

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

F. No. 6/24/2019-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001

Dated: 05th August, 2020

NOTIFICATION

PRELIMINARY FINDINGS

(OI CASE No: 17/2019)

Subject: Anti-dumping investigations on the imports of “Polyethylene Terephthalate (PET Resin)” originating in or exported from China PR.

A. BACKGROUND OF THE CASE

F. No. 6/24/2019-DGTR: - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred as the Act) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the Anti-Dumping Rules or AD Rules);

1. Whereas, M/s IVL Dhunseri Petrochem Industries Private Limited and M/s Reliance Industries Limited (hereinafter referred to as the applicants or petitioning domestic industry) have filed an application before the Authority in accordance with the Customs Tariff Act, 1975 and the Anti-Dumping Rules for initiation of anti-dumping investigation concerning imports of the Polyethylene Terephthalate (hereinafter also referred to as the product under consideration or the subject goods) from China PR (hereinafter also referred to as the subject country).
2. And whereas, in view of the duly substantiated application filed by the applicants, the Authority in accordance with Section 9 of the Act read with Rule 5 of the Anti-Dumping Rules, initiated the anti-dumping investigation vide File No. 6/24/2019-DGTR dated 1st October, 2019, published in the Gazette of India, to determine the existence, degree and effect of any alleged dumping of the subject goods and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described below has been followed with regard to the investigation:
 - a. The Authority notified the Embassy of subject country in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Sub-Rule (5) of Rule 5 supra.
 - b. The Authority issued a public notice dated 1st October, 2019 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning import of subject goods from subject country.
 - c. The Authority sent a copy of the initiation notification dated 1st October, 2019, to the embassy of the subject country in India, the known producers and exporters from the subject country, known importers and other interested parties, as per the available information. The interested parties were requested to provide relevant information in the form and manner prescribed and make their submissions known in writing within the prescribed time-limit.
 - d. The Authority also provided a copy of the non-confidential version of the application to the known producers/exporters and to the Embassy of the subject country in India in accordance with Rule 6(3) of the Anti-Dumping Rules.
 - e. The Embassy of the subject country in India was also requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to it along with the names and addresses of the known producers/exporters from the subject country.
 - f. The Authority sent questionnaires to the following known producers/exporters in the subject country in accordance with Rule 6(4) of the Rules:
 - i. Jiangsu Sanfangxiang Group Co., Ltd.
 - ii. Zhejiang Wankai New Materials Co. Ltd.
 - iii. Far Eastern Industries (Shanghai) Ltd.
 - iv. Dragon Special Resin(Xiamen) Co. Ltd
 - v. Guangdong IVL PET Polymer Co., Ltd.
 - vi. Zhongxin Industry Co., Ltd.
 - vii. Changzhou Hengqi Plastics Co., Ltd.
 - viii. Chengold
 - ix. Chongqing Pengwei
 - x. Dragon Special Resin
 - xi. Foshan Famous Polymer Materials Co., Ltd.
 - xii. Guangdong IVL PET Polymer Co Ltd. (Indorama Ventures)
 - xiii. Henan Longyu Coal Chemical Co Ltd.
 - xiv. Zhejiang Zhenbang Chemical Fiber Co Ltd
 - xv. Jiangsu Sanfangxiang Group
 - xvi. Maoming Petrochemical Company
 - xvii. Zhejiang Yisheng Petrochemical Co Ltd.

- xviii. Sinopec Yizheng Chemical Fibre Co Ltd.
- xix. Tongkun Group Co., Ltd.
- xx. Henan Zhongfu Industrial Co., Ltd
- xxi. Zhejiang Zhengkai
- xxii. Yuhua Polyester Co., Ltd.

g. In response to the above notification, following exporters/ producers have responded or submitted exporter questionnaire responses:

- i. Jiangyin Chengold Packaging Materials Co. Ltd
- ii. China Prosperity (Jiangyin) Petrochemical Co. Ltd.
- iii. Zhejiang Wankai New Materials
- iv. Jiangsu Xingye Plastic Co., Ltd.
- v. Jiangyin Xingyu New Material Co., Ltd.
- vi. Jiangsu Sanfame International Trade Co., Ltd

h. The Authority sent questionnaires to the following known importers / users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.

- i. Guala Closures India Private Ltd.
- ii. Pepsico India Holdings Pvt Ltd.
- iii. Sunrise Containers Ltd.
- iv. Asb International Pvt Ltd.
- v. Starpet Trading Pvt Ltd.
- vi. Madras Hardtools Pvt Ltd.
- vii. Saikrupa Polymers Corporation
- viii. S.S. Polymers
- ix. Vinay Plastics
- x. Ketul Chem Pvt Ltd.

i. Response has been filed by Madras Hardtools Pvt. Ltd. and Indian Plastics Federation.

j. Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Submissions made by all interested parties have been taken into account in these preliminary findings.

k. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to provide transaction-wise details of imports of subject goods for the past three years, including the period of investigation, which has been received by the Authority. The analysis of the DGCI&S data received by the Authority has been done and it has been observed that there is no significant difference in the analysis done by the Authority and the analysis done by the Domestic Industry. Since the interactions with the Domestic Industry could not be held on the transaction wise data for consideration of PUC and Non PUC, the Authority has relied upon the

analysis submitted by the Domestic Industry for computation of the volume of imports and the Landed value for preliminary determination.

- l. The Non-Injurious Price (hereinafter referred to as 'NIP') based on the cost of production and reasonable profits the subject goods in India, based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules, has been worked out so as to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- m. Verification of the information provided by the domestic industry was carried out by the Authority, to the extent necessary, by way of on-site visit and table study. Only such verified information with necessary rectification, wherever applicable, has been relied upon for the purpose of preliminary findings.
- n. The period of investigation for the purpose of present investigation is October, 2018 to June, 2019. The injury period includes 2016-17, 2017-18, 2018-19 and the period of investigation.
- o. 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
- p. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the present preliminary findings on the basis of the facts available.
- q. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation. The Authority will further examine the evidentiary documents submitted by the interested parties subsequent to preliminary findings, which will form the basis for conclusions at the time of final findings.
- r. '***' in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- s. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= Rs. 71.79.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

4. The product under consideration, as stated in the notice of initiation, is "virgin polyethylene terephthalate (PET) resin", defined as "polyethylene terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher". The scope of product under consideration does not include recycled PET Resin. PET Resin is used for the manufacturing of preforms, which are then converted into PET bottle and jars

for the storage of mineral water, carbonated soft drinks, edible oils, pharmaceutical products etc.

5. Prior to 2nd February, 2017, the subject goods were classifiable under the codes 39076010 and 39076020. From 2nd February, 2017 the product's classification was changed to 39076100 and 39076910. On 1st January, 2020, the classification was further changed to 39076190 and 39076990. The Customs classification is indicative only and not binding on the scope of present investigation.
6. None of the interested parties have made any submissions in regard to the scope of product under consideration upto the issuance of this preliminary finding. The Authority has considered the same scope of product under consideration for the purpose of preliminary findings as was defined at the time of initiation.

D. SCOPE OF DOMESTIC INDUSTRY & STANDING

D.1. Submissions of the domestic industry

7. Following submissions have been made by the domestic industry with regard to the domestic industry and standing:-
 - i. The petitioners, namely, M/s IVL Dhunseri Petrochem Industries Private Limited and M/s Reliance Industries Limited are the two largest producers of the subject goods in India accounting for 91% of the domestic production in India.
 - ii. Although M/s IVL Dhunseri Petrochem Industries Private Limited is indirectly related to a Chinese producer, the quantum of exports by such producer is negligible when compared to the total imports from subject country, the production and sales of the petitioner and the demand in India. Therefore, the producer should be treated as eligible to constitute domestic industry.

D.2. Submissions of other interested parties

8. No submissions have been made by other interested parties regarding domestic industry and standing.

D.3. Examination by the Authority

9. Rule 2(b) of the Anti-Dumping Rules defines domestic industry as under:

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

10. The application has been filed jointly by M/s IVL Dhunseri Petrochem Industries Private Limited and M/s Reliance Industries Limited. M/s IVL Dhunseri Petrochem Industries Private Limited is related to an exporter, namely, M/s Guandong IVL PET Polymer Co. Ltd, of the alleged dumped goods. However, considering the insignificant quantity of exports by the related exporter, the Authority has considered M/s IVL Dhunseri Petrochem Industries Private Limited as eligible domestic industry within the meaning of the aforementioned Rule.
11. The share of the petitioning domestic industry constitutes 91% of the total eligible domestic production. Hence, the applicants constitute domestic industry under Rule 2 (b) of the Anti-Dumping Rules and the application meets the requirements of Rule 5(3).

E. MARKET ECONOMY TREATMENT, NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN

E.1 Submissions of the Domestic industry

12. The submissions made by the domestic industry with regard to normal value, export price and dumping margin are as follows:
 - a. Notwithstanding the provision under China's Accession Protocol providing for the application of Article 15(a) only up to December, 2016, the producers of the subject goods must be called upon to demonstrate that market economy conditions prevail in the industry in China.
 - b. If they are unable to do so, the cost of production of subject goods in China must be determined on the basis of cost of production in India along with reasonable profit.
 - c. The petitioner has taken the CIF price and made adjustments pertaining to Ocean freight, Marine insurance, Commission, Port expenses, Inland freight, and VAT difference to determine the export price.
 - d. Dumping margin calculated for the subject country is positive and significant.

E.2 Submissions of other interested parties

13. No submissions have been made by other interested parties regarding the determination of normal value, export price and dumping margin.

E.3 Examination by the Authority

14. Under section 9A (1) (c), normal value in relation to an article means:
 - i. *The comparable price, in the ordinary course of trade, for the like article, when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6), or*
 - ii. *When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the*

exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:

- a. *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
- b. *the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6);*

15. The Authority sent questionnaires to the known producers/exporters from the subject country, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters have co-operated in this investigation by filing the prescribed questionnaire responses:

- i. Jiangyin Chengold Packaging Materials Co. Ltd.
- ii. China Prosperity (Jiangyin) Petrochemical Co. Ltd
- iii. Zhejiang Wankai New Materials Co., Ltd.
- iv. Jiangsu Xingye Plastic Co., Ltd.
- v. Jiangyin Xingyu New Material Co., Ltd.
- vi. Jiangsu Sanfame International Trade Co., Ltd.

16. The Authority notes the following relevant provisions related to normal value computation under the Anti-Dumping Rules as well. Provisions under Para 7 and Para 8 of Annexure I to the Anti-Dumping Rules are as under:-

“7. In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, 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 the selection. Account shall also be taken within time limits; where appropriate, of the investigation if any made in similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments.

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

fair value of the merchandise, in accordance with the criteria specified in subparagraph (3).

(2) There shall be a presumption that any country that has been determined to be, or has been treated as, a non-market economy country for purposes of an antidumping investigation by the designated authority or by the competent authority of any WTO member country during the three year period preceding the investigation is a nonmarket economy country. Provided, however, that the non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the designated authority that establishes that such country is not a non-market economy country on the basis of the criteria specified in sub-paragraph (3).

(3) The designated authority shall consider in each case the following criteria as to whether: (a) the decisions of the concerned firms in such country regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values; (b) the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; (c) such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and (d) the exchange rate conversions are carried out at the market rate. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the designated authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in paragraph 7 and in this paragraph.

(4) Notwithstanding, anything contained in sub-paragraph (2), the designated authority may treat such country as market economy country which, on the basis of the latest detailed evaluation of relevant criteria, which includes the criteria specified in sub paragraph (3), has been, by publication of such evaluation in a public document, treated or determined to be treated as a market economy country for the purposes of anti-dumping investigations, by a country which is a Member of the World Trade Organization."

17. At the stage of initiation, the Authority proceeded with the presumption by treating China PR as a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information relevant to determination of whether their data/information could be adopted for the purpose of normal value determination. The Authority sent copies of

market economy treatment/supplementary questionnaire to all the known producers/exporters for providing relevant information in this regard.

18. Article 15 of China's Accession Protocol in WTO provides as follows:

“Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

(a) In determining price comparability under Article VI of the GATT 1994 and the Anti Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

(ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.

(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.

(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph

(a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.

(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO

Member, that market economy conditions prevail in a particular industry or sector, the non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector.”

19. The Authority notes that while the provisions of Article 15 (a) (ii) of China's Accession Protocol have expired with effect from 11 December 2016, the provision under Article 2.2.1.1 of the Anti-Dumping Agreement read with obligation under 15 (a) (i) of the Accession protocol require criterion stipulated in Para 8 of the Annexure 1 of Anti-Dumping Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming MET status. The Authority notes that except Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd, no other producer/exporter from China PR has submitted market economy treatment/supplementary questionnaire response. The normal value computation for these other producers/exporters are required to be dealt as per provisions of Para 7 of Annexure-1 of Anti-Dumping Rules. Further, the Authority has provisionally determined not to accord market economy treatment to Jiangyin Chengold Packaging Materials Co. Ltd. And China Prosperity (Jiangyin) Petrochemical Co. Ltd for reasons as enunciated in subsequent paragraphs.

E.4 Determination of Normal Value and Export Price for cooperating producers and exporters

E.4.1. Evaluation of MET status of Jiangyin Chengold Packaging Materials Co. Ltd. And China Prosperity (Jiangyin) Petrochemical Co. Ltd and Computation of its Normal Value.

20. The Authority notes that Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd have claimed market economy status by submitting the supplementary market economy treatment (MET) response.
21. In the instant case, the Authority notes that M/s Jiangyin Chengxing Industrial Group Co. Ltd. (Chengxing Group), which controls Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd has not filed questionnaire response. A MET claim response must be filed as a group, to assess decision making, purchase cost and financial situation of the exporter under Para 8(3) of Annexure 1 of Anti-Dumping Rules. The incomplete response submitted cannot enable comprehensive examination and establishment of market economy status to Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd. The Authority has therefore, provisionally decided to consider all producers/exporters of China PR as not qualifying for market economy treatment including Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd which have claimed market economy treatment.

22. The normal value has therefore, been determined on the basis of para 7 of Annexure-I to the Anti-Dumping Rules. The Authority accordingly explored the option of construction of normal value as per the hierarchy laid down in Para 7 of Annexure-I of Rules which provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, 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.
23. The Authority notes that none of interested parties including domestic industry have provided information with regard to price or constructed value in a market economy third country, or the price from such a third country to other countries, including India. Since there is no information on record with regard to cost or price in market economy third country, or the price from such a third country to other countries, including India, normal value could not be determined on the basis of the same. Accordingly, the normal value has been determined on the basis of price paid or payable in India in term of para 7 of Annexure-I, The Authority has therefore, determined normal value on the basis of best estimates of cost of production of the subject goods in India, duly adjusted for selling, general & administrative expenses, with the addition of reasonable profit margin @ 5%. The normal value so constructed is mentioned under dumping margin table.

E.4.2. Determination of normal value and export price for cooperating producers and exporters.

A. Chengxing Group

24. Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd, subsidiaries of Chengxing Group are listed companies and, are engaged in production and sale of the subject goods. Both Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd have claimed market economy treatment for computing 'normal value' on the basis of their domestic sales in China. The above two entities are related to each other by way of major common shareholder i.e. M/s Jiangyin Chengxing Industrial Group Co., Ltd. The Authority requested the producer/exporter group to file the exporter questionnaire response for the common shareholder also to complete the response for the entire group and also certain supplementing data on the cost of production. The producer/exporter has stated that the parent company is not involved in production or sales of the product under consideration (PUC) and there is a clear distinction between the scope of activities described for the exporters and their parent company, demonstrating that the parent company has separate and unrelated operations to the PUC. The producer/exporter also clarified that this was also mentioned as part of the worldwide structure of the group already filed by them. Therefore since the parent company is not involved in the production or sales of the PUC, as well as the absence of any shareholder of the parent company as board members in the exporters' Board

of Directors, there should not be any requirement upon this company to the its separate response.

25. The Authority noting the submissions of the producer/exporter on considering their response for MET without a separate response by the Shareholding Company holds that 'Normal Value' in case of related companies is evaluated for group as a whole. In case where MET status is claimed by the related companies of a group, then criteria stipulated in para 8 of the Annexure 1 of AD Rules are required to be satisfied for the entire group comprehensively, and hence complete response of the group is essential. Further, the producer/exporter was requested to provide the missing cost of production details which they have provided recently. However no evidence regarding purchase price of raw material and utilities being at arms length in accordance with market signals has been provided. Therefore the Authority for the purpose of preliminary finding has not considered according MET and individual normal value to the Producer Group. The aforesaid submissions and response of the producer/exporter will be examined as per relevant AD Rules on claim of MET and individual normal value at the stage of Final Finding.

a. Normal Value

26. As stated above, Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd have claimed market economy treatment. But as the Chengxing Group did not file response to the information sought for by the Directorate, as stated above the claim of Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd for market economy treatment is not admitted, at this stage. The normal value is constructed as *** US\$/MT as explained above in para 23.

b. Export Price

27. During the period of investigation, Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd have exported *** MT of the subject goods. The exporters have claimed adjustments on account of Ocean Insurance, Commission, Shipping Cost and Profit by trader in determination of ex-factory export price. The weighted average ex-factory value of subject goods exported by Jiangyin Chengold Packaging Materials Co. Ltd. and China Prosperity (Jiangyin) Petrochemical Co. Ltd after necessary adjustments is computed as *** US\$/MT. The Landed Value is computed as *** \$/MT.

B. Zhejiang Wankai New Materials Co., Ltd.

a. Normal Value

28. The producer/exporter has not claimed market economy treatment and accordingly the normal value has been determined in accordance with Para-7 of Annexure-I, as

detailed above. The normal value is constructed as *** \$/MT as stated above in para 23.

b. Export Price

29. During the period of investigation, Zhejiang Wankai New Materials Co., Ltd. has exported *** MT of the subject good to India. The exporter has claimed adjustments on account of Ocean Freight, Ocean Insurance, Inland Freight, Credit Cost, Bank Charges, Port Expenses in determination of export price. The ex-factory export price for the subject goods comes to *** \$/MT, allowing adjustments as reported by the exporter. The Landed Value is computed as *** \$/MT.

C. Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingyu New Material Co., Ltd. and Jiangsu Sanfame International Trade Co., Ltd.

a. Normal Value

30. The above 3 related producers/exporters have not claimed market economy treatment and accordingly the normal value has been determined in accordance with Para-7 of Annexure-I, as detailed above in para 23. The normal value is constructed as *** \$/MT.

b. Export Price

31. During the period of investigation, Jiangsu Xingye Plastic Co., Ltd. Jiangyin Xingyu New Material Co., Ltd. and Jiangsu Sanfame International Trade Co., Ltd. have exported the subject goods to India directly as well as through an unrelated exporter to an extent of *** MT. The exporters have claimed adjustments on account of ocean freight ocean insurance, inland freight, port expenses, bank charges, credit cost and non refundable VAT wherever incurred in determination of export price. The ex-factory export price for the subject goods comes to *** US\$/MT, allowing adjustments claimed by the exporter. The Landed Value is computed as *** \$/MT.

E.5. Determination of normal value and export price for non-cooperating producers and exporters

32. The normal value and export price for other non-cooperating exporters from China PR has been determined as per facts available taking into account the data examined for the co-operating exporters and the same is mentioned in the dumping margin table.

E.6 Determination of Dumping Margin

33. Considering the normal value and export price for subject goods, the dumping margins for the subject goods from subject country have been provisionally determined as follows:

S.No	Producer	Normal value (\$/MT)	Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin (%)	Dumping Margin (Range %)
1.	Jiangyin Chengold Packaging Materials Co. Ltd and China Prosperity (Jiangyin) Petrochemical Co. Ltd.	***	***	***	***	20-40
2.	Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingyu New Material Co., Ltd., and Jiangsu Sanfame International Trade Co., Ltd	***	***	***	***	0-20
3.	Zhejiang Wankai New Materials	***	***	***	***	0-20
4.	Any other producer/ exporter	***	***	***	***	20-40

F. EXAMINATION OF INJURY AND CAUSAL LINK

F.1 Submissions of the Domestic Industry

34. Following submissions have been made by the domestic industry with regard to injury and causal link:

- a. The imports from the subject country have increased drastically during the period of investigation.
- b. The imports have increased at a much faster pace than the demand.
- c. The share of subject imports to total imports has increased from 61% to 94% over the injury period.
- d. The subject imports are significantly undercutting the prices of the domestic industry, with price undercutting increasing in the period of investigation.

- e. Despite the cost remaining the same, the petitioning domestic industry was forced to reduce its selling price. Therefore, the imports have had a depressing effect on the prices of the petitioning domestic industry.
- f. Despite the increase in domestic capacity, domestic production has reduced in relation to the subject imports.
- g. While the production and sales of the domestic industry have increased, it is not in proportion to the increase in demand.
- h. The market share of the domestic industry has fallen from 80% to 64% over the injury period.
- i. The profits of the petitioning domestic industry increased in 2017-18 but drastically fell subsequently. The performance of the domestic industry has also deteriorated in terms of cash profit and return on investment.
- j. While the petitioning domestic industry has been able to achieve a positive growth in respect of production and sales, such growth is not commensurate with increase in demand. Further, its position has deteriorated in terms of market share, profitability, cash profit and return on investment in the period of investigation.
- k. The ability of the petitioning domestic industry to raise capital investments has been adversely impacted with a fall in interest coverage ratio.

F.2 Submissions of the Exporters/Importers/Users/Traders

35. No submissions have been made by other interested parties regarding injury and causal link.

F.3 Examination by Authority

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

and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules.

F.3.1. Volume Effect of Dumped Imports on Domestic Industry

a. Assessment of Demand / Apparent Consumption

38. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the Indian Producers and imports from all sources.

Particular	Unit	2016-17	2017-18	2018-19	POI (Oct,18- Jun,19)	POI Annl.
Domestic industry	MT	***	***	***	***	***
Trend	Indexed	100	120	122	89	118
Other producers	MT	***	***	***	***	***
Trend	Indexed	100	165	137	136	181
Subject imports	MT	***	***	***	***	***
Other imports	MT	***	***	***	***	***
Total Demand	MT	8,19,671	10,47,635	10,88,175	9,02,226	12,02,968
Trend	Indexed	100	128	133	110	147

39. It is seen that the demand for the product has increased consistently during the injury period.

b. Import Volumes from the subject country

40. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data procured from DGCI&S.

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18- Jun,19)	POI Annl.
Subject imports	MT	42,718	88,247	1,47,601	1,81,979	2,42,638
Other imports	MT	***	***	***	***	***
Imports in relation to						

Domestic production	%	***	***	***	***	***
Trend	Indexed	100	185	297	497	497
Consumption	%	***	***	***	***	***
Trend	Indexed	100	162	260	387	387
Total Imports	%	***	***	***	***	***
Trend	Indexed	100	135	148	154	154

41. It is seen that:

- a. Subject imports increased significantly over the injury period, while imports from other countries declined.
- b. The subject imports have also increased significantly in relation to gross imports in India, domestic production and consumption.

F.3.2. Price Effect of the Dumped Imports on the Domestic Industry

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

a. Price Undercutting

43. For the purpose of price undercutting analysis, the net selling price of the Domestic Industry has been compared with the landed value of imports from the subject country. While computing the net selling price of the Domestic Industry all taxes, rebates, discounts and commissions have been deducted and sales realization at ex works level has been determined for comparison with the landed value of the dumped imports. Accordingly, the undercutting effects of the dumped imports from the subject country work out as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18-Jun,19)
Net Sales Realization	Rs./MT	***	***	***	***
Trend	Indexed	100	109	135	126
Landed price	Rs./MT	***	***	***	***

Trend	Indexed	100	112	138	133
Price undercutting	Rs./MT	***	***	***	***
Price undercutting	%	14.71	11.55	11.44	8.55

44. It is seen that the subject imports are entering the market at a price significantly below the selling price of the domestic industry. The imports are undercutting the prices of the domestic industry in the market.

b. Price Suppression and Depression

45. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the changes in the costs and prices over the injury period, were compared as below:

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18-Jun,19)
Cost of Sales	Rs./MT	***	***	***	***
Trend	Indexed	100	105	132	125
Selling Price	Rs./MT	***	***	***	***
Trend	Indexed	100	109	135	126

46. It is seen that whereas the domestic industry was able to increase its selling price more than the increase in cost of sales till 2018-19, both cost of sales and selling price declined in the period of investigation. However, the decline in the selling price was far more than the decline in the cost of sales. The imports were depressing the prices of the domestic industry in the period of investigation.

c. Price Underselling

47. The non-injurious price (NIP) of the Domestic Industry has been determined and compared with the landed value of the subject goods to arrive at the extent of price underselling. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation on the basis of principles mentioned in Annexure III of the Rules. The analysis shows that during the period of investigation, the landed value of subject imports was below the non-injurious price of the Domestic Industry, as can be seen from the table below, demonstrating positive price underselling effect:-

Particular	Unit	Subject Country
Non Injurious Price (NIP)	Rs./MT	***
Landed Value	Rs./MT	85,911
Injury Margin	Rs./MT	***
Injury Margin	%	0-20

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

F.3.3. Economic Parameters of the Domestic Industry

49. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on domestic producers of such products. With regard to consequent impact of dumped imports on domestic producers of such products, the Anti-Dumping Rules further provide that the examination of the impact of the dumped imports on the Domestic Industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.

50. The Authority has examined the injury parameters objectively taking into account various facts and arguments made by the interested parties in their submissions.

a. Production, Capacity, Capacity utilization and Sale

51. Capacity, production, sales and capacity utilization of the Domestic Industry over the injury period is given in the following table:-

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18- Jun,19)	POI Annl.
Capacity	MT	***	***	***	***	***
Trend	Indexed	100	100	100	75	100
Production – PUC	MT	***	***	***	***	***
Trend	Indexed	100	108	114	84	111
Production – Plant	MT	***	***	***	***	***
Trend	Indexed	100	109	114	83	110
Capacity Utilization	%	***	***	***	***	***
Trend	Indexed	100	109	114	110	110

Domestic Sales	MT	***	***	***	***	***
Trend	Indexed	100	120	122	89	118

52. It is seen that while the capacity remained constant over the injury period, production, capacity utilization and sales increased till 2018-19, though not commensurate with the increase in demand. However, production, capacity utilization and sales declined during the period of investigation, although demand for the subject goods increased. Whereas the demand increased by 47%, the sales of the domestic industry increased only by 18%.

b. **Market Share**

53. Market share of the domestic industry was as shown in table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18- Jun,19)
Subject Country	%	5.21	8.42	13.56	20.17
Trend	Indexed	100	162	260	387
Other Countries	%	3.26	1.70	1.30	1.16
Trend	Indexed	100	52	40	36
Domestic Industry	%	80.18	75.21	73.42	64.69
Trend	Indexed	100	94	92	81
Other Producers	%	11.35	14.67	11.71	13.98
Trend	Indexed	100	129	103	123

54. It is seen that the market share of subject imports increased considerably over the injury period, while the market share of the petitioning domestic industry fell. The data shows that the domestic producers have lost market to the imports from the subject country.

c. **Profitability, return on investment and cash profits**

55. Profitability, return on investment and cash profits of the Domestic Industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18- Jun,19)	POI Annl.
Selling price	Rs./MT	***	***	***	***	***
Trend	Indexed	100	109	135	126	126
Cost of sales	Rs./MT	***	***	***	***	***

Trend	Indexed	100	105	132	127	127
Profit/(Loss)	Rs./MT	***	***	***	***	***
Trend	Indexed	100	215	211	79	79
Profit/(Loss)	Rs./Lacs	***	***	***	***	***
Trend	Indexed	100	257	256	70	94
Cash Profits	Rs./Lacs	***	***	***	***	***
Trend	Indexed	100	203	196	66	88
Return on Capital Employed	%	***	***	***	***	***
Trend	Indexed	100	245	221	93	93

56. It is seen that

- a. Profits of the domestic industry which was increasing until 2017-18, declined in 2018-19 and fell more than 50% in the period of investigation.
- b. Cash profits of the domestic industry increased till 2017-18, declined slightly in 2018-19 and declined sharply during the period of investigation.
- c. The return on capital employed of the domestic industry, which was increasing until 2017-18, declined slightly in 2018-19 and significantly in the period of investigation.

d. Employment, Wages and Productivity

57. Authority has examined the information relating to employment, wages and productivity, as given below.

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18- Jun,19)	POI Annl.
No of Employees	Nos	***	***	***	***	***
Trend	Indexed	100	99	97	97	97
Productivity per day	MT/DAY	***	***	***	***	***
Trend	Indexed	100	108	114	111	111
Productivity per employee	MT/Nos	***	***	***	***	***
Trend	Indexed	100	109	118	86	115
Wages	Rs.Lacs	***	***	***	***	***
Trend	Indexed	100	82	133	137	137
Wages per Unit	Rs./MT	***	***	***	***	***
Trend	Indexed	100	72	113	121	121

58. It is seen that: -

- a. Number of employees of the domestic industry has reduced over the injury period.
- b. Wages and wages per unit have increased over the injury period.
- c. Productivity of the domestic industry has also increased over the injury period with a slight fall during the period of investigation.
- d. **Inventories**

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

Particulars	Unit	2016-17	2017-18	2018-19	POI (Oct,18-Jun,19)
Inventories	MT	***	***	***	***
Trend	Indexed	100	118	108	86

60. It is seen that the average inventories with the domestic industry decreased over the injury period with the decline in production in the period of investigation.

f. **Magnitude of Dumping**

61. It is noted that the subject goods are being dumped into India and the dumping margin is positive and significant.

g. **Growth**

62. While the domestic industry has been able to achieve a positive growth in respect of production, sales, and capacity utilization upto 2018-19, these factors declined in the period of investigation. Further, its position has deteriorated with regard to market share, profitability, cash profits and return on investment in the period of investigation.

h. **Ability to Raise Capital Investment**

63. The profits earned by the domestic industry have declined sharply in the period of investigation. The decline in profits before interest shows that the dumped imports may impact the ability of the domestic industry to raise capital investment.

i. **Overall Assessment of Injury**

64. On the basis of the above, the following conclusions have been made:

- a. The subject imports have increased both in absolute terms as well as in relation to production and consumption during the period of investigation.
- b. The subject imports are significantly undercutting the prices of the petitioning domestic industry.

- c. The subject imports have had a depressing effect on the prices of the domestic industry and the price underselling is positive.
- d. The production and sales of the domestic industry increased till 2018-19, but declined in the period of investigation.
- e. While the market share of the petitioning domestic industry declined over the injury period, the subject imports gained significant market share.
- f. The profits, cash profits and return on investment of the petitioning domestic industry have deteriorated since 2017-18 and drastically declined during the period of investigation.
- g. While the petitioning domestic industry has been able to achieve a positive growth in some volume parameters, the same has declined during the period of investigation. Further, its performance in the profitability parameters also shows a decline.

F.3.4. Threat of material injury

65. The applicants have also claimed threat of material injury. Submissions made regarding threat have been examined below:

a. Rate of increase in imports

66. The subject imports have increased significantly over the injury period. Further, the subject imports have increased at a rate higher than the increase in demand.

Particular	Unit	2016-17	2017-18	2018-19	POI Annl.
Subject imports	MT	42,718	88,247	1,47,601	2,42,638
Trend	Indexed	100	207	346	568
Total Demand	MT	8,19,671	10,47,635	10,88,175	12,02,968
Trend	Indexed	100	128	133	147

b. Surplus capacities with producers

67. The petitioners have claimed that the producers in China PR have excess capacities, as under.

Particulars	Unit	2017	2018	2019	2020	2021
Capacity*	Lakh MT	78.99	94.72	102.22	125.05	133.05
Production*	Lakh MT	69.55	78.50	84.85	88.25	89.87
Surplus capacities	Lakh MT	9.44	16.22	17.37	36.80	43.18

*Wood Mackenzie Chemicals

68. It is seen that Chinese producers are holding significant surplus capacities.

c. **Trade remedy measures imposed in third countries**

69. Information provided by the petitioners shows that trade remedial measures have been invoked by USA, Canada, Brazil and Argentina against Chinese imports of subject goods show the pattern of dumping by the concerned producers/exporters of the subject country. The petitioners have emphasized that the closure of these markets to the exporters indicates threat of increased dumping and further injury to the domestic industry.

d. **Prominence of India as a market**

70. The petitioners have also referred to the trade data of Chinese customs which shows that India is also the single largest market for Chinese exporters. Further, the share of exports to India in the total exports from China PR has increased from 5% in Apr-Sept, 2018 to 7% in Oct-Dec, 2018, 9% in Jan-Mar, 2019 and 10% in Apr-Jun, 2019. The exports from China to India are increasing at a much faster pace than those to third countries. The increasing importance of India as a market itself highlights threat of material injury.

e. **Whether imports are entering the market at prices that will have a suppressing or depressing effect on the prices of the domestic industry**

71. With the subject imports undercutting the prices of the domestic industry, the domestic industry has already been forced to reduce its prices. The continued positive undercutting suggests that the imports are likely to have a further suppressing or depressing effect on the prices of the domestic industry.

72. With respect to threat of injury, the following is concluded:-

- a. The subject imports have increased at a rapid rate.
- b. There are significant surplus capacities in China PR, which are expected to increase further.
- c. Other markets such as USA, Canada, Brazil and Argentina may be closed for the exporters due to imposition of trade remedial measures.
- d. India is an important market for the exporters in the subject country, being the largest export market.
- e. The imports are entering the domestic market at such prices as are likely to have a further suppressing or depressing effect.

73. The factors identified above show existence of a threat of further injury to the domestic industry.

F.4 Magnitude of Injury and Injury Margin

74. The Authority has determined non-injurious price for the domestic industry on the basis of principles laid down in Anti-Dumping Rules read with Annexure III, as amended. The non-injurious price of the product under consideration has been determined by adopting the verified information/data relating to the cost of production

for the period of investigation. The non-injurious price of the domestic industry has been worked out and it has been compared with the landed price from each of the producers/exporters from the subject country for calculating injury margin. The injury margin for the non-cooperative exporters has been determined based on the facts available with the Authority.

SN	Producer	NIP (USD/MT)	Injury Margin (USD/MT)	Injury Margin (%)	injury Margin (Range)
1.	Jiangyin Chengold Packaging Materials Co. Ltd and China Prosperity (Jiangyin) Petrochemical Co. Ltd.	***	***	***	0-20
2.	Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingyu New Material Co., Ltd., and Jiangsu Sanfame International Trade Co., Ltd	***	***	***	0-20
3.	Zhejiang Wankai New Materials	***	***	***	0-20
4.	All Others	***	***	***	0-20

G. NON-ATTRIBUTION ANALYSIS

75. As per the Anti-Dumping Rules, the Authority, inter alia, is required to examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It has been examined below whether factors other than dumped imports could have contributed to the injury to the domestic industry.

a. Volume and prices of imports from third countries

76. The imports from countries other than the subject country are not significant in volume terms so as to cause or threaten to cause injury to the domestic industry. Thus, it cannot be said that imports from other countries are causing injury.

b. Changes in the pattern of consumption

77. There have been no material changes in the pattern of consumption of the product under consideration. Hence, changes in the pattern of consumption have not caused injury to the domestic industry.

c. Trade restrictive practices

78. The Authority notes that there is no trade restrictive practice, which could have caused injury to the domestic industry.

d. Change in technology

79. The Authority also notes that technology for production of the product has not undergone any change. Developments in technology are, therefore, not a factor of injury.

e. Export performance

80. The Authority has considered data for the domestic operations only. Any possible deterioration in the export performance of the domestic industry, therefore, cannot be a cause for the injury to the domestic industry.

f. Productivity

81. The Authority notes that the productivity of the petitioning domestic industry has increased. Therefore, it has not suffered injury on this account.

g. Performance of other products

82. The Authority has only considered data relating only to the performance of the subject goods. Therefore, performance of other products produced and sold by the petitioners are not a possible cause of the injury to the domestic industry.

H. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

83. Submissions made by M/s Indian Plastics Federation:-

- a. The quality of PET Resins manufactured by domestic producers and those imported from China are comparable in terms of essential product characteristics such as physical and chemical. There is no observable difference. However, quality standards can be ascertained only by a certification agency like the BIS or similar organisation.
- b. Supply of raw material by indigenous raw material producers is uncertain. There is also short supply of materials by domestic producers. Furthermore, there are certain varieties of PET resins that are not manufactured by domestic producers.
- c. Large discounts are offered to big companies. This is not available to small and medium units. This price disparity goes against small and medium industries. Hence

small and medium industries prefer to import raw materials from China since their pricing policy and terms and conditions of payment are easier.

- d. There are no credit facilities available from indigenous raw material producers. This is available to imports from China.
- e. Our members and Federation are of the opinion that any anti-dumping duty on imports from China will affect the domestic processors adversely. and, therefore, the proposed anti-dumping duty should not be imposed.

84. Submissions made by M/s Madras Hardtools Pvt. Ltd.;

- a. There is no injury being caused to the domestic manufactures of goods. The imported goods catering to the local users are competitive in price and good in quality with delivery time lines well kept. The landed cost of PET at our doors, is considerably cheaper in price. RIL material is always in demand and not easily available. Their terms and prices are not capable of being affordable for small manufacturers therefore, the injury claimed by the complainant is simply a bullying tactic to have monopoly in PET market.
- b. The overseas exporters give us a quality material at a competitive price keeping delivery timelines as against the inconsistency and one-upmanship and chaotic situations created by local suppliers. Direct interaction with the tertiary level dealers and manufacturers will reveal the position.
- c. The complainant is fairly a big player in the market and also exports the subject goods. The imports of PET from overseas ensures uninterrupted supply and comparative prices and delivery schedules. Imposing of ADD would push the cost of material and the local supply will not meet the demand. Small manufacturers and down the line consumers will suffer. The impact is highly dangerous. We are not in favour of imposition of anti-dumping measures.
- d. The Authority should take research in the PET Industries market, to realize the marketing strategy adopted by the complainant by curtailing supplies, increasing the prices affecting the production and adversely impacting the small and medium scale manufacturers. Most of the units will go out of production ending up in huge losses and unemployment and self employment. In spite of the above facts and circumstances, if the Authority considers imposition of ADD it may be made prospective.

I. EXAMINATION BY THE AUTHORITY

85. The Authority notes the submissions regarding the issues of delivery schedule of supply of subject goods, price competitiveness and proposes to only address the aspect of unfair trade practice of dumping so as to redress the injury caused to the domestic industry. The Authority further notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the Country. Imposition of anti-dumping measures would not restrict imports from the subject

country in any way, and, therefore, would not affect the availability of the product to the consumers.

J. CONCLUSION ON INJURY & CAUSAL LINK

86. The Authority provisionally concludes as under:
- a. The subject imports have increased in absolute terms and in relation to production and consumption over the injury period.
 - b. The imports are undercutting the prices of the domestic industry, and have depressed the prices of the domestic industry.
 - c. As a result, the domestic industry has not been able to increase its sales in line with the increase in demand, and has lost market share.
 - d. The domestic industry has been forced to reduce its prices and sell the product at lower profits.
 - e. The profits, cash profits and return on capital employed of the domestic industry have deteriorated.

K. CONCLUSION & RECOMMENDATIONS

87. After examining the submissions made by the interested parties and issues raised therein; and considering the facts available on record, the Authority provisionally concludes that:
- a. The product under consideration has been exported to India from the subject country below their normal values.
 - b. The domestic industry has suffered material injury and there is threat of further injury.
 - c. Material injury has been caused by the dumped imports of the subject goods from the subject country.
88. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Anti-Dumping Rules, the authority is of the view that imposition of provisional duty is required to offset dumping and injury, pending completion of the investigation. Therefore, Authority considers it necessary and recommends imposition of provisional anti-dumping duty on imports of subject goods from the subject country.
89. In terms of provision contained in Rule 4(d) of the Rules, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of provisional anti-dumping duty on the imports of the subject goods, originating in or exported from the subject country, from the date of notification to be issued in this regard by the Central Government, equal to the amount mentioned in Col. 7 of the duty appended below. The landed value of imports for this purpose shall be assessable value as determined by the Customs under Customs Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

Duty Table

S. No.	HS Code	Description of goods*	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	39076010,39076020,39076100, 39076910 and 39076190	“Polyethylene terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher”	China PR	China PR	Jiangyin Chengold Packaging Materials Co. Ltd. / China Prosperity (Jiangyin) Petrochemical Co. Ltd	146.11	MT	USD
2.	39076010,39076020,39076100, 39076910 and 39076190	“Polyethylene terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher”	China PR	China PR	Zhejiang Wankai New Materials Co., Ltd.	15.54	MT	USD
3.	39076010,39076020,39076100, 39076910 and 39076190	“Polyethylene terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher”	China PR	China PR	Jiangsu Xingye Plastic Co., Ltd. / Jiangyin Xingyu New Material Co., Ltd. / Jiangsu Sanfame International Trade Co., Ltd.	60.92	MT	USD
4.	39076010,39076020,39076100, 39076910 and 39076190	“Polyethylene terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher”	China PR	Any country other than China	Any	200.66	MT	USD
5.	39076010,39076020,39076100, 39076910 and 39076190	“Polyethylene terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher”	Any country other than China	China PR	Any	200.66	MT	USD

*** Excluding recycled PET Resin**

L. FURTHER PROCEDURE

90. The procedure as below would be followed subsequent to notifying the preliminary findings:
- a. The Authority invites comments on these provisional findings from all interested parties and the same, considered relevant by the Authority, would be considered in the final findings.
 - b. Domestic Industry, exporters, importers and other interested parties known to be concerned are being addressed separately by the Authority, who may make their views known, within twenty one days from the date of the publication of these preliminary findings.
 - c. Any other interested party may also make known its views within twenty one days from the date of publication of these findings.
 - d. The Authority would conduct further verification to the extent deemed necessary.
 - e. The Authority would disclose the essential facts as per the Anti-dumping Rules before announcing the final findings.



(B.B. Swain)

Special Secretary & Designated Authority