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F. No. 7/02/2022-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001

Dated: 16th September, 2022

Final Findings Notification
(Case No. AD (SSR) – 02/2022)

Subject: Sunset Review of anti-dumping duty imposed on the imports of "New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16" used in buses and lorries/trucks", originating in or exported from China PR.

A. BACKGROUND OF THE CASE

F.No.07/02/2022-DGTR: Having regard to the Customs Tariff Act, 1975, as amended from time to time (hereinafter also referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as “the Rules”) thereof;

1. The Designated Authority had initiated the original investigation concerning imports of “New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16” used in buses and lorries/trucks”, originating in or exported from China PR vide Notification No. 14/14/2015-DGAD dated 03rd May, 2016. The final findings notification was issued by the Authority vide Notification No. 14/14/2015-DGAD dated 01st August, 2017 recommending imposition of definitive Anti-Dumping Duty (ADD) on the imports of the subject new/unused pneumatic radial tyres, originating in or exported from China PR. Definitive anti-dumping duties were imposed by the Department of Revenue vide Notification No. 45/2017-Customs (ADD) dated 18th September, 2017.
2. The Authority had thereafter initiated a new shipper review investigation concerning imports of ‘New/unused Pneumatic Radial Tyres’ originating in or exported from China PR vide Notification No. 7/8/2018-DGAD dated 16th May, 2018. The final findings notification was issued by the Authority vide Notification No. 7/8/2018-DGAD dated 02nd May, 2019, terminating the investigation.
3. The Designated Authority (hereinafter also referred to as the “Authority”) received an application from Automotive Tyre Manufacturer's Association or ATMA (hereinafter also

referred to as the “applicant” or the “Applicant Association”) requesting initiation of sunset review of anti-dumping duty imposed on imports of ‘New/unused Pneumatic Radial Tyres’ (hereinafter referred to as the “subject goods” or “product under consideration” or “PUC”) originating in or exported from China PR (hereinafter also referred to as the “subject country”). The relevant information as per prescribed formats to establish injury to the domestic industry has been provided by the following members of the Applicant Association (hereinafter also referred to as the "applicant companies"):

- i. Apollo Tyres Limited
- ii. J.K Tyre Industries Limited and
- iii. MRF Limited

4. In terms of Section 9A (5) of the Act, ADD imposed shall unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review, whether the expiry of ADD is likely to lead to continuation or recurrence of dumping and injury. Further, Rule 23 (1B) of the Rules provides as follows:

“any definitive antidumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the designated authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.”

5. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, as to whether the expiry of ADD is likely to lead to continuation or recurrence of dumping and injury.
6. The Authority, on the basis of prima facie evidence submitted by the applicant, issued a public notice vide Notification No 7/02/2022-DGTR dated 30th March, 2022, published in the Gazette of India, initiating the subject investigation in accordance with Section 9A (5) of the Act read with Rule 23 of the Anti-Dumping Rules to review the need for continued imposition of ADD in respect of the subject goods, originating in or exported from the subject country and to examine whether the expiry of the said ADD is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
7. The anti-dumping duties on the subject goods were extended up to and inclusive of 17th December, 2022 vide Notification No. 21/2022-Customs (ADD) dated 8th June, 2022.
8. The scope of the present review covers all the aspects of the final findings Notification No. 14/14/2015-DGAD dated 1st August, 2017 which had recommended the imposition of ADD on imports of the subject goods originating in or exported from the subject country.

B. PROCEDURE

9. The procedure described below has been followed with regard to the subject investigation:

- a. The Authority notified the Embassy of the subject country in India about the receipt of the application for sunset review investigation before proceeding to initiate the present investigation in accordance with Sub-Rule (5) of Rule 5 of the Anti-Dumping Rules.
- b. The Authority issued a public notice dated 30th March, 2022 published in the Gazette of India Extraordinary, initiating the sunset review investigation concerning anti-dumping duty imposed on imports of the subject goods from the subject country.
- c. The Authority sent a copy of the initiation notification dated 30th March, 2022 to the Embassy of the subject country in India, the known producers, and exporters from the subject country, the known importers/user associations and the other interested parties, as per the addresses made available by the Applicant Association. The interested parties were advised to provide relevant information in the form and manner prescribed and to make their submissions known in writing within the prescribed time-limit.
- d. The Authority 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 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. Aeolus Tyre Co., Ltd.
 - ii. Dingying ZhongYi Rubber Co., Ltd.
 - iii. Doublestar-Dongfeng Tyre Co., Ltd.
 - iv. Giti Radial Tire (Anhui) Company Ltd.
 - v. Guangzhou Pearl River Rubber Tyre Ltd.
 - vi. Haoyou Tyre Co., Ltd.
 - vii. Jiangsu General science Technology Co., Ltd.
 - viii. Kupo Chengshan (shandong) Tyre Co., Ltd.
 - ix. Kenda Rubber (China) Co., Ltd.
 - x. Michelin (Shen Yang) Tyre Co., Ltd.
 - xi. Pirelli Tyre Co., Ltd
 - xii. Qingdao Yellow Sea Rubber Company Limited
 - xiii. Shan Dong Jin Yu Industrial Co., Ltd
 - xiv. Qingdao Doublestar Tire Industrial Co., Ltd.
 - xv. Shandong Wanda Boto Tyre Co., Ltd.
 - xvi. Shandong Hengfeng Rubber & Plastic Co., Ltd
 - xvii. Shandong Xingyuan International Trading Co., Ltd.
 - xviii. Shandong Yinbao Tyre Group Co., Ltd.
 - xix. Shanghai Type & Rubber Co., Ltd.

- xx. Shandong Wanxin Tire Co., Ltd.
- xxi. Triangle Tyre Co., Ltd.
- xxii. Shengtai Group Co., Ltd.
- xxiii. Sichuan Haida Rubber Group Co., Ltd.
- xxiv. Linglong
- xxv. Guizhou Tire
- xxvi. Sailun Tire
- xxvii. Jianxin Tire (Fujian) Co., Ltd.
- xxviii. Taishan Shandong Tire Co., Ltd.
- xxix. Prinx Chengshan
- xxx. Zhingce Rubber
- xxxi. Guangxi New Guilun Rubber Co., Ltd.
- xxxii. Tianjin Wanda Tyre Group Co., Ltd.

g. In response to the above notification, the following producers/exporters have responded and submitted/filed exporters' questionnaire responses and/or legal submissions:

- i. Qingdao Doublestar Tire Industrial Co., Ltd. ("DS Qingdao")
- ii. Doublestar International Trading (Hong Kong) Co., Limited ("DS HK")
- iii. Shandong Yongfeng Tyres Co., Ltd.

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

- i. AG. Industries
- ii. Agk Digital Private Limited
- iii. Audio Galaxy
- iv. Aeolus Tyre India Opc Private Limited
- v. Alliance Traders
- vi. Akhil Impex Building
- vii. Amitt Enterprises
- viii. Arora Enterprises
- ix. Celite Tyre Corporation
- x. Asis Enterprises
- xi. Caroline Furnishers Private Limited
- xii. Chadha Tyre Traders
- xiii. Delhi Tyre Shoppe
- xiv. Deep Enterprises
- xv. Electro Link
- xvi. Dashmesh Trading Co
- xvii. Ess Infracore Private Limited
- xviii. Eknor Tyres Private Limited.
- xix. Globus Corporation
- xx. Gupta Tyre House
- xxi. Genetic Sales Corporation
- xxii. Ganpati Overseas

- xxiii. H.S. International
- xxiv. Hind Traders
- xxv. H.S. Arora & Co.
- xxvi. H.D. International
- xxvii. Hayer Trading Co
- xxviii. Hind Traders
- xxix. Indian Rubber Manufacturers Research Association
- xxx. K S B Group
- xxxi. Shiv Shakti Enterprises
- xxxii. Nand Rubber Pvt.Ltd.
- xxxiii. Paras Auto Parts
- xxxiv. Prem Trading Company
- xxxv. Rajpal Roadlines Pvt Ltd
- xxxvi. Pioneer Trading Corporation
- xxxvii. Rameshwar Dass & Co.
- xxxviii. R S Enterprises
- xxxix. Universal Trading Company

- i. In response to the above notification, Pioneer Trading Corporation and Tyre Importers Welfare Association, both claiming to be the importer's association of the subject good registered as the interested parties and appeared before the Authority in the oral hearing. However, none of the members of the association responded or submitted importer/user questionnaire responses/legal submissions in timely manner. Tyre Importers Welfare Association filed the submissions beyond the prescribed deadline.
- j. The Authority sent questionnaires to the following known user association of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.
 - i. All India Motor Transport Congress
 - ii. Society of Indian Automobiles Manufacturers
 - iii. All India Confederation of Goods Vehicle
 - iv. All India Transporters Welfare Association
- k. The Authority made available non-confidential version of the evidence presented by the various interested parties in the form of a public file kept open for inspection by the interested parties. A list of all the interested parties was uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all the other interested parties since the public file was not accessible physically due to ongoing global pandemic.
- l. The period of investigation (POI) for the purpose of the present investigation is October, 2020- September, 2021 (12 months). The injury examination period has been considered as the period from 2018-19, 2019-20, 2020-21 and the POI.
- m. The Authority obtained transaction-wise import data from the DG systems for the injury period. The applicant association has also submitted import data sourced from

China Customs. The Authority has analysed the data after due examination of the transactions.

- n. Verification of the data provided by the domestic industry and the responding exporters was conducted to the extent considered necessary for the purpose of the present investigation.
- o. The non-injurious price (hereinafter referred to as “NIP”) based on the cost of production and reasonable profits of the subject goods in India, having regard to the information furnished by the domestic industry in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules, has been worked out so as to ascertain whether ADD lower than the dumping margin would be sufficient to remove injury to the domestic industry.
- p. In accordance with Rule 6(6) of the Rules, the Authority provided an opportunity to the interested parties to present their views orally in a public hearing held through video conferencing on 08th August, 2022. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any. The parties shared their non-confidential submissions with the other interested parties and were advised to offer their rebuttals.
- q. A disclosure statement containing the essential facts in this investigation which would have formed the basis of the final findings was issued to the interested parties on 07.09.2022 and the interested parties were allowed time upto 13.09.2022 to comment on the same. The comments on the disclosure statement received from the interested parties have been considered, to the extent found relevant, in this final findings notification.
- r. The submissions made by the interested parties, arguments raised, and information provided by various interested parties during the course of the investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been considered in this final findings notification.
- s. The Authority, during the course of the investigation, satisfied itself as to the accuracy of the information supplied by the interested parties, which forms the basis of this final findings, to the extent possible, and verified the data/documents submitted by the domestic industry to the extent considered relevant and possible.
- t. The information provided by the interested parties on confidential basis was examined with regard to the sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered as confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on a confidential basis.

- u. Wherever an interested party has refused access to or has otherwise not provided the necessary information during the course of the investigation, or has significantly impeded the investigation, the Authority considered such interested parties as non-cooperative and recorded this final finding on the basis of the facts available.
- v. ‘***’ in this final findings notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- w. The exchange rate adopted by the Authority for the subject investigation is US \$1=74.53.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1. Submissions by the other interested parties

- 10. No submissions have been made by the other interested parties with regard to the scope of the product under consideration and like article.

C.2. Submissions by the domestic industry

- 11. The submissions made by the domestic industry with regard to the product under consideration and like article are as follows:
 - a. The product under consideration is ‘New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16 used in buses and lorries/trucks.’ Since the present investigation is a sunset review, the product under consideration remains the same as defined in the previous investigation. There are no developments that took place over the period.
 - b. The product manufactured by the domestic industry is like article to the product imported from the subject country. The issue of like article has already been examined by the Authority in previous investigations as well.

C.3. Examination by the Authority

- 12. The product under consideration in the present investigation is “New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16 used in buses and lorries/trucks”. The product under consideration is the same as defined in the previously conducted investigation, which was defined as follows in the final findings:

“8.

- i. *The product under consideration (PUC) in the present investigation is “New/Unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres), having nominal rim dia code above 16” used in buses and lorries/trucks”. The scope of the product under consideration includes both tube type and tubeless. In tube type tyre, tyre is used along with one tube and one flap in a vehicle. One tyre, one tube and one flap are together sold as a "tyre set" and described as “TTF”. The term “TTF” is prevalent in the industry, to denote a*

"tyre set". Tyre, tube and flap jointly render the function of "tyre" in a vehicle. Sale of tyre, tube and flap are primarily on "TTF" or "tyre set" basis. Tubeless radial tyres, where tube and flap are not required, are also within the scope of this investigation.

- ii. The scope of the imported product includes only radial tyres used in buses and lorries / trucks... All other types of tyres are beyond the scope of the product under consideration in the present investigation.*
- iii. Subject goods are classified in Chapter 40. Tyres are classified under customs subheading no. 40112010 and tubes and flaps are under 40131020 and 40129049 respectively. However, customs classifications are indicative only and in no way binding on the scope of investigation.*
- iv. The Authority further notes that import of TBB is already attracting ADD on imports from China and is beyond the scope of the product under consideration.... All tyres falling under the scope of PUC classifiable under customs subheading no. 40112010 and tubes and flaps classifiable under 40131020 and 40129049 respectively of Schedule I of the Customs Tariff Act, 1975 are within the scope of the product under consideration and all other kinds of tyres, tubes and flaps not classifiable under these customs classification are beyond the scope of the product under consideration."*

13. Since the present investigation is a sunset review investigation, the product under consideration remains the same as defined in the previously conducted investigation. The subject goods are classified under Chapter 40 of the Customs Tariff Act. Tyres are classified under customs subheading 40112010 and tubes and flaps are under 40131020 and 40129049 respectively. However, customs classifications are indicative only and in no way binding on the scope of the product under consideration.
14. The Authority notes from the information available on record that the product produced by the domestic industry is like article to the product under consideration imported from the subject country. The product produced by the domestic industry is comparable to the goods imported from the subject country in terms of physical & chemical characteristics, manufacturing process & technology, functions and uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably. The Authority, therefore, determines that the subject goods produced by the domestic industry are like article to the product imported from the subject country in terms of Rule 2(d) of the AD Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY AND STANDING

D.1. Submissions by the other interested parties

15. The other interested parties have made the following submissions with regard to the scope of the domestic industry and the standing.
 - a. Absence of CEAT's participation and consequent change in the constitution of the domestic industry prevents fair examination of the likelihood of injury. Exclusion of an entity as a constituent of the domestic industry in the sunset review, which was one of the applicant domestic producers and a constituent of domestic industry in the original investigation, cannot be allowed with the sole intent of presenting favourable

situation for the domestic industry.

D.2. Submissions by the domestic industry

16. The domestic industry has made the following submissions with regard to the scope of the domestic industry and the standing:
 - a. The present application has been filed by ATMA on behalf of Apollo Tyres Ltd, J.K Tyre Industries Ltd., and MRF Limited. The applicant companies are not related to any exporters of the subject goods in the subject country or any importer of the subject goods in India.
 - b. There are other domestic producers of the subject goods in India such as Birla Tyres, Bridgestone India Private Limited, Continental India Ltd, Michelin India Private Limited and CEAT Limited.
 - c. The production by the applicant companies constitutes more than 50% of the Indian production. The production of the applicant companies accordingly constitutes a major proportion in the Indian production.
 - d. The applicant companies have not imported the product under consideration from the subject country. Nor are they related to any importer or exporter of the product under consideration.
 - e. Non-participation of CEAT in the present investigation does not prevent fair examination of likelihood. Reliance is placed on the past findings of the Authority wherein the composition of the domestic industry was changed in a review case.
 - f. The applicant companies, constitutes domestic industry and satisfies the requirement of standing under the Rules 2(b) and 5(3) of the AD Rules.

D.3. Examination by the Authority

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

“(b) “domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term ‘domestic industry’ may be construed as referring to the rest of the producers”.
18. The application has been filed by ATMA on behalf of Apollo Tyres Ltd, J.K Tyre Industries Ltd., and MRF Limited, the domestic producers of the product under consideration, those have provided detailed information for the present investigation. The applicant companies account for more than 50% of the total Indian production. The applicant companies account for a major proportion in Indian production of the subject goods. The applicant has certified that they are neither related to any exporters or producers of the product under consideration in the subject country nor any importer of the product under consideration in India.
19. The Authority holds that the applicant constitutes domestic industry under rule2(b) of the Rules and considers that the application satisfied the criteria of standing in terms of Rule 5(3) of the Rules.
20. As regards the argument of participation of CEAT in the present investigation, it is noted that Rule 23 requires the designated authority to initiate a review based on a duly substantiated request made by or on behalf of the domestic industry. In the present case, Apollo Tyres Ltd, J.K Tyre Industries Ltd., and MRF Limited satisfies the criteria under

Rules 2(b) and 5(3) of AD rules to constitute the domestic industry. In any case, the domestic industry has not claimed continued injury and therefore the question whether non participation of CEAT with a “sole intent of presenting favourable situation for the domestic industry” does not arise.

E. CONFIDENTIALITY

E.1. Submissions by the other interested parties

21. The other interested parties have made the following submissions with regard to confidentiality:
- a. The application filed by the petitioner has failed to provide nonconfidential summaries of the information claimed confidential without any reasonable justification thereby violating the Rules and Trade Notices.
 - b. The application filed by the petitioner has failed to comply with the requirements of the Trade Notice No. 10/2018 dated 7th September, 2018.
 - c. The disclosure of data in terms of the above-mentioned trade notice would not result in disclosure of company specific information amongst the domestic producers as claimed by the domestic industry. Therefore, there is no good cause for non-disclosure of such information.

E.2. Submissions by the domestic industry

22. The domestic industry has made the following submissions with regard to confidentiality:
- a. The responses filed are deficient and in violation of Trade Notice 10/2018 and Trade Notice 01/2013, thereby preventing the domestic industry from defending their rights. The exporters have claimed information in public domain confidential, excessive confidentiality on malafide grounds of business propriety, and failed to even provide the responses.
 - b. The confidentiality claims of the applicant are in compliance with the Trade Notice 01/2013. The applicant has no objection to undertake any revisions required as per the law, if the Authority is of the opinion that the applicant has failed to comply with the Trade Notices.

E.3. Examination by the Authority

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

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

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

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority

is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

24. The Authority examined the confidentiality claims of the interested parties and on being satisfied allowed the claim on confidentiality. The Authority considers that any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, should be treated as such by the authority. Such information cannot be disclosed without specific permission of the party submitting it.
25. The Authority has considered the claims of confidentiality made by the applicant and the opposing interested parties and on being satisfied about the same, the Authority has allowed the claim on confidentiality. The Authority made available to all the interested parties the public file containing non-confidential version of evidences submitted by various interested parties for inspection, upon request as per Rule 6(7).

F. MISCELLANEOUS SUBMISSIONS

F.1. Submissions by the other interested parties

26. The following miscellaneous submissions have been made by the other interested parties:
 - a. Shandong Yongfeng Tyres Co., Ltd. did not participate in the original investigation due to no exports to India during the POI. Further, was unable to export in current POI due to import restrictions. However, participated as cooperative producer and was granted individual rate in countervailing duty investigation.
 - b. Three non-tariff barriers simultaneously exist for the subject goods.
 - c. Assessment of likelihood of injury cannot be conducted by relying on China Customs and not import data from DGCI&S.
 - d. The difference between China customs and DGCI&S is due to time difference between export from China and the imports into India.
 - e. Data supplied by DGCI&S should take precedence over purported data of any foreign customs Authority.
 - f. The Authority in its previous final findings in the Sunset review investigation on the imports of “Polytetraflouroethylene” from China PR has held that the reasoning for difference between the purported data of a foreign customs authority and that of DGCI&S is outside the scope of the Authority’s decision.
 - g. Both the Authority and DGCI&S come under the aegis of the Ministry of Commerce and Industry. Therefore, the Authority should not consider the data supplied by the Indian principal authority on trade statistics as unreliable and that available through Chinese Customs Authority as reliable.
 - h. The quantum of PUC imports shall always be less than the quantity for which DGFT has granted import licenses. The Authority may check with the DGFT to verify the quantum for which it has granted import licenses.
 - i. The Authority has no means to verify the China customs. There is a possibility that the goods could have been re-exported or transhipped to other countries and did not undergo Indian customs clearance.
 - j. Landed value should be recomputed as the rate of custom duty on imports from China

is 15% according to the HS code, 14% concession owing to Customs Tariff (Determination of origin of goods under Bangkok agreement rules, 1976) and 10% social welfare surcharge under the Finance Act, 2018. The effective rate of customs duty applicable on imports of the subject goods is 12.9%.

- k. The CCI has already determined that the petitioner has artificially increased its prices by indulging in anti-competitive practices. Therefore, any injury analysis undertaken by the Authority which compares the prices of imports with the artificially high prices of the petitioner would reflect an incorrect factual position.
- l. The petitioner has also been engaging in anti-competitive behaviour relating to determination of PUC prices. The petitioner should demonstrate that the domestic prices are market driven.
- m. Exclude the period from April 2020 to June 2020 which was impacted by the second wave of COVID-19.
- n. Termination of Anti-dumping duty after a period of 5 years is the norm while continuation of duty is an exception to the norm. There do not exist any circumstances calling for invoking the exception under Rule 23(1B) to continue the anti-dumping duty.
- o. Import of tyres as a product has been consistently investigated by the Authority over the years and there has been a long-standing protection that has been given to the domestic industry.
- p. The domestic producers have increased the prices of the subject goods post revision of the import policy for tyres, thereby exploiting the user industry. Reference is placed on the report published by CRISIL.
- q. Post-POI period should be examined by the Authority to assess likelihood of injury to the domestic industry.
- r. The Indian tyre industry's market share has increased to 99.5% during the 5 years and imports from China PR has declined.
- s. The price of tyres has increased by 25-28% over the last 5 year and the industry has made abnormal profit. The users such as small fleet operators have suffered due to increase in prices.
- t. Doublestar Qingdao and Doublestar Hong Kong have provided the complete information to the Authority regarding their related companies including their affiliation, involvement in PUC production or sales, involvement in PUC exported to India, their role in PUC supply chain and details of activities undertaken by each company.
- u. All relevant information regarding the respondents' group structure is already on record before the Authority and has been provided by the respondents as part of their questionnaire response. The relevant parties from the respondents' group that were involved in production and export of the subject goods to India during the POI have filed their questionnaire responses, which is in line with the instructions provided in the exporter's questionnaire format prescribed by the Authority.
- v. The Authority can also cross-check from the DG System data if any related party of the respondents has exported the PUC from China PR. All the relevant group companies from Doublestar group that are part of the entire value chain of the respondents have duly cooperated in the present sunset review.
- w. Double Star Hong Kong is merely a trader of the PUC and other products, therefore information related to cost of production is not applicable to DS HK.
- x. DS HK has clearly stated that it has not produced the PUC and has merely exported the PUC produced by its affiliate company Double Star Qingdao. However, DS HK has made a small typographical error in response of the exporter questionnaire response. As the question enquires the list of products which are either produced or sold by the exporter. In Response to this question, DS HK made a typographical error

and stated that it has ‘produced and sold’ Truck and Bus Radial Tires (TBR) and Passenger Car Radial Tires (PCR), rather than simply stating that these products were merely sold by it.

F.2. Submissions by the domestic industry

27. The following miscellaneous submissions have been made by the domestic industry:
- a. The related parties of the responding exporters/producers have failed to cooperate with the current investigation. The related parties have participated in investigation on the subject goods in the EU and US, and in the original investigation of the subject good in India. The responses filed by them should be rejected.
 - b. Qingdao Doublestar has failed to disclose the major acquisitions of Kumho Tires and Shandong Hengyu Technology Co., Ltd., which made it the largest tyre manufacturer in China.
 - c. As regards non-participation in the original investigation and inability to export in the POI due to import restrictions, the respondent company could have sought new shipper review. Further, the import restriction policy is not a ban on imports and there has been increase in imports of the subject goods from various other countries.
 - d. The unit of measurement used in the questionnaire responses by the respondents are in numbers (PCS) which fail to comply with the standard determined i.e., weight (MT) by the Authority in the original investigation.
 - e. Tyre Importers Welfare Association and Pioneer Trading Cooperation registered as interested parties in the present investigation failed to establish/substantiate themselves as an interested party for the purpose of this investigation.
 - f. There are significant differences in the volume and value in customs data reported by the China customs and DGCIS&S. Such difference suggests the possibility of evasion of the ADD.
 - g. China Customs data is relevant in the current investigation. Reference is placed on various investigations of the Authority where customs data of the subject country has been relied on for the purpose of investigation.
 - h. As regards the difference in volume due to time gap, the difference in quantity cannot be 87%. Further, reliance is placed on sunset review investigation concerning imports of “Polytetrafluoroethylene (PTFE)” originating in or exported from China PR (dated 26th April 2022), where the Authority considered the China customs data as it showed high volume of imports at lower price in the POI.
 - i. As regards the argument that the Authority has no means to verify the China customs, it is evident from the various findings on likelihood based on the China customs that the Authority has means to verify the customs data.
 - j. The investigation undertaken by the Competition Commission of India (CCI) is irrelevant to the current investigation owing to the vastly different investigation period, the different and independent jurisdiction of DGTR and CCI.
 - k. As regards the CCI order and the allegation that the domestic prices are not market driven, the mere existence of various players in the market ensures the prices are market driven. Further, the respondents in the CCI order have preferred an appeal before the Appellate Authority.
 - l. The existence of other Tariff or Non-tariff measures such as countervailing duty, quality control order or the ITC(HS) Import policy does not bar the domestic industry's right to seek and receive relief from dumping.
 - m. The import policy has not curtailed the entry of the subject goods into the country. The classification of imports of the subject goods into free or restricted is a statutory discretion vested with the Government.
 - n. As regards the increase in prices of the subject goods post revision of the import policy

for tyres, the increase in prices is to recover the increased cost of sales owing to the increase in raw material prices. Reliance is placed on the CRISIL report.

- o. As regards the existence of trade barriers, the quality control order is a standard determined by the Government to ensure safety of the vehicle and human lives. It has been in place since 2011 and is not a trade barrier. The license requirement under import restriction policy is a regulatory requirement and cannot be likened to a non-tariff barrier. The countervailing duties on the subject goods were imposed after detailed investigation to counter unfair trade practise.
- p. No user/importer company have taken part in the investigation since the anti-dumping duty does not adversely impact them. The domestic industry has sufficient capacities to meet the Indian demand, and there is no adverse impact on the consumers and the public at large.
- q. The extension of duty will ensure healthy demand for the upstream raw material producers, downstream will never face shortage of supply, employment to people, conservation of forex reserves and significant investments have been made to ensure the same.
- r. As regards post-POI data, post POI information is not a mandated requirement in a sunset review investigation. The Authority has established likelihood of dumping and consequent injury to the domestic industry without considering post POI information, in several previous cases.
- s. As regards the interpretation that termination of ADD after a period of 5 years in the norm and continuation is an exception, reliance is placed on CESTAT order is in the matter of in Association of Man-made Fibre Industry of India v. Designated Authority dated 19th May 2022. There is no requirement of special circumstance for extending duties beyond 10 years so long as there is a likelihood of continuation or recurrence of dumping and injury.
- t. As regards the long-standing protection given to tyre, the subject good has been subject to an original investigation in 2008 where the positive finding was set aside in 2011. The other investigations referred to by the respondents are on NPUC. Further, anti-dumping duty is to prevent unfair trade measures and not to protect the domestic industry. Hence, the imposition of anti-dumping duty till the dumping and consequent injury thereof exists, is justified.
- u. The delayed submissions made by Tyre Importers Welfare Association were made in violation of time limits prescribed by the Authority and the natural justice of the domestic industry.
- v. As regards the increase in share of the Indian industry, the decline in volume of imports from the subject country is due to the existence of the anti-dumping duty.
- w. As regards the increase in the price of tyre over the last 5 years, the increase is to be analysed in relation to the cost of production. The subject imports are suppressing the prices of the domestic industry.

F.3. Examination by the Authority

- 28. The Authority has considered the submissions made by the parties and determines as follows:
 - a. As regards excessive protection, the Authority notes that there is no bar on the number of times a sunset review can be conducted, and the anti-dumping duty extended. The Rules require the Authority to determine whether cessation of ADD is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. It is further noted that the recommendation for extension of anti-dumping duty is made only when the requisite legal requirements are met.
 - b. As regards the argument of impact of ADD on the user industry, it is noted that no user/user association has cooperated in the present investigation through filing

questionnaire response. This leads to the presumption that though the ADD on the subject goods has been in force for years, the same has not led to any adverse impact the user industry or the consumers in India. Further, even if it is considered that the extension of ADD might affect the price levels of the subject goods, it is noted that fair competition in the Indian market will not be impacted by the ADD. The objective of imposition of the anti-dumping measure is to remove the unfair advantages gained by dumping practices, to prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

- c. As regards post-POI data, it is noted that examination of post-POI data is not mandatory in a sunset review investigation. The requirement of analysis of the POI data is determined by the Authority depending on the need in a specific case. The likelihood analysis conducted by the Authority, herein below, is sufficient to analyse whether there is a need for extension of the ADD on the subject goods.
- d. With regard to the participation of Tyre Importers Welfare Association and Pioneer Trading Corporation registered in the present investigation, the Authority notes that both the parties registered themselves as the interested parties. The Authority has also noted that no submissions/ questionnaire responses have been received from Pioneer Trading Corporation or Tyre Importers Welfare Association (TIWA). The post oral hearing written submissions made by TIWA have been received after the expiry of time for filing the written as well as rejoinder submissions. The Authority, therefore, has not accepted their submissions but similar submissions already raised by the other interested parties have been addressed.
- e. As regards the argument that the findings should be based on the China customs data as it shows significantly higher volume of imports, the Authority notes that though China Customs data shows higher volume of imports, yet there is a possibility that the goods could have been re-exported or transhipped to the other countries and did not undergo Indian customs clearance and further the data might include the NPUC data as well. Therefore, the Authority has relied upon and analysed the DG Systems data.
- f. As regards the cartelisation and issues concerning possible unfair competition amongst the domestic producers, the Authority considers that the issue has been separately dealt with by the Competition Commission of India. The Authority notes that the scope of the present investigation is with regard to examine the possibility of likelihood of continuation or recurrence of dumping of the product under consideration, whether the same is likely to cause injury to the domestic industry and whether anti-dumping duties are required to be extended.
- g. As regards to the issues of dual remedy because of CVD and anti dumping duty already in force on the subject goods and the existence of non-tariff measures in force, the Authority holds that the present sunset review investigation is an independent investigation where the Authority is to examine the possibility of likelihood of continuation or recurrence of dumping of the product under consideration, whether the same is likely to cause injury to the domestic industry and whether anti-dumping duties are required to be extended.
- h. As regards the argument on rejection of response of Qingdao Doublestar due to non-participation of its related parties, the Authority has verified the information from DG

Systems data and found that even Qingdao Doublestar has not exported the PUC to India during the POI.

- i. As regards the rate of customs duty for calculation of landed price of imports, the same has been considered as applicable.

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

G.1. Submissions by the other interested parties

29. The following submissions have been made by the other interested parties with regards to the normal value, export price and dumping margin:
 - a. Shandong Yongfeng Tyres Co. Ltd. is entitled for individual rate of duty. Actual price of respondent to India or third country can be taken for determining dumping and injury margin. Alternatively, exports to India by Shandong in the year prior to the imposition of import restriction may be considered for determination of dumping margin and injury margin.
 - b. If no individual dumping margin and injury margin can be determined for the respondent, at the very least, non-sampled rate of anti-dumping duty that has been imposed pursuant to the original anti-dumping investigation, may be extended to the respondent.
 - c. The present sunset review investigation is concerning imports from China PR, which is considered as non-market economy country by the Authority. Shandong has also not claimed market economy treatment. Therefore, only those related producers involved in the production of the PUC whose product has been exported to India are required to file questionnaire response.
 - d. There is no relevance of questionnaire response of related producer in China PR who has not exported to India during the POI.
 - e. Only Shandong Changfeng Tyres Co., Ltd. is the related entity of Shandong Yongfeng.
 - f. With regard to the claim of the applicant that related entities have filed response in the anti-dumping investigation conducted by the EU, it is noted that the entities claimed to be related by the applicant are not identified as related entities by the EU in its final decision dated 18 October 2018.

G.2. Submissions by the domestic industry

30. The following submissions have been made by the domestic industry with regards to the normal value, export price and dumping margin:
 - a. The Designated Authority shall follow Para 1-6 of Annexure I for determination of normal value only if the responding Chinese companies establish that their costs and price information is such that individual normal value and dumping margin can be determined. If the responding Chinese companies are not able to demonstrate that their costs and price information can be adopted, the Designated Authority shall reject the claim of individual dumping margin.
 - b. Unless the producers / exporters in China PR establish their costs and prices are reliable, their domestic costs and prices cannot be accepted for determination of normal value. Failure of the producers and exporters to demonstrate that they are operating under market economy conditions, the normal value should be determined in accordance with the provisions of para 7 of Annexure – I to the Anti-Dumping

Rules.

- c. Since the normal value could not be determined on the price or constructed value in a market economy third country for the reason that the relevant information is not publicly available, and the selling price cannot be relied on due to dumped imports, the applicant claims the determination of normal value for China on the basis of the constructed cost in India with reasonable profit.
- d. The applicant has taken the CIF price and adjusted the same for ocean freight, inland freight, marine insurance, port expenses, commission, and bank charges to determine the export price.
- e. The dumping margin is not only above de-minimis but also significant for the subject country.
- f. As regard the respondent being entitled for individual rate of duty, the rule and the manual of operating practices and established practice indicates that dumping margin is determined based on export price and normal value during POI. The exporter who has not exported during the POI are not eligible for individual duty rates.

G.3. Examination by the Authority

31. 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, where 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*
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);
 - (b) Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely trans shipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.*

32. 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. Qingdao Doublestar Tire Industrial Co., Ltd. (“DS Qingdao”)
- ii. Doublestar International Trading (Hong Kong) Co., Limited (“DS HK”)
- iii. Shandong Yongfeng Tyres Co., Ltd.

Market Economy Status for Chinese Producers

33. 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 nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

34. It is noted that while the provision contained in Article 15 (a) (ii) have expired on 11.12.2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15 (a) (i) of the Accession Protocol require criterion stipulated in Para 8 of the Annexure I of the Rules to be satisfied through the information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is noted that since the responding producers/ exporters from China PR have not submitted response to this questionnaire in the form and manner prescribed, the normal value computation is required to be done as per provisions of Para 7 of Annexure I of the Rules.
35. The normal value and export price for all the producers/exporters from the subject country have been determined as below.

G.4. Determination of Normal Value

36. Para 7 of Annexure I of the Rules reads as under:

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.

37. The Authority notes that the prices or constructed value of the product in an appropriate market economy third country has neither been made available by the applicant or an interested party, nor is available with the Authority from any public source. It is also noted that the interested parties have not provided any verifiable information which could have been adopted by the Authority. The Authority has relied on the determination of normal value for China on the basis of the constructed cost in India with reasonable profit. The normal value so determined is given below in the dumping margin table.

G.5. Determination of Export Price

Qingdao Doublestar Tire Industrial Co., Ltd. (“DS Qingdao”) (Producer/Exporter) and Doublestar International Trading (Hong Kong) Co., Limited (“DS HK”) (Exporter)

38. Qingdao Doublestar Tire Industrial Co., Ltd. has claimed that it is a producer of the subject goods in China PR and has exported the subject goods to India directly as well as through its related trader Doublestar International Trading (Hong Kong) Co., Limited. Both Qingdao Doublestar Tire Industrial Co., Ltd. and Doublestar International Trading (Hong Kong) Co., Limited have submitted the exporters questionnaire. The Authority noted that the DG Systems data available with the Authority did not show exports of the PUC from Qingdao Doublestar to India in the POI. Qingdao Doublestar was asked to clarify and explain this anomaly. In response, Qingdao Doublestar submitted invoices/packing list/bills of lading, etc. From these documents, the Authority noted that Qingdao Doublestar had exported tyres of ‘off-road mining tyres’ (HS Code 40118000) and not the PUC during the POI. The Authority has, therefore, decided to reject the response of Qingdao Doublestar Tire Industrial Co., Ltd.

Shandong Yongfeng Tyres Co., Ltd.

39. Shandong Yongfeng Tyres Co., Ltd. (“Yongfeng”) is a producer of subject goods in China PR. Yongfeng has provided the relevant information in the prescribed Exporters questionnaire format. The Authority notes that Yongfeng has claimed that it has not made any exports of subject goods to India during the POI but has made exports of the subject goods to India prior to the POI. It has also been submitted by Yongfeng that the company was not able to export the subject goods to India during the POI (1st October, 2020 to 30th September, 2021) due to amendment in import policy by Government of India vide Notification No.12/2015-2020 dated 12th June, 2020 wherein the import of subject goods

was brought under the restricted category. Yongfeng has claimed that after the subject goods were brought under the restricted category, no Indian customer has placed the order on it for supply of subject goods.

40. The Authority has not determined the dumping margin for Yongfeng as there are no exports of subject goods to India by it during the POI. Yongfeng has requested the Authority that as they have fully participated in the present sunset review investigation, the anti-dumping duty prescribed for non-sampled producers during the original investigation should be applied for Yongfeng in the event the Authority decides to recommend for continuation for anti-dumping duty pursuant to the present sunset review investigation. The Authority notes that even though Yongfeng has participated in the sunset review investigation, it has not made any exports to India in the POI and, therefore, there is no justification to grant it the non-sampled duty of the original investigation. The Authority has, therefore, decided to reject the request of Yongfeng.

Non-cooperative Exporters from China PR

41. The export price in respect of other exporters from China PR has been determined as per facts available in terms of Rule 6(8) of the Rules. For the purpose, the Authority has considered the imports as reported in the DG Systems data.

G.4. Determination of dumping margin

42. Considering the normal value and export price for subject goods, the dumping margin for the subject goods from subject country has been determined as follows:

SN	Producers	CNV (US\$/MT)	NEP (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin (%)	Dumping Margin (Range %)
1	All producers/exporters from China PR	***	***	***	***%	30-40

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1. Submissions by the other interested parties

43. The following submissions have been made by the other interested parties with regard to injury and causal link:
- a. The examination of material injury is the starting point to analyse possibility of likelihood of injury. There is improvement in capacity, production, capacity utilisation, domestic sales, inventory, market share etc.
 - b. Exclude the period from April 2020 to June 2020 which was impacted by the second wave of COVID-19.
 - c. The economic parameters, namely, total installed capacity, capacity utilisation, total production and profitability of the domestic industry shows significant improvement.
 - d. There is no volume or price injury due to the imports. The imports of the subject goods declined to a meagre 305 MT in the POI from 11,844 MT at the start of the injury period in 2018-19.

- e. Price undercutting is irrelevant at meagre level of imports.
- f. Indian demand has not seen dramatic/significant increase.
- g. Injury if any, is caused by imports from Thailand.
- h. Import volume from Thailand is much more than imports from China PR during the POI. In fact, imports from Thailand are higher than imports from China PR during the injury investigation period except for the year 2020-21. However, no anti-dumping duty or countervailing duty is applicable on imports from Thailand.
- i. It may also be noted that the effective basic customs duty on imports of subject goods from Thailand is only 5%.
- j. The domestic industry has itself claimed in its petition that many of the producers in China PR have shifted their manufacturing base to, inter-alia, Thailand. If this aspect is considered relevant for assessment of likelihood, it will support the claim of Shandong that there is no likelihood of increase in imports from China PR because the capacity from China PR has shifted to Thailand and increase in exports to India will not take place from Thailand.
- k. The non-tariff measures existing for raw materials and capital goods for the subject goods have been discontinued and benefited the domestic industry as can be seen in the increase in profitability.
- l. It is easily demonstrable that the domestic industry is neither facing any present nor impending material injury due to the subject imports. The Indian producers of the PUC command 99% of the total Indian demand, leaving practically no market share for imports either from the subject country or other countries.
- m. The imports have not had depressing or suppressing effect on the prices of the domestic industry to a significant degree due to existence of both Anti-dumping and Anti-subsidy duties. The subject imports being extremely small and the fact that the subject goods are already suffering tariff and non-tariff barriers (import policy) restricting the import of the goods into India, there is already ample protection being given to the domestic industry to enable their further growth.
- n. While analyzing the profitability of the domestic industry, the effect of COVID-19 must be segregated, and after such analysis, the domestic industry's profitability parameters would show a sharp improvement. The domestic industry has remained profitable throughout the injury period and have witnessed an improvement in all financial parameters during the POI.
- o. It is evident that there has been a consistent increase in the installed capacity of the domestic industry. There was capital expenditure being done consistently over the period of injury, which explains the reason for rise in Interest/Finance Cost and depreciation and amortization expense over the injury period. This affected overall profitability of the domestic industry.

H.2. Submissions by the domestic industry

44. The following submissions have been made by the domestic industry with regard to injury and causal link:
- a. The imports have continued to enter in the India market at dumped prices.
 - b. Imports are undercutting and underselling the prices of the domestic industry.
 - c. Imports have been suppressing the domestic prices.
 - d. As regards the dumped imports from Thailand, the Authority had previously recommended imposition of duty which was rejected by the Ministry of Finance. An appeal on the same is pending before the Appellate Authority.
 - e. No injury has been suffered by the subject imports due to existence of Anti-dumping duty. However, in the event of cessation of Anti-dumping duty, there is a likelihood of continuation of dumping and recurrence of injury to the domestic industry.

H.3. Examination by the Authority

45. The submissions made by the domestic industry and the other interested parties with regard to the injury and causal link related issues have been examined. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.
46. Rule 11 of the Rules read with its Annexure-II thereto 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."
47. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, and 20 shall apply mutatis mutandis in case of a review. In case the performance of the Domestic industry shows that it has not suffered injury during the current injury period, the Authority shall determine whether cessation of the present duty is likely to lead to recurrence of injury to the domestic industry.
48. As regards the discrepancy in the import data as per the China Customs and the DG Systems, the Authority notes that there exists a significant difference in the volume and value of imports from the subject country depending on the source of the data. However, the Authority has relied upon DG Systems data for the purpose of the injury analysis as there is a possibility that the goods could have been re-exported or transhipped to the other countries and did not undergo Indian customs clearance and it might include the NPUC data as well. Therefore, the Authority has analysed and relied on the DG Systems data.
49. The Authority has examined the various injury parameters on account of imports from the subject country before proceeding to examine the likelihood aspects of dumping and injury. It has been examined as to whether there is an increase in imports, in absolute terms or in relation to production or consumption. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude, and margin of dumping, etc. have been considered in accordance with Annexure-II of the Rules. The Authority has taken note of various submissions of the domestic industry and other interested parties and has analysed 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 parties.

H.3.1. Volume effect of dumped imports on domestic industry

a. Assessment of demand/apparent consumption

50. 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 domestic industry and all other Indian producers, imports from the subject country as

per DG Systems data, and imports from all other countries.

Particulars	Unit	2018-19	2019-20	2020-21	POI
Sales of domestic industry	MT	4,14,033	3,44,994	3,75,142	4,28,959
<i>Trend</i>	<i>Indexed</i>	100	83	91	104
Sales of other producers	MT	1,19,955	1,26,100	1,19,179	1,35,492
<i>Trend</i>	<i>Indexed</i>	100	105	99	113
Subject imports	MT	11,844	13,267	2,249	305
<i>Trend</i>	<i>Indexed</i>	100	112	19	3
Other countries imports	MT	24,074	13,185	7,725	5,145
<i>Trend</i>	<i>Indexed</i>	100	55	32	21
Total demand	MT	5,69,907	4,97,547	5,04,295	5,69,901
<i>Trend</i>	<i>Indexed</i>	100	87	88	100

51. It is seen that the demand for the subject goods is almost same in the POI as compared to the base year but increased when compared to the previous year.

b. Import Volumes from the subject country.

52. About 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 volume of imports from the subject country as per DG Systems data. The factual position is as follows:

Particulars	Unit	2018-19	2019-20	2020-21	POI
Subject country- China PR	MT	11,844	13,267	2,249	305
<i>Trend</i>	<i>Indexed</i>	100	112	19	3
Others	MT	24,074	13,185	7,725	5,145
<i>Trend</i>	<i>Indexed</i>	100	55	32	21
Total imports	MT	35,918	26,452	9,974	5,450
<i>Trend</i>	<i>Indexed</i>	100	74	28	15
Subject Imports in relation to					
Total imports	%	33	50	23	6
<i>Trend</i>	<i>Indexed</i>	100	152	68	17
Indian production	%	2	2	0.39	0.04
<i>Trend</i>	<i>Indexed</i>	100	125	21	2
Indian demand	%	2	3	0.45	0.05
<i>Trend</i>	<i>Indexed</i>	100	128	21	3

53. It is seen that:
- The imports from the subject country have decreased in the POI compared to the base year as well as the previous year.
 - The import from the subject country has also shown a decrease in its share in total imports of the product under consideration into India. The share of the subject imports in total imports have declined in the POI compared to the base year.

- c. The subject imports have decreased in relation to the demand in India in the POI compared to the base year as well as the previous year. The subject imports in relation to production in India has declined significantly.

H.3.2. Price effect of the dumped imports

54. With regard to the effect of the dumped imports on prices, it is required to be analysed 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 suppression and price depression, if any. For the purpose of this analysis, the cost of production, non-injurious price (NIP) and net sales realization (NSR) of the domestic industry have been compared with the landed price of imports of the subject goods from the subject country, as per the DG System data.

a. Price undercutting

55. For the purpose of price undercutting analysis, the selling price of the domestic industry has been compared with the landed price from the subject country. The landed value has been calculated after adding the appropriate customs duty, and other duties applicable to the imports of the product under consideration from the subject country. Accordingly, the undercutting effects of the dumped imports from the subject country work out as follows:

Particulars	Unit	2018-19	2019-20	2020-21	POI
Net sales realisation	Rs/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>102</i>	<i>104</i>	<i>105</i>
Landed price without ADD	Rs/MT	1,62,783	1,45,058	1,46,964	1,71,930
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>89</i>	<i>90</i>	<i>106</i>
Price undercutting	Rs/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	<i>100</i>	<i>149</i>	<i>153</i>	<i>102</i>
Price undercutting	%	***	***	***	***
Price undercutting	Range	20-30	40-50	40-50	20-30

56. It is seen that the imports from the subject country are entering the Indian market at a price below the selling price of the domestic industry resulting in positive undercutting.

b. Price suppression and depression

57. In order to determine whether the dumped imports are depressing or suppressing 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 is examined. The table below shows factual position:

Particulars	Unit	2018-19	2019-20	2020-21	POI
Cost of sales	Rs./MT	***	***	***	***
Trend	Indexed	100	105	100	102

Selling price	Rs. /MT	***	***	***	***
Trend	Indexed	100	102	104	105
Landed price	Rs. /MT	1,62,783	1,45,058	1,46,964	1,71,930
Trend	Indexed	100	89	90	106

58. It is seen that the landed price of imports is below the cost of sales of the domestic industry over the injury period and the POI.

H.3.3. Economic parameters of the domestic industry

59. Annexure II to the Rules provides that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The various injury parameters relating to the domestic industry are discussed below.

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

i. Production, capacity, capacity utilization and sales

61. The capacity, production, sales, and capacity utilization of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2018-19	2019-20	2020-21	POI
Capacity	MT	5,47,202	6,08,158	6,44,173	6,80,491
<i>Trend</i>	<i>Indexed</i>	100	111	118	124
Production	MT	4,69,106	4,00,886	4,16,220	5,13,164
Trend	Indexed	100	85	89	109
Capacity Utilization	%	86	66	65	75
Trend	Indexed	100	77	75	88
Domestic Sales	MT	4,14,033	3,44,994	3,75,142	4,28,959
<i>Trend</i>	<i>Indexed</i>	100	83	91	104

62. It is seen that the domestic industry has increased its installed capacity throughout the injury period and the POI. The production and the sales have increased in the POI as compared to the base year but the capacity utilization has declined in the POI.

ii. Market Share in demand

63. Market share of the domestic industry, other Indian producers, imports from the subject country, and other countries are shown in the table below:

Particulars	Unit	2018-19	2019-20	2020-21	POI
Domestic industry	%	***	***	***	***
Trend	Indexed	100	95	102	104
Other producer	%	***	***	***	***

Trend	Indexed	100	120	112	113
Subject countries	%	***	***	***	***
Trend	Indexed	100	128	21	3
Other countries	%	***	***	***	***
Trend	Indexed	100	63	36	21
Total	%	100.00	100.00	100.00	100.00

64. It is seen that there is no significant change in the market share of the domestic industry. However, the share of the subject imports has reduced from ***% base year to ***% in the POI.

iii. Inventories

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

Particulars	Unit	2018-19	2019-20	2020-21	POI
Opening	MT	***	***	***	***
Closing	MT	***	***	***	***
Average inventory	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	116	98	105

66. It is seen that the average inventories with the domestic industry have increased in 2019-20, declined in 2020-21 and again increased in the POI.

iv. Profitability, cash profits and return on capital employed

67. Profit, profitability, cash profits, PBIT, and return on investment of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2018-19	2019-20	2020-21	POI
Profit per unit	₹/MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	63	162	147
Total Profit/(Loss)	Rs. Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	52	147	152
Cash Profit	Rs. Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	74	132	137
Profit before interest and tax	Rs. Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	63	150	152
Return on Capital Employed	%	***	***	***	***
<i>Trend</i>	<i>Range</i>	100	75	131	138

68. It is seen that profits, cash profits and PBIT of the domestic industry declined in 2019-20 but improved thereafter.

v. Employment, wages, and productivity

69. Employment, wages, and productivity of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2018-19	2019-20	2020-21	POI
No. of Employees	Nos.	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	110	108	111
Productivity per day	MT/Day	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	85	89	109

70. It is seen that the employment of the domestic industry has increased in the POI as compared to previous as well as base year. The productivity of the domestic industry has increased in the POI as compared to the base year. The domestic industry has submitted that these parameters are not reflective of the impact of dumped imports on the domestic industry.

vi. Growth

71. The growth of the domestic industry in terms of major economic parameters are given in the table below:

Particulars	Unit	2019-20	2020-21	POI
Production	Y/Y	(15)	4	23
Domestic sales	Y/Y	(17)	9	14
Capacity utilisation	Y/Y	(23)	(2)	17
Profit/Loss	Y/Y	(48)	181	4
Cash profit	Y/Y	(26)	78	4
PBIT	Y/Y	(37)	138	1
Return on Capital Employed	Y/Y	(25)	74	6

72. The growth of the domestic industry with respect to volume parameters like production, domestic sales, capacity utilisation, profits, cash profits, PBIT, and returns on investment is positive in the period of investigation.

vii. Ability to raise capital investment

73. The domestic industry has not claimed material injury during the POI. The domestic industry has shown a healthy financial performance during the POI.

viii. Magnitude of injury margin

74. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in Anti-Dumping Rules read with Annexure III, as amended. The NIP of the PUC has been determined by adopting the information/data relating to the cost of production provided by the domestic industry for the period of investigation. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the non-injurious price, the best utilisation of the raw materials of the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the PUC was allowed as pre-tax profit to arrive at the non-injurious price as

prescribed in Annexure III of the Rules and being followed. The NIP so determined has been considered for calculating injury margin.

75. Since the response of Qingdao Doublestar Tire Industrial Co., Ltd. has not been accepted and Shandong Yongfeng Tyres Co., Ltd. has not exported the subject goods to India during the POI, the landed price for all the exporters has been determined on the basis of the DG Systems data.
76. Based on the landed price and NIP determined as above, the injury margin for producers/exporters from China PR has been calculated by the Authority and the same is provided in the table below.

SN	Producers	Non-Injurious Price (US\$/MT)	Landed Value (US\$/MT)	Injury Margin US\$/MT	Injury Margin (%)	Injury Margin (Range %)
1.	All producers/exporters	***	***	***	***%	20-30

I. CAUSAL LINK & NON-ATTRIBUTION ANALYSIS

77. The Authority examined any known factors other than the dumped imports which at the same time might have been injuring the domestic industry, so that the injury caused by these other factors, if any, is not attributed to the dumped imports. Factors which are 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. The Authority examined 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

78. It is seen that imports from other countries are either de minimis or at higher prices.

b) Contraction in Demand

79. It is seen that the demand for the product under consideration have increased in the POI as compared to the base year as well as the previous year.

c) Changes in Pattern of consumption

80. No evidence has been brought by any interested parties about any material change(s) in the pattern of consumption of the product under consideration.

d) Conditions of competition and trade restrictive practices

81. The Authority notes that the investigation has not shown any change in the conditions of competition or any trade restrictive practices.

e) Developments in technology

82. No evidence has been brought by any interested parties about existence of significant changes in the technology.

f) Export performance of the domestic industry

83. The Authority has considered data for the domestic operations only for the injury analysis.

g) Performance of other products

84. The domestic industry has provided the injury data for the PUC and the same has been adopted by the Authority for the purpose of injury analysis. Performance of other products produced and sold by the applicant has not been considered.

85. The applicant has not claimed injury due to imports.

J. LIKELIHOOD OF CONTINUATION/ RECURRENCE OF DUMPING AND INJURY

86. In a review investigation the Authority is required to determine whether the subject goods are continuing to enter or likely to enter the Indian market at dumped prices and whether injury to the domestic industry is likely to continue or recur due to these dumped imports if the duty is allowed to cease.

J.1. Submissions by the other interested parties

87. The following submissions have been made by the other interested parties with regard to likelihood:

- a. Existence of countervailing duties is sufficient to protect the industry from dumping. The petitioner has not evidenced that the existing CVD will be insufficient.
- b. The product has been placed in the restricted category and the imports have reduced drastically.
- c. No capacity expansion has been taken by the respondent. There is no excess capacity in China PR. However, mere existence of unutilized capacity does not mean this will be utilized to export the subject goods to India.
- d. Out of the total sale of the subject goods made by the respondents during the injury period, around 70% of the sales are made in the domestic market. Therefore, the focus is more into meeting the demand of the subject goods in China PR. Further, about 29% of the balance sales are to third countries.
- e. Revival of demand for tyres indicate that there is no likelihood of injury to the domestic industry. Reliance is placed on the annual reports of Apollo and JK Tyres Industries Limited.
- f. There has been significant decrease in the subject imports.
- g. The demand of TBR in China PR is utilised to meet demand in replacement markets.
- h. Indian demand has not seen dramatic/significant increase.
- i. India is not a lucrative market and has constituted only 0.10% of the respondent's exports.
- j. The respondents do not hold inventory and is largely sold in the domestic and third country market.
- k. It is clear from the above that the domestic industry is oriented towards exports and have been growing their business in the export markets quite profitably.
- l. The domestic industry are also getting benefitted due to availability of the raw material/ input and machinery at a cheaper price.
- m. The relevant information about all the related parties has been duly provided to the

Authority as part of the questionnaire response and the financial reports enclosed by the respondents. The relevant group companies from Doublestar group that are part of the entire value chain of the respondents have duly cooperated in the present sunset review.

- n. There are only two companies registered with the Ministry of Corporate Affairs (MCA) having the keyword 'Kumho' in their name. The name of these two companies is Kumho India Tires Limited and Kumho Electric Power India Private Limited.
- o. These companies did not have any presence in the Indian market of the PUC or any other product during the POI or the injury period.
- p. By virtue of change in the import policy, the import of the subject goods into India are now only possible when DGFT grants a license/authorization to an Indian importer. The DGFT has not been granting licenses to Indian importers leading to a drastic fall in the imports of the subject goods.
- q. The market for the subject goods is divided into two segments – First, for new vehicles where the automobile manufacturers/OEMs are the customers. Second, the replacement market where the user of the vehicles are the consumers. It is clear that the replacement market is the major demand driver in the tyre industry specifically in commercial vehicles segments such as bus and trucks.
- r. Further, radial tyre in bus / trucks have a high aftermarket demand, owing to the requirement of periodic replacement. Going by the claim made by the petitioner, the entire demand of tyres in China PR of bus and trucks would be of subject goods i.e., radial tyres. Therefore, any unutilized capacity or capacity expansion by the Chinese producers, if any, would majorly be utilized to meet the increasing demand of the subject goods in their domestic market.
- s. The petitioner has provided the news report of 2012 which predicts increase in domestic demand of radial tyres. The news report is more than 10 years old. Further, the report itself predicts plateau in radialisation of Medium & Heavy Commercial Vehicles (MHCV), which primarily covers the PUC, in the financial year 2020.

J.2. Submissions by the domestic industry

88. The following submissions have been made by the domestic industry with regard to likelihood:
- a. The dumping margin in the original investigation and subsequent investigations have been significant. The subject goods are being dumped despite the ADD in force. Hence, in the event of cessation of ADD, the dumping and consequent injury would continue.
 - b. The producers/exporters from the subject country have a history of dumping in India. They have continued to dump the subject goods despite the ADD in force.
 - c. The producers/exporters have a history of dumping the subject goods around the world and has been under investigation for over 22 years.
 - d. Potential markets like US and EU have imposed both anti-dumping and countervailing duties on the subject good, thereby significantly reducing the subject country's market. Resultantly, the available capacity can be diverted to the Indian market on cessation of the existing ADD.
 - e. Exports made by the Chinese producers to the third countries are at 100% dumped and injurious volumes.
 - f. The producers have undertaken significant capacity additions over the injury period. The projected increase of production of the subject goods in the subject country

- indicated that it could cater to the Indian demand multi-fold times.
- g. Owing to the acquisition of Kumho tires and Shandong Hengyu Technology Co., Ltd, and renovation of its subsidiary Doublestar Dongfeng Tire, Doublestar has expanded its capacity for the subject goods.
 - h. The producers in the subject country are significantly export oriented. The increasing sales to other countries by the respondents as per their response indicate the export orientation of the company.
 - i. The producers in the subject country have limited market due to acquisition and setting up of subsidiaries and manufacturing facilities in different countries around the world.
 - j. There is increased demand for the subject goods in India due to the shift from traditional bias tyres to radial tyres, i.e., radialisation.
 - k. The Indian market is price sensitive, and the imports are selectively low prices to India.
 - l. India is a lucrative market for the exporters from the subject country as can be evidenced by the long history of dumping. Doublestar group continued to export to India despite the existence of anti-dumping duty, countervailing duty and import restriction policy.
 - m. As regards the argument that the respondent does not hold inventory, the inventories for the finished product reported in the financial statement of the respondent has been increasing continuously.
 - n. As regards the argument that the Indian market is not attractive for the respondent, the closure of potential market in the world, and the increasing trends in demand in the Indian market evidence that India is a lucrative market for the Chinese manufacturers.
 - o. As regards to capacity expansions during the injury period, the respondent is the largest manufacturer of tyre in China PR and one of the largest in the world.
 - p. As regards the existence of countervailing duties, there is no bar in simultaneous investigation and imposition of duties. In the instant case, the period of investigation is different for both cases. Further, the subject goods from the subject countries are being subjected to dual duties in EU and US.

J.3. Examination by the Authority

89. All factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of continuation or recurrence of dumping and injury in the event of cessation of the duty. The Authority has considered various information, as made available by the domestic industry and other interested parties, in order to evaluate the likelihood of continuation or recurrence of dumping and injury.

i. Continued & existing dumping and injury

90. The Authority notes that the imports of product under consideration in the current period of investigation, are at dumped prices despite anti-dumping duty in existence. It is also seen that the subject imports are undercutting and suppressing the prices of the domestic industry.

ii. Surplus capacities in the subject country

91. Analysis of the questionnaire responses filed by the responding exporters shows as follows:

	Qingdao Doublestar Tire Industrial Co., Ltd.	Shandong Yongfeng Tyres Co., Ltd.
Installed Capacity (PCS)	***	***
Total Production (PCS) [PUC+NPUC]	***	***
Capacity utilization %	***%	***%
Production (PCS) (PUC)	***	***
Domestic sales (PCS)	***	***
Exports to other countries (PCS)	***	***

Source: Exporter Questionnaire Response

92. Further information provided by the domestic industry with regard to subject country shows significant capacity additions and expansions undertaken by the manufacturers in the subject country.
93. As per the information on record, the producers of the subject goods in the subject country are having
- having capacities far higher than the Indian demand.
 - having significant unutilized capacities which are likely to be utilized to export the subject goods to India in the event of cessation of existing duties.

iii. Third country dumping

94. The applicant has submitted that there are trade remedial measures in place on the subject imports from China PR in EU and US since 2018 and 2019 respectively. It would be seen that the exporters in the subject country are dumping the product in third countries as well. Additionally, the expansion of Chinese manufacturers of subject goods and setting up of foreign subsidiaries and manufacturing facilities in foreign countries have reduced the market for subject goods for the exporters in the subject country. In the event of cessation of the existing duties, India would be a target of trade diversion by the producers of the subject goods in China PR.

iv. Attractiveness of the Indian market

95. The domestic industry has submitted that the cessation of ADD currently in place is likely to lead to intensified dumping causing injury to the domestic industry.
96. The table below shows volume of exports claimed by the domestic industry from the subject country to third countries at dumped, attractive and injurious prices.

China to Third Countries

Particulars	UOM	Oct 20 - Sep 21	Range with respect to overall third country exports	Range
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Dumped Exports based on CNV	MT	36,28,470	98.28%	90-100
Injurious Volumes	MT	33,89,762	91.81%	90-100
Price Attractive volumes	MT	36,01,843	97.56%	90-100
Overall Third Countries	MT	36,92,097		

Source: Trade Map data

Comparison with Indian Demand	UOM	Oct 20 - Sep21	Range with respect to overall third country exports in comparison to Indian demand	Range
Indian Demand	MT	5,69,901		
Dumped Exports based on CNV	MT	36,28,470	637%	630-640
Injurious Volumes	MT	33,89,762	595%	590-600
Price Attractive volumes	MT	36,01,843	632%	630-640
Volumes below DI Cost	MT	32,43,739	569%	560-570

97. It is noted that apart from radialisation, replacement market is also a huge driver of demand for the subject goods. As per the applicant, the Indian market is yet to achieve maximum radialisation. Consequently, Indian market offers potential demand in both radialisation and replacement segments.

K. POST DISCLOSURE COMMENTS

K.1. Submissions by the other interested parties

98. The following post disclosure submissions have been made by the other interested parties:
- i. After filing the questionnaire responses, the Authority did not raise any question about whether the goods exported by the Qingdao Doublestar Tire Industrial Co., Ltd. qualified to be the PUC. However, in the disclosure statement, the Authority has held that goods exported by the respondents do not qualify to be the PUC. In the disclosure statement, the Authority has held that ‘*off-road mining tyres*’, which were exported by the respondents during the POI, do not form part of the PUC and, therefore, are outside the scope of the present investigation. The Authority should explicitly exclude ‘off road mining tyres’ from the scope of the PUC.
 - ii. If no individual dumping margin and injury margin can be determined for the Qingdao Doublestar Tire Industrial Co., Ltd., then the non-sampled rate of anti-dumping duty that has been imposed pursuant to the original anti-dumping investigation, may be extended to the respondents.
 - iii. The applicant is not suffering from any material injury on account of imports and have stable economic parameters. The Indian producers of the PUC command 99% of the

total Indian demand, leaving practically no market share for imports either from the subject country or other countries. The meagre quantity of imports is extremely small to impact the prices of the applicant.

- iv. Excessive confidentiality in the disclosure statement has hindered the respondents' ability to clearly understand the evidence relied on by the Authority to reach the conclusions derived in the disclosure statement. Therefore, the Authority should issue a revised disclosure statement disclosing these essential financial parameters.
- v. There is no likelihood of continuation or recurrence of dumping and injury. The anti-dumping duty having been in force for 5 years now coupled with CVD and non-tariff measure on imports of tyres, producers/exporters from China PR have lost their entire market share in India. Therefore, even if there exist excess capacities, the Indian market is no more a lucrative market for the respondents. Further, minor exports by the respondents to India during the POI cannot cause any injury to the domestic industry.
- vi. There is no capacity expansion undertaken by Qingdao Doublestar during the injury period.
- vii. Trade diversion and other allegations put across by the applicant do not fall under the purview and ambit of an anti-dumping investigation and especially not in the sunset review of an anti-dumping investigation.
- viii. There has not been any decline in the third country export sales of Qingdao Doublestar during the POI. Therefore, there is no scope to direct their PUC exports towards India even if the anti-dumping duty is discontinued.
- ix. Shandong Yongfeng Tyres Co., Ltd. has provided necessary information and has not impeded the investigation. Shandong has been a cooperating producer/exporter in the past as well and absence of exports to India is involuntary due to import restrictions.
- x. Qingdao Doublestar Tire Industrial Co., Ltd. ("Doublestar") had misrepresented before the Authority that it had exported the subject goods during the POI even though there were no exports of subject goods to India by Doublestar during the POI.
- xi. It is the established practice of the Authority to extend non-sampled rate of duty to new shippers when application is made by new shipper pursuant to the anti-dumping investigation where sampling methodology was adopted. Thus, if Shandong would have applied for a new shipper investigation when it started exporting subject goods to India, it would have been granted non-sampled rate of anti-dumping duty. Since Shandong has participated in the sunset review investigation upon initiation of sunset review investigation by the Authority, non-sampled rate of anti-dumping duty can be extended to them pursuant to the present sunset review investigation. The domestic industry will not be prejudiced if Shandong is subjected to the anti-dumping duty rate of USD 316.10/MT.
- xii. The facts and circumstances of Shandong in the present sunset review investigation are unique and cannot be simply equated with other situations of producers/exporters who did not export to India during the POI in other sunset review investigation conducted by the Authority. Shandong was prevented from exporting to India during the POI due to existence of non-tariff barrier imposed by Government of India in the form of import restriction. Therefore, any existing practice of the Authority to grant all others rate of

duty to producers/exporters who did not export to India during the POI in a sunset review investigation, cannot be extended in the present case.

- xiii. The determination of likelihood of injury should be based on realistic probability of imports into India and the realistic probability of injury to the domestic industry due to such imports. The restriction on imports is continuing for more than two years and there is no date prescribed for its withdrawal. As a result of this restriction on imports, the imports of subject goods into India have significantly declined and cannot also be expected to increase even if anti-dumping duty is withdrawn.
- xiv. The countervailing duty is applicable for a period of 5 years, i.e., till 23rd June 2024. Thus, even if anti-dumping duty is withdrawn pursuant to the sunset review, the imports into India will be subject to countervailing duty till 23rd June 2024.
- xv. The anti-dumping duty/countervailing duty/bilateral safeguards on several raw materials and capital goods used in the production of subject goods have been discontinued. Due to withdrawal of duty on following raw materials and capital goods during 2019 and 2020, the domestic industry is further expected to improve its performance in the coming years.

K.2. Submissions by the domestic industry

- 99. The following post disclosure submissions have been made by the domestic industry:
 - i. Tyre Importers Welfare Association failed to establish itself as an interested party and filed submissions after expiry of time for filing thereby violating principles of timely availment of opportunity advocated by WTO. The acceptance of submission is inappropriate and a dangerous precedent. Reliance is placed on US — Hot-Rolled Steel, US — Corrosion-Resistant Steel Sunset Review, US — Oil Country Tubular Goods Sunset Reviews.
 - ii. The rejection of China customs data is inappropriate as the same has been sourced from General Customs Administration of China. The difference between data reported in China Customs and DGCI&S cannot be 87%.
 - iii. Exporter becomes eligible for non-sampled cooperating duties only when they are eligible for sampling which means they have exported during the POI. Yonfeng with no exports is not eligible for an individual margin or margin for non-sampled cooperating exporters.
 - iv. Import volumes considered have been understated. It is requested that the Authority consider imports by description and not customs classification, as the latter is only indicative.
 - v. The quantum of the ADD may be modified to reflect the dumping margin and injury margin, as is the practice. The positive injury margin is despite the ADD and CVD in place. Modification of duty ensures that the quantum imposed is sufficient to prevent the recurrence of injury.
 - vi. The likelihood of injury and dumping from subject country has been established by the dumped and injurious exports from China to the rest of the world. Recently, South Africa has decided to impose 39% of duty on the import of subject goods from China

PR.

- vii. The examination of likelihood by the Authority indicates likelihood and recurrence of injury and dumping in the event the duties expire.

K.3. Examination by the Authority

100. Regarding the point raised by the other interested parties that the Authority should explicitly exclude 'off road mining tyres' from the scope of the PUC, the Authority is of the view that it was explicitly defined that the PUC was "New/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16" used in buses and lorries/trucks".
101. The Authority notes that Shandong Yongfeng Tyres Co., Ltd. has raised the point that it was prevented from exporting to India during the POI due to existence of non-tariff barrier imposed by the Government of India in the form of import restriction and if Shandong would have applied for a new shipper investigation when it started exporting subject goods to India, it would have been granted non-sampled rate of anti-dumping duty and also that Shandong has participated in the sunset review investigation upon initiation of sunset review investigation by the Authority, non-sampled rate of anti-dumping duty can be extended to them pursuant to the present sunset review investigation. The Authority also notes that Qingdao Doublestar Tire Industrial Co., Ltd. has requested to grant it the non-sampled rate of anti-dumping duty. The Authority further notes that the domestic industry has stated that the exporter becomes eligible for non-sampled cooperating duties only when they are eligible for sampling which means they have exported during the POI. In this regard, the Authority decides that since Qingdao Doublestar had exported of 'off-road mining tyres' (HS Code 40118000) during the POI which is not the PUC and Shandong Yongfeng Tyres Co., Ltd. has also not made any exports of the PUC to India during the POI, they are not eligible for non-sampled duty of the original investigation. The Authority has, therefore, rejected their requests.
102. Regarding the point that the quantity of imports is too small to impact the prices of the applicant, the Authority notes that when the duty is in place, it is bound to impact the imports as in the present case but in spite of that impact, the imports are coming at dumped and injurious prices. In such a situation there is rather strong likelihood of dumping and injury if the current duty ceases to exist.
103. Regarding the point that excessive confidentiality in the disclosure statement has hindered the respondents' ability to defend, the Authority notes that confidentiality has been allowed in respect of those financial parameters where such confidentiality was warranted.
104. Regarding the point that there is no likelihood of continuation or recurrence of dumping and injury as various forms of restrictions have been existing for years and that even if there exist excess capacities, the Indian market is no more a lucrative market for the respondents, and further that there has not been any decline in the third country export sales of Qingdao Doublestar during the POI, the Authority notes that the overall data shows that substantial exports from the subject country to third countries are at dumped and injurious price, which is a clear indication that there is likelihood of dumping in India and consequential injury if the current duty ceases to exist.

- 105.Regarding the point of the other interested parties that the trade diversion and other allegations put across by the applicant do not fall under the purview and ambit of an anti-dumping investigation, the Authority notes that it has carried out the sunset review anti-dumping investigation only as per the anti dumping rules.
- 106.Regarding the points that since as a result of restriction on imports imposed by the Government of India, the imports of subject goods into India have significantly declined and cannot also be expected to increase even if the anti-dumping duty is withdrawn; that the countervailing duty is applicable for a period of 5 years, i.e., till 23rd June 2024; that due to withdrawal of duty on raw materials and capital goods during 2019 and 2020, the domestic industry is further expected to improve its performance in the coming years and that hence the determination of likelihood of injury should be based on realistic probability of imports into India and the realistic probability of injury to the domestic industry due to such imports, the Authority notes that the overall data shows that substantial exports from the subject country to third countries are at dumped and injurious price, which is a clear indication that there is likelihood of dumping in India and consequential injury if the current duty ceases to exist.
- 107.Regarding the points that the Tyre Importers Welfare Association failed to establish itself as an interested party and also filed the submissions after the deadline, the Authority has not accepted their submissions for these reasons but similar submissions already raised by the other interested parties have been addressed.
- 108.Regarding the points that the rejection of China customs data is inappropriate as the same has been sourced from General Customs Administration of China and that the difference between data reported in China Customs and DGCI&S cannot be 87%, the Authority is of the view that the DG Systems data is the Indian customs data and thus very much reliable.

L. INDIAN INDUSTRY'S INTEREST

L.1. Submissions by the other interested parties

- 109.The following submissions have been made by other interested parties with regard to the Indian industry's interest:
- i. The domestic industry is adopting a predatory mechanism to increase their profits by exploiting the user industry. The applicant has a set mechanism for exploiting the needs of the user industry and crippling the interests of automobile industry at large. Firstly, they lobby towards imposition of significant tariff barriers in the form of AD and CVD, thereby, shielding themselves from any external competition. This creates an oligopoly of the Indian producers in the domestic market. Thereafter, all the producers, as an industry, increase their prices significantly in a synchronized manner. Further, the domestic producers have also increased the prices of the subject goods post revision of the import policy for tyres.
 - ii. This behaviour of the applicant of using trade remedies as a means for cartelizing the market has also been reprimanded in the past by the Competition Commission of India which even went to the extent of imposing heavy financial penalties not just on the applicant but also the key individuals of the applicant.

- iii. Therefore, the respondents submit that the extension of the anti-dumping duty will not serve the interest of the users of the subject goods in India. Accordingly, the present sunset review be terminated.
- iv. The findings of the Competition Commission have highlighted that the petitioner use trade remedy measures as a tool for creating an oligopoly in India which significantly impacts the interests of Indian user industry.

L.2. Submissions by the domestic industry

110. The following submissions have been made by the domestic industry with regard to the Indian industry's interest:

- i. Imposition of anti-dumping duty on the product under consideration from the subject country will not be against public interest.
- ii. Absence of participation from user/importer industry show they are not adversely impacted.
- iii. The subject imports are entirely unnecessary as there exists no demand supply gap in the country. The domestic industry has more than sufficient capacities to cater to the entire demand in the country. Despite that, the volume of cheap imports has continued to increase which has negatively impacted the domestic industry.
- iv. The subject good is a consumer good with significant shelf life. Consequently, the impact on the anti-dumping duty on the end-consumer is negligible. Therefore, the imposition of anti-dumping duties on the product under consideration will not adversely impact the consumers and the public at large.
- v. The subject good produced by the domestic industry majorly uses domestically sourced raw materials for its manufacturing process. This provides a healthy demand and market for the upstream raw material producers. Hence, the domestic industry is directly beneficial for the upstream industry as well.
- vi. This can only continue for as long as there is a healthy domestic industry producing sufficient levels of subject goods. If the duties are not extended, low-priced imports will flood the markets creating a shortage of demand for domestically produced products and hence damaging not just the domestic industry but also the upstream industry.
- vii. The domestic industry is the biggest purchaser of rubber from the plantations, majorly clustered in Kerala. Keeping in mind the interests of the upstream rubber cultivators and producers of rubber, the applicant and the National Bank for Agriculture and Rural Development (NABARD) are working on a Rs. 1100 crore project to increase rubber production in the country. This collaboration directly in line with the 'Make in India' scheme, is a big step in making India self-sufficient in rubber production. This proposal is expected to benefit the local rubber farmers of the North-Eastern states as the improved yield will enable them to make more profits and improve their standard of living.
- viii. The consumers will always benefit from having a healthy and competitive domestic industry that can satisfy the entire domestic demand in competition to fair priced imports.
- ix. The consumers will have to maintain higher degree of inventory if they have to depend on imported material. However, in case of procurement from the domestic industry, inventory holding can be kept at much lower levels. Therefore, the users will save significant amount of blockage of capital employed as well if they procure from the domestic industry.

- x. The domestic industry submits that the producers in China PR receive significant government support directly and indirectly, explicitly and implicitly. Chinese costs and consequently prices are affected by government intervention. As a result, the cost of production in the subject country is significantly lower than the cost of production in India.
- xi. There is a need for indigenous manufacturing of the product under consideration and reduce reliance on imports.
- xii. The domestic industry is responsible for providing employment to a significant number of people. The number of people employed by the industry both directly and indirectly in has grown to more than 6000.
- xiii. The tyre industry in India has made massive investments into the production facilities for radial tyres. This increase in production capacities conveys the confidence the domestic industry has on the future growth of the product demand in India.
- xiv. The domestic industry also spends heavily on corporate social responsibility every year. As part of their CSR efforts, MRF tyres, another applicant company, has focused on providing safe drinking water, skill development, healthcare, sports training and measures for reducing social and economic inequalities.
- xv. JK Tyres, one of the applicant companies, has installed solar panels across its manufacturing units to harvest 14.7 MWp of energy organically. The company is also focusing on replacing coal with biomass and have planted more than 25000 bamboo trees to develop 'green coal'. The company in total has reduced its carbon emission intensity by 53% and increased renewable energy usage to 55%. The company also undertakes water conservation efforts.
- xvi. As regards the increase in prices of the domestic industry, the same is due to the increase in cost of raw materials.

L.3. Examination by the Authority

111. 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 imposition 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.

112. The Authority issued gazette notification inviting views from all interested parties, including importers, consumers, and other interested parties. The Authority also prescribed a questionnaire for the importers and consumers to provide relevant information with regard to present investigations, including possible effect of ADD on

their operations.

113. As regards submissions made by importer or associations, none of these parties have provided any material to show adverse effects of extension of ADD on public at large. As already noted in these findings, none of the interested parties have provided any verifiable information to demonstrate the effect of extension of duties on the consumers.
114. Even though the Authority has prescribed formats for the users to quantify the impact of ADD and elaborate how the extension of ADD shall adversely impact them, it is noted that none of the interested parties have provided relevant information. It is thus, noted that the interested parties have not established any impact of extending the ADD on the user industry with verifiable information.
115. It is, thus, noted that while the interested parties have not established possible adverse impact of extension of ADD on the user industry with verifiable information, even if it is considered that the extension of ADD might affect the price levels of the subject goods, the impact of the anti-dumping duty on the consumer shall be negligible. Further, fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the ADD is restricted to an amount necessary to redress the injury to the domestic industry. The objective of imposition of anti-dumping measure is to remove the unfair advantages gained by the dumping practices; to prevent the injury to the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.
116. The Authority further notes that the recommendation for imposition of duty is made only when the requisite legal requirements are met. From the information on record, it is also noted that the impact of anti-dumping duty is negligible to the consumers of the product under consideration, and the Authority is of the view that the imposition of anti-dumping duty will be in public interest.

M. CONCLUSION

117. Having regard to the contentions raised, the information provided and submissions made by the interested parties and the domestic industry and the facts available before the Authority, as recorded in the above findings, and on the basis of the above analysis of the likelihood of continuation or recurrence of the dumping and the injury to the domestic industry, the Authority concludes that-
- i. The growth of the domestic industry with respect to volume parameters like production, domestic sales, capacity utilization, profits, cash profits, PBIT, and returns on investment is positive in the POI. The domestic industry has shown a healthy financial performance during the POI.
 - ii. Though the imports from the subject country have decreased in the POI and the anti-dumping duty is in force, the imports are coming at dumped prices.
 - iii. The subject imports have decreased in relation to the demand in India in the POI. The subject imports in relation to production in India have declined significantly.
 - iv. The imports from the subject country are entering the Indian market at a price below the selling price of the domestic industry, resulting in positive undercutting.

- v. The landed price of imports is below the cost of sales of the domestic industry over the injury period and the POI.
- vi. The producers of the subject goods in the subject country are having capacities far higher than the Indian demand.
- vii. They are also having significant unutilized capacities which are likely to be utilized to export the subject goods to India in the event of cessation of existing duties.
- viii. The government has only restricted the imports of the subject goods by way of licensing but has not banned or prohibited their imports. The licenses can be obtained after meeting the terms and conditions.
- ix. When the duty is in place, it is bound to impact the imports as in the present case but in spite of that impact, the imports of the subject goods are coming at dumped and injurious prices. In such a situation there is rather a strong likelihood of dumping and injury if the current duty ceases to exist.
- x. In the current situation when the international markets are facing economic slowdown, Indian market in general is showing healthy economic performance, making it attractive for the Chinese producers. This is a strong indicator that there is likelihood that dumped exports of the PUC from the subject country to India will intensify, causing injury to the domestic industry.
- xi. The exports of the PUC from the subject country to third countries are at substantially dumped and injurious prices. These factors clearly indicate that in the event of cessation of ADD currently in place, there is likelihood that dumped exports of the PUC from the subject country to India will intensify, causing injury to the domestic industry.

N. RECOMMENDATIONS

118. The Authority notes that the investigation was initiated and notified to all the interested parties and adequate opportunity was given to the domestic industry, the exporters, the importers, the users and the other interested parties to provide information on the aspects of dumping, injury and the causal link.

119. Having concluded that there is positive evidence of likelihood of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that the anti-dumping duty in force on the imports of the product under consideration from the subject country is required to be continued further. Considering the facts and circumstances of the case, as established hereinabove, the Authority considers it appropriate to recommend extension of the existing quantum of anti-dumping duties on the imports of the subject goods from the subject country. The Authority, thus, considers it necessary to recommend to the central government continuation of definitive anti-dumping duty on all imports of the subject goods from the subject country as per column 7 in the duty table below, for a further period of three (3) years.

Duty Table

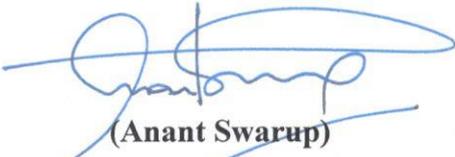
SN	Tariff Heading	Description of goods	Country of origin	Country of export	Producer	Amount	Currency	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	40112010	New/unused pneumatic	China PR	Any country	Any	452.33	USD	MT

		radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having nominal rim dia code above 16" used in buses and lorries/trucks" excluding tubes and or flaps imported without New/Unused pneumatic radial tyres		including China PR				
2	-do-	-do-	Any country other than China PR	China PR	Any	452.33	USD	MT

120. 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.

O. FURTHER PROCEDURE

121. An appeal against the order of the Central Government arising out of these findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.


(Anant Swarup)
Designated Authority