the performance of the domestic industry in terms of production, sales, capacity utilization, profitability. However, imports of the product under consideration increased during the POI in absolute terms, and have remained significant in relation to production and consumption of the subject goods in India. Increase in imports is much more than the increase in demand.
- vii. Price undercutting without anti-dumping duty is significantly positive. There is significant injury on account of dumped imports in terms of price undercutting, underselling, price suppression and depression.
- viii. It has been repeatedly held by the CESTAT and the Designated Authority that in case the price undercutting, dumping margin and injury margin are positive and with the

volume of imports as high as the present, the only inescapable conclusion shall be that the withdrawal of anti-dumping duty shall lead to injury to the domestic industry.

- ix. Petitioners are almost at the last stage of finalizing their plans to invest over Rs. *** Crores in rebuilding the furnace. This is likely to expand their capacity up to *** MT in India. The cost of production and NIP of the domestic industry is likely to increase the moment these investments are commercialized, given that the Designated Authority has considered historical costs and return on the same for determining NIP.
- x. EU is at present conducting a sunset review in the product under consideration for imports from China (in fact, the scope of the product under consideration in Europe is larger than India).
- xi. This further establishes likelihood of dumping and consequent injury to the domestic industry in the event of cessation of anti-dumping duty.
- xii. The average prices at which subject goods are being exported to third countries are lower than the export price to India. Further, exports to India are at dumped prices.
- xiii. Domestic industry submitted that anti-dumping duty may be imposed as percentage of the CIF value of imports of the subject goods from the subject country (ad valorem form of duty).

Views of other interested parties

107. The brief summary of the comments submitted by opposing interested parties (exporter/importer/users) is as below:
 - i. The total demand differs from that of the petition. There is significant difference between the figures recorded by the Authority and those provided by the petitioner. This indicates that the initiation of the sunset review investigation was based on flawed petition. Respondent is unaware of the reason for the change in the data sets that have been relied upon by the Authority in the investigation.
 - ii. As per original data in petition, demand assessment while there was 1% decline in demand during the POI, the import volume from China has seen a 33% decline during the POI. As per the revised data also, the demand has increased by 6%, whereas the imports from China has decreased by 6% during the POI as compared to the base year 2011-12. In view of these trends there is no case for continuing with the existing antidumping duties against China.
 - iii. There are two types of configuration of fibreglass: (1) Filament made from E-glass and (2) Filament made from C-glass. E-glass is electrical grade glass filament and C-glass fibres are chemical resistant glass fibre yarns. Rovings made from C-glass yarn are much cheaper than rovings made from E-glass. The Indian producers are not manufacturing C-glass roving and import of C-type of rovings should be allowed. Levy of anti-dumping duty in India has rendered Chinese rovings more expensive so China has started to export fabrics/ woven rovings made out of their cheap C glass rovings without attracting ADD

and killing the woven fabric industry. The duties should therefore be removed from entire roving industry.

- iv. The imports share from China has decreased while that of other countries has increased. The imports from China have seen a decline even when there is an increase in demand; also imports from other countries have substantially increased by 41% during the POI No volume injury caused to domestic industry.
- v. In spite of the alleged dumping from China PR, the Domestic Industry is selling the subject goods at a price which is higher than the NIP determined by the Authority. Thus, significant injury in terms of price underselling is incorrect.
- vi. Capacity, production, capacity utilization, domestic sales, market share in demand, profit/loss, cash flow and ROCE, profitability has increased over the injury period as noted by the Authority.
- vii. Given the fact that NIP is lower than the net sales realization of the Domestic Industry, the determination of injury margin or presence of positive injury margin is irrelevant.
- viii. With regard to Causal Link, the Authority disregarded the following arguments of the Exporter:
 - a. Volume and value of imports from countries other than China PR (Egypt, Mexico, United States and Thailand) may be causing injury to the Petitioners. Import prices, especially from Egypt and United States are around the same range as import prices of subject goods from China PR.
 - b. Demand of subject goods had fluctuated heavily throughout the injury period. Despite recovery of demand in period of investigation, there was meager increase in imports from China.
 - c. There has been a sharp decline in profitability of the Petitioners on account of its export performance, which suggests that injury, if any, is self-inflicted.
- ix. The action by the European authorities is irrelevant with respect to the present investigation. The Authority has not considered that currently expiry review by the European authorities is in process and it is entirely possible that anti-dumping duty is withdrawn after such review.
- x. There is no evidence in the disclosure regarding the fact that Chinese producers have large production capacities and the glass fibre industry is an encouraged industry in China.
- xi. The Authority notes that exports to India are at higher prices than the rest of the world. However, the source data has not been placed on the public file for a closer scrutiny by the Exporter. Furthermore, as per the information provided by CPIC, the exports to third countries are priced higher than exports to India, both in the period of investigation and in six months post investigation period.

- xii. The wording for the exclusion is for all types of glass woven rovings and chopped may be clearly paraphrased to avoid future confusion.
- xiii. The methodology for determination of Non-Injurious Price that has been adopted by the Hon'ble Designated Authority is unclear. The details of the working may be shared with the interested parties. The Authority has wrongly granted 22% rate of return to the domestic industry. In determining the non-injurious price for domestic industry, the statute provides for a reasonable rate of return to be included. In the case of Indian Spinners Association v. Designated Authority reported at 2004 (170) E.L.T. 144 (Tri. - Del.) the Hon'ble CESTAT highlighted the importance of considering the historical rate of return of the domestic industry to determine the RoCE to be adopted in arriving at the non-injurious price.
- xiv. The Authority has erroneously determined the raw material cost based on consumption over the POI. The Authority is mandated to consider "the best utilization of raw materials by the domestic industry, over the past three years period and the period of investigation".
- xv. The Authority has noted in the disclosure statement that under the Rules the Authority is required to consider the resale price of the products in order to examine the effect of these imports on the domestic prices. However, the legal provision on the basis of which Authority has concluded that such an examination is required is questionable.
- xvi. By the findings of the Authority itself, there is a decline of volume of imports from China PR in absolute numbers. At the same time, there is an increase in the imports from other countries. The Authority has accepted in paragraph 73 of the disclosure statement that imports from the subject country are not suppressing or depressing prices of the domestic industry.
- xvii. The Authority is requested to take into account the impact that imports from other countries have on the performance of the domestic industry. In particular, the share has increased from 3.66 % in 2013-14 to 11.85% in the POI. There has been a significant increase with respect to imports from other countries.
- xviii. Capacity, production, capacity utilization, domestic sales, market share in demand, profit/loss, cash flow and ROCE, profitability have increase over the injury period as noted by the Authority.
- xix. With regard to likelihood of continuation or recurrence of dumping and injury:
- a. Imposition of duties by other authorities should not impact the decision of the Indian Authority.
 - b. There has been no increase in the volume of imports from the subject country over the last 4 years. As a matter of fact, imports from other countries have increased substantially mainly due to imports by the domestic industry itself.

- c. Merely the presence of large capacities does not translate into surplus capacities. In particular, the Chinese companies have been functioning at high utilization figures which indicates that there is no reason to conclude that imports to India will increase if the duty is removed.
 - d. The fact that China is exporting to third countries is no indication that it is engaged in dumping. In addition, Respondent submits that Owens Corning also has an affiliate company in China which by implication will also be contributing to this alleged dumping to third countries.
- xx. The Authority must undertake 'likelihood determination' as per obligations under Article 11.3 in accordance with certain parameters. Post POI data must be taken into consideration while undertaking an analysis. It is crucial that this requirement is complied with in the present matter because no injury has been proven to exist and the Authority must carry out the due projections to justify any extension of duty.
- xxi. The power of the Authority in a sunset review is restricted only to the continuation or withdrawal of Duty and not for its enhancement. Without prejudice to the contention that there is no dumping of the subject goods and that the subject goods are not causing any injury to the domestic industry, the purpose of a sunset review is to examine whether continuation of anti-dumping duty is warranted in light of the likelihood of dumping and injury due to imports of the product under consideration.
- xxii. An anti-dumping duty can only be extended if there's an affirmative finding that cessation of duty is likely to lead to continuation or recurrence of dumping and injury. Continuation of duty by SSR is an exception, rather than a rule.
- xxiii. The DI cannot cater to the domestic demand, therefore imports from other countries including subject countries becomes imperative. Even after the imposition of the anti-dumping duty the imports have more or less remained the same especially due to the demand supply gap.
- xxiv. M/s Taishan made limited exports of an off grade product known as 'Waste' which is a scrap and off cut of CSM from the production process. The sales price of Waste is much lower than other grades. Quantity of Waste exported to India is less than 2% of the total exports made by Taishan in the POI. Waste should be excluded from the scope of product under consideration due to vast differences in physical characteristics as well as price compared to subject goods.
- xxv. Though Taishan has not claimed MET status it has worked under market economy conditions. Taishan has requested the authority to calculate Normal Value based on the data given by Taishan.
- xxvi. Since there is no output VAT applicable on exports, the producer cannot collect and output VAT from the overseas buyers. However, it can claim VAT rebate against the input VAT so paid. The Authority should take the aforesaid into consideration and the respondent disputes the calculation of the dumping margin.

- xxvii. The demand of the subject goods has increase in absolute terms, the domestic sale has increase, the domestic sales of other domestic producers have increased, and the volume of imports from China has decreased. Market share of imports from China has reduced from the base year in the period of investigation whereas the share of imports from other countries has increased.
- xxviii. There is no price undercutting caused due to imports from China. The selling price of the domestic industry has increased over the injury period. However, it has erroneously concluded that the landed price of imports without ADD is even below the level of cost of sales of the domestic industry.
- xxix. The laded value of imports of the subject goods from China has shown an increasing trend. The price underselling, if any, is due to other factors. Per unit as well as total profit, ROCE, cash profits, all are positive. There is no injury as per any of the economic parameters of the domestic industry.

Examination by the authority

108. The issues/ contentions raised by all the interested parties and domestic Industry have been dealt with in detail in the preceding paragraphs, however, for sake of clarity they are being again addressed in following paragraphs:
- a. As regards the contention that the data provided in the petition & submissions made by petitioners are different from the data contained in the disclosure statement, the authority clarifies that the petition was based on secondary sources data procured by the petitioner; while the Authority has relied upon DGCI&S transaction wise data obtained subsequently during the course of investigations. Information in the disclosure statement is based on verified information, whereas the information in the petition was based on petitioners' claims. The purpose of conducting investigations is to establish correct facts. Further, since the present case is a sunset review, the authority is required to consider volume of imports for the purpose of undertaking likelihood analysis, as opposed to an original investigation wherein the volume of imports is relevant to determine whether imports have caused material injury to the domestic industry.
 - b. As regard E-Glass Fibre and C-Glass Fibre, the authority notes that both are part of the PUC and therefore there cannot be a case for any exclusion of these product types. The authority notes that the petitioner is also selling glass rovings in the market and dumping margin & injury margin have been determined for four different variants of PUC i.e. Direct Rovings, Assembled Rovings, Chopped Strands and Chopped Strand Mats. The PUC has not been identified grade wise or tex wise during the original investigation or the present review investigation.
 - c. As regards demand for the product under consideration, the Authority notes that the overall demand for the product over the injury period shows increasing trend. Further, imports from China have shown a decline till 2013-14 but picked up an increase during POI. Since present investigation is a sunset review investigation, existence of injury to the domestic industry on all parameters is not a pre-requisite for determining likelihood of

continuation or recurrence of dumping and injury to the domestic industry. The authority is not required to determine whether the domestic industry suffered material injury. The authority is required to determine likelihood of continuation or recurrence of injury to the domestic industry in case of cessation of existing anti-dumping duties. The volume of imports from China during POI constituted 18% of demand/consumption in India, and therefore the volume in itself is quite high and indicative of the likely situation of intensification of imports in the event of cessation of anti-dumping duty.

- d. As regards decline in market share of China in total imports, the Authority notes that share of imports in relation to production and consumption in India during POI was higher than the previous year. Thus, despite anti-dumping duty in force, the volume of imports from China has remained significant in relation to production and consumption in India.
- e. As regards, the contention that the Domestic Industry is selling the subject goods at a price which is higher than the NIP determined by the Authority, is not correct. The authority notes that the selling price of the domestic industry is below the NIP determined by the Authority. In any case, the mere fact that the domestic industry is selling a product at a price above the NIP does not imply unlikelihood of continuation or recurrence of dumping and consequent injury to the domestic industry. The Authority notes that the landed price of imports from China is below the cost of production, selling price and NIP of the domestic industry, implying that the domestic industry shall be forced to reduce the price in the event of cessation of anti-dumping duty and thus affecting the profitability of the domestic industry steeply and the domestic industry shall suffer financial losses. It is also clarified that the price underselling has been seen by comparing NIP with landed price of imports. The Authority therefore considers that positive injury margin in a situation where domestic industry is already selling at a price above NIP is quite relevant.
- f. As regards the contention that economic parameters relating to domestic industry have shown improvement, the Authority notes that analysis in the disclosure statement and in the present findings does not conclude that the performance of the domestic industry has deteriorated in respect of these parameters; nor deterioration in these parameters over present injury period is a pre-requisite for holding that cessation of anti-dumping duty shall lead to injury to the domestic industry. Since the product was attracting anti-dumping duty, the performance of the domestic industry in respect of these economic parameters have shown improvement. What is however required to be seen is that if the anti-dumping duty in force is withdrawn, whether the performance of the domestic industry shall be maintained at the present levels, or, the performance of the domestic industry shall deteriorate. Should the present duties be withdrawn and if the domestic industry maintains its prices, it follows that the consumers shall find Chinese product far cheaper than what it is at present. Considering significant unutilized capacities in China, it therefore follows that the importers/ consumers shall resort to increased imports from China. Resultantly, the domestic industry shall face decline in sales and consequently market share, production, capacity utilization, profits, return on investment and cash flows. Alternatively, if the domestic industry decides to reduce the prices in order to bridge the gap between domestic and imported product in the event of cessation of anti-

dumping duty, the same shall imply that the profitability of the domestic industry shall steeply deteriorate and the domestic industry shall suffer financial losses. Consequently, return on investment and cash flow will also deteriorate. The return on investment and cash profit shall also become negative. Thus, cessation of anti-dumping duty shall lead to deterioration in performance of the domestic industry both in respect of volume and price account.

- g. As regards the contention of the interested parties with regard to causal link, the Authority notes that as far as imports from Egypt and US are concerned, the import price from USA largely represent the imports made by Petitioner. The authority notes that what is relevant here is whether imports from non-subject countries have caused injury to the domestic industry and therefore in view of relationship between the two parties, the Authority has considered sale price of the domestic industry. The import price from US and sale price of the petitioners were examined in detail and it is seen that the sale price of the petitioners are far higher than the import price from China. In any case, there is no evidence that the imports from third countries benchmarked the prices of the domestic industry. If imports from third countries were not benchmarking the prices of the domestic industry, these imports could not have caused injury to the domestic industry.
- h. As regards demand for the product, the Authority notes that while there was some fluctuation in demand, overall demand for the product in India shows a positive trend. Further, even when Indian industry produces at full capacities, the Indian industry shall meet only 69% of the demand for the product in the country. Remaining demand in any case will have to be met through imports. Thus, it is not a case where performance of domestic industry has got impacted due to fluctuation in demand or decline in demand. The authority also notes that it is the consistent practice of the authority that the Indian industry need not have capacities sufficient enough to meet the entire demand for the product in the country. Ability to meet the demand for the product in the country has not been seen as a necessary pre-requisite either for imposition or for continuation of anti-dumping duty. It is also noted that the domestic industry has submitted that they are rebuilding the furnace to expand production capacity in substantial quantities with considerable investments.
- i. As regards sharp decline in profitability of the Petitioners on account of its export performance, the Authority has considered domestic sales, profits, return on investment and cash flow of the domestic industry only for domestic operations. Therefore possible deterioration in export performance in any case has not been considered while examining injury to the domestic industry. The present determination is based on likelihood of injury to the domestic industry. The investigation has shown that the injury to the domestic industry is likely in the event of cessation of existing anti-dumping duty. The authority has not based its determination on a mere possible or plausible situation. The authority has based its determination on the investigation and the verified facts. The verified information of the domestic industry shows that the landed price of imports is materially below the selling price, cost of production and NIP of the domestic industry. Thus cessation of anti-dumping duty shall result in significant price undercutting and underselling. The conclusion has been drawn by the Authority based on positive evidence

relating to cost of production, selling price, NIP determined by the authority and landed price of imports. The domestic industry provided financial data substantiating that the landed price of imports has been below cost of production, selling price, NIP determined by the authority. Thus, the determination is based on facts and not merely allegation, conjecture or remedy possibility.

- j. As regards anti-dumping duty in force in Europe and sunset reviews initiated by Europe, the Authority notes that the very fact of existence of anti-dumping duty, anti-subsidy duty in Europe and the present initiation of anti-dumping and anti-subsidy investigation against China shows that the product was being dumped in the European market. The Authority notes in this regard that the notice of initiation by European Commission states that the dumping margin calculated is significant for the country concerned. The Commission has further found that "the current import level of the product under review from the country concerned to the Union is likely to increase due to the existence of unused capacity of the manufacturing facilities of the exporting producers in the country concerned and the apparent attractiveness of the EU market as evidenced by an increasing demand for and high prices of the product under review".
- k. As regards evidence of surplus production capacities in China, the Authority notes that the petitioners submitted information showing that Chinese producers have capacities to the extent of 25,43,000 MT and Chinese producers are exporting the product in third countries to the extent of 9,29,138 MT as per the approximate details available in public domain knowledge. The interested parties have not refuted the claim of the petitioner domestic industry by providing contrary evidences. The claim of domestic industry with regard to exports to third countries is based on China customs data and the same also has not been refuted. Further, the notice of initiation issued by the EC also states that the import level of the product under review from the China to the Union is likely to increase due to the existence of unused capacity of the manufacturing facilities of the exporting producers in the country concerned, which is based on the petition filed by European domestic industry before EC.
- l. As regards export price from China to third countries, Authority notes that the comparison of export price from China to India and third countries is based on China customs data and the said information is publically available. The Authority further notes that likelihood examination cannot be limited to a particular exporter and is required to be done in respect of exports from China to various global markets by various producers. It is also noted that none of the exporters have established that their exports are unlikely to cause injury to the domestic industry.
- m. As regards determination of NIP, it is clarified that the NIP has been determined on the basis of methodology consistently applied by the Authority. The capital employed has been determined on the basis of book value of the assets. It is consistent practice of authority to grant 22% return on capital employed for determining NIP. The domestic industry in fact contended that the authority should grant higher return in view of peculiar nature of this industry and considering that the present furnace of domestic industry is due for replacement which shall cost huge investment by the domestic industry and therefore

ROI should reflect this investment. The authority has however not considered higher rate of return as demanded by the domestic industry. At the same time, authority considers that it would not be appropriate to grant lower rate of return in the present case. Further, it is clarified that the NIP has been determined at ex-factory level.

- n. As regards proper wordings of excluded products, the authority agrees with the contention of Jushi and has appropriately modified the scope of the product under consideration.
- o. It is clarified that the raw material cost consumption factors have been considered in accordance with annexure-III to the rules. The authority has considered the best utilization of raw materials by the domestic industry over the past three year's period and the period of investigation rates.
- p. As regards the contention that there is decline in volume of import from China and increase in imports from third countries, the authority notes that the volume of imports from China has shown some decline from 2012-13 to 2014-15. Imports from China however increased in the present POI. At the same time, imports by other countries have increased in POI. However, these third country imports are largely by the petitioner from its affiliates, which have been examined in detail and it is found that it cannot be concluded that these third country imports have caused injury to the domestic industry.
- q. As regards the contentions of absence of suppression and depression, the authority notes that the present situation is required to be seen along with the fact that anti-dumping duties is in force. Absence of suppression and depression when anti-dumping duties is in force does not imply no likelihood of suppression or depression when the ADD is allowed to cease. In fact, domestic industry has not suffered suppressing and depressing effect of import on domestic industry price because of anti-dumping duties in force.
- r. The interested parties have contended that mere presence of large capacities in China is insufficient and does not amount to surplus capacities. The interested parties have also contended that Chinese companies have been functioning at high utilized rates. The authority however notes that the information on records shows significant unutilized capacities with the Chinese producers. The authority notes in this regard that none of the responding exporters have provided bill of entry wise details of their export to third countries, despite the fact that this is a mandatory requirement prescribed by the authority. Thus, while the exporters are obliged to provide bill of entry wise details of exports to third countries, these exporters have preferred not to provide relevant information to the authority.
- s. As regards the contention of the interested parties concerning obligation of authority under Article 11.3 of the WTO ADA and the analysis required thereunder, the authority notes that the disclosure statement and present determination in fact is based on such an analysis carried out by the authority.

- t. As regards consideration of Post POI data, the authority notes that the volume of imports in current period is significant enough in absolute terms and in relation to production and consumption in order to show likely behaviour of imports in the event of cessation of anti-dumping duties. Further, the dumping margin and injury margin in respect of present imports are positive. The post POI analysis is required to be undertaken only in a situation where volume of import in the POI is negligible or the dumping margin and injury margin in respect of imports in the POI is negative. Since the dumping margin and injury margin in the present case in the POI itself is positive and further since volume of imports in present POI is significant enough, the authority considers that it is not necessary to examine post POI data.
- u. As regards the fact that the Authority is not empowered to increase the duty structure in sunset review investigation, it is stated this considered appropriate by the Authority and is consistent with the existing practice to modify the extent of duty based on the facts and circumstances of the case.

L. CONCLUSION

109. The Authority has, after considering the foregoing, come to the conclusion that:
- a. The subject goods have been exported to India from the subject country below its normal value;
 - b. The domestic industry has suffered material injury;
 - c. There is a likelihood of recurrence of injury in case of cessation of Anti dumping duties.

M. INDIAN INDUSTRY'S INTEREST AND OTHER ISSUES

110. The Authority recognizes that imposition of antidumping duties might affect the price level of product in India. However, fair competition in Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain two or more sources of supply.
111. The Authority notes that the purpose of antidumping duties, in general, is to eliminate injury caused to the Domestic Industry by unfair trade practices of dumping so as to re-establish a situation of open and fair competition in Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject country in any way, and therefore, would not affect the availability of the products to the consumers.

N. RECOMMENDATIONS

112. 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 aspects of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and

the causal link thereof in terms of the AD Rules and having established positive dumping margins as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that continued imposition of antidumping duty is required to offset dumping and injury.

113. Therefore, the Authority considers it necessary to recommend imposition of advalorem anti-dumping duty on imports of subject goods from the subject country in the form and manner described hereunder.
114. Having regard to the lesser duty rule, the Authority recommends continuation of advalorem anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Therefore, the Authority recommends imposition of the measure in terms of fixed duties. Accordingly, the antidumping duty equal to the amount indicated in Col 8 of the duty table is recommended to be imposed from the date of issue of Notification by the Central Government, on imports of PVC Flex Films originating in or exported from China PR.

1. **Indian industry's interest and other issues**

115. The Authority recognizes that the imposition of anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. 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 duties, therefore, would not affect the availability of the product to the consumers. The Authority notes that the continuation of the anti-dumping measures would not restrict imports from the subject country in any way, and therefore, would not affect the availability of the product to the consumers. The consumers could still maintain two or even more sources of supply.

1. **Conclusion and Recommendation**

116. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority and on the basis of above analysis including analysis of likelihood of continuation or recurrence of dumping and injury and post Disclosure Statement submissions made by the interested parties, the Authority concludes that:
- i. The subject goods from the subject country continue to enter the Indian market at dumped prices. Dumping margin and injury margin are positive and significant.
 - ii. The performance of the domestic industry has improved in various parameters and imposition of anti-dumping duty has prevented dumping causing injury to the domestic industry.

- iii. Price undercutting is likely to be significantly positive in the event of cessation of anti-dumping duty.
- iv. The fact that subject country has significant surplus capacities, exporters from subject country are highly export oriented, and exports made are at a price which is showing significantly positive dumping margin and injury margin, the Authority determines that in the event of withdrawal of the anti-dumping duties, there is likelihood of dumping and injury to the domestic industry.
- v. Therefore, Authority recommends continuation of imposition of anti-dumping measure as an ad valorem duty, to be worked out as a percentage of the CIF value of imports of the subject goods from the subject country. Accordingly, antidumping duty equal to the amount arrived at by applying the percentage indicated in Col 9 of the duty as below is recommended to be imposed on all imports of subject goods originating in or exported from China PR.

Duty Table

Sl. No	Heading	Description of goods	Specification	Country of Origin	Country of Exports	Producer	Exporter	% of CIF Value
1	2	3	4	5	6	7	8	9
1	7019	*Glass Fibre as described below	Glass Fibre as described below	China PR	China PR	Taishan Fiberglass Inc.	Taishan Fiberglass Inc.	33.11
2	7019	*Glass Fibre as described below	Glass Fibre as described below	China PR	China PR	Jushi Group Jiujiang Co. Ltd.	Jushi Group Jiujiang Co. Ltd	24.59
3	7019	*Glass Fibre as described below	Glass Fibre as described below	China PR	China PR	Jushi Group Co. Ltd., Tongxiang	Jushi Group Co. Ltd., Tongxiang	24.59
4	7019	*Glass Fibre as described below	Glass Fibre as described below	China PR	China PR	Chongqing Polycomp International Corporation (CPIC)	Chongqing Polycomp International Corporation (CPIC)	20.46
5	7019	*Glass Fibre as described below	Glass Fibre as described below	China PR	China PR	Any combination other than mentioned in SI No-1 to 4 above		47.15
6	7019	*Glass Fibre as described below	Glass Fibre as described below	China PR	Any country other than China PR	Any	Any	47.15
7	7019	*Glass Fibre as described	Glass Fibre as described	Any country other	China PR	Any	Any	47.15

		below	below	than China PR				
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(* glass fibre, including glass roving (assembled rovings (AR), direct rovings (DR)), glass chopped strands (CS), glass chopped strands mats (CSM). Specifically excluded from the scope of the product under consideration are glass wool, fibre glass wool, fibre glass insulation in wool form, glass yarn, glass woven fabrics, glass fibre fabric, glass woven rovings, chopped strands meant for thermoplastic applications, micro glass fibre used in battery separator, surface mat/surface veil/tissue, wet chopped strands and Cemfil (alkali resistant glass fibre for concrete reinforcement).

117. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the said Act.

118. An appeal against the order of the Central Government arising out of this final finding shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(A.K.Bhalla)

Additional Secretary & Designated Authority