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**F. No. 7/24/2019-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Trade Remedies  
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi**

Dated 18<sup>th</sup> June, 2020

**NOTIFICATION**

**FINAL FINDINGS**

**Case No. ADD-SSR 12/2019**

**Subject: Sunset Review of anti-dumping investigation concerning imports of 'Measuring Tapes', originating in or exported from China PR.**

**A. BACKGROUND OF THE CASE**

1. 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, the Designated Authority (hereinafter also referred as the 'Authority') initiated anti-dumping investigation on imports of "Measuring Tapes" (hereinafter also referred as the 'subject goods' or 'product under consideration' or 'PUC'), originating in or exported from China PR (hereinafter also referred as the 'subject country') vide notification No. 14/31/2002- DGAD dated 23rd October 2002. The Authority thereafter notified the Final Findings No 14/31/2002-DGAD dated 1<sup>st</sup> September 2003, recommending imposition of anti-dumping duty against imports of the subject goods from China PR. Definitive anti-dumping duty was imposed by Ministry of Finance vide Customs Notification No. 147/2003- Customs (ADD) dated 7th October 2003 for 5 years. Thereafter, first sunset review (SSR) investigation was conducted and Final Findings Notification was issued by the Authority vide Notification no. 15/2/2008-DGAD dated 27<sup>th</sup> March, 2009 and the duty was imposed vide Notification No. 49/2009-Customs (ADD) dated 15.05.2009. Second sunset review investigation was also conducted and continuation of duties was recommended by the Authority vide

Notification No. 15/9/2014-DGAD dated 5<sup>th</sup> May 2015 and the anti-dumping duty was imposed vide Notification No. 31/2015-Customs (ADD) dated 9<sup>th</sup> July, 2015 . The anti-dumping duty imposed pursuant to the Final Findings in the second sunset review is still in force till 8<sup>th</sup> July, 2020.

2. Rule 23(1B) of the Rules provides as follows:

*“...any definitive anti-dumping 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.”*

3. M/s. FMI Limited (hereinafter referred to as ‘Applicant’ or ‘Domestic Industry’ or ‘DI’) filed a duly substantiated application on behalf of the domestic industry before the Authority, in accordance with the Act and the Rules claiming likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from China PR and consequent injury to the domestic industry and has requested for review and continuation of the present anti-dumping duties, applicable on the imports of the subject goods, originating in or exported from the subject country, for another five years.

4. Based on the application filed by the Applicant, the Authority initiated sunset review investigation *vide* public notice notified through Notification No. 7/24/2019-DGTR dated 18<sup>th</sup> December 2019, published in the Gazette of India, Extraordinary, to examine whether the expiry of present duty is likely to lead to continuation or recurrence of dumping and injury.

## **B. PROCEDURE**

5. The scope of the present review covers all aspects of the Final Findings Notification No. 15/9/2014-DGAD dated 5<sup>th</sup> May 2015 which had recommended imposition of anti-dumping duty on imports of subject goods, originating in or exported from the subject country.

6. The procedure, as described herein below, has been followed:

a. The Authority *vide* Notification No. 7/24/2019-DGTR dated 18<sup>th</sup> December 2019 published a public notice in the Gazette of India, Extraordinary, initiating sunset review anti-dumping investigation against imports of the subject goods from the subject country.

- b. The Authority forwarded a copy of the public notice to all the known importers and users association of the subject goods in India and advised them to make their views known in writing within forty days from the date of issue of the letter.
- c. The Authority provided a copy of the non-confidential version of application filed by the Applicant to the known exporters and the Embassy of the subject country in India, in accordance with Rule 6(3) of the Rules.
- d. The Authority in order to elicit relevant information sent questionnaires to the following known exporters of subject goods in the subject country in accordance with Rule 6(4) of the Rules:
  - i Ningbo Land Tools & Measuring Tools Co. Ltd, No.68 Chengjiao Road, YuyaoCity, Zhejiang, China.
  - ii Ningbo Hongdi Measuring Tape Industry Company,CW-4 Fareast industrial City, YuyaoCity, Zhejiang, China
  - iii Ningbo Land Tools & Measuring Tools Co. Ltd. No. 68, Chengjiao Road, Yuyao City, Yuyao-315400,Zhejiang, China
  - iv Shaanxi Yuan Hang Machinery Equipment Import & Export Corp., Ltd,334#,You Yi East Road-710054, Shaanxi, Xi'an, China
  - v CixiZunbao Steel Tape Company Ltd,,Wangdi Road, Cixi City. Ningbo, China
  - vi YiwuWudian Great Wall Hardware Factory Co Ltd, WudianTwon, Yiwn, Jinhua,Zhejiang, China
  - vii Baofeng Tools & Measuring Tools Co Ltd, No.458, Yangming Road, E Yuyao City, Zhejiang province China.
  - viii Henan Bonthe Measuring Tools Co., Ltd,No.1 South Road, Zhixin Industrial Gathering Zone,Yucheng County, Henan Province Shangqiu City, China
  - ix YuchengXinghong Measuring Tools Co Lt, Yucheng Road South, Yucheng Henan, Shangqiu, China
  - x FoshanZongtian Measuring Tools Co Ltd,Dali Town, Nanhai District-528000, Guangdong China
- e. No exporter has participated and filed questionnaire response in the present investigation.
- f. Questionnaire were sent to the following known importers/users of subject goods in India calling for necessary information, in accordance with Rule 6(4) of the Rules:
  - i. M/s Lohia Trade Concern, 2880, GaliJajamPura, HauzQazi, Delhi-110006.
  - ii. M/s Vinay Brothers, Gali No.3, As alpha Village, SaiEstate, JMT Road, Ghatkoper West, Mumbai-400086.
  - iii. M/s VK International,8/16 Banda House, Shop No.4, NarayanaDhuru X Lane ,Mumbai-400003
  - iv. M/s Fahad Enterprises, Devidas Mansion,2<sup>nd</sup>Floor,Mere Weather Road, Colaba, Mumbai-400039

- v. M/s Ghanshyam Dass & Sons (Veekay Industries),Gala No.4,Munani Trade Center, Near-Real Esatae,Sativali Road, Vasai East, Mumbai-401208.
  - vi. M/s New Wave Industries, B IX/643, Hosiarpur Road, Jalandhar-144004 Punjab
  - vii. M/s Ashiana Exports Inc, G-2 Chawla House Woodhouse Road, Colaba Mumbai, Maharastra.
  - viii. M/s SK Enterprises, first Floor,Room No.26, Building No.88, Beachkorbhai House,4<sup>th</sup>Kumbarwade, Mumbai-400004
  - ix. M/s Sterling Enterprises, 130/A-1,Shah &Nahar Industrial Estate,S.J.Roar, Lower Parel,Mumbai-400013
- g. No importer/user has filed questionnaire response in the present investigation
  - h. The Authority made available non-confidential version of the evidence presented by domestic industry in the form of a public file kept open for inspection by all interested parties. No other interested party has though participated in the investigation.
  - i. The Authority accepted the confidentiality claims, wherever warranted after due examination and such information has been considered confidential and not disclosed to other interested parties.
  - j. Further information was sought from the Applicant and other interested parties to the extent deemed necessary. Verification of the data provided by domestic industry was conducted to the extent considered necessary for the purpose of present investigation.
  - k. Investigation was conducted on for the period April 2018– June 2019 (15 months) (hereinafter referred to as the ‘period of investigation’ or ‘POI’) with injury analysis covering the period April 2015 – March 2016, April 2016 – March 2017, April 2017 – March 2018 and the POI.
  - l. The Directorate General of Commercial Intelligence and Statistics (DGCI&S) was requested to provide details of imports of subject goods for the past three years, and the period of investigation, and the said information was obtained from the DGCI&S and has been adopted for the purpose of the present investigation.
  - m. The Authority has examined the information furnished by the domestic industry to the extent possible on the basis of guidelines laid down in Annexure III of the Rules to work out the cost of production and the non-injurious price of the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would remove injury to the domestic industry.
  - n. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their views orally in the oral hearing held on 26th May 2020 which was attended by domestic Industry along with their legal representatives. Those who attended oral hearing were requested to file written submissions of the views presented in the oral hearing.

- o. The submissions made by the Domestic Industry during the course of this investigation, wherever found relevant, have been addressed by the Authority, in these final findings.
- p. The Period of Investigation (POI) for the purpose of the present review investigation is 1<sup>st</sup> April, 2018 to 30<sup>th</sup> June, 2019 (15 months). The examination of trends in the context of injury and likelihood analysis covered the periods April 2015- March 2016, April 2016-March 2017, April 2017-March 2018 and the POI.
- q. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide Disclosure Statement dated 16<sup>th</sup> June, 2020 and comments received thereon, considered relevant by the Authority, have been addressed in these final findings. Only the Domestic Industry have submitted their comments to the disclosure statement.
- r. ‘\*\*\*’ in this Notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- s. The exchange rate for the POI has been taken by the Authority for the subject investigation as 1 US\$ = Rs.70.73.

## **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

### **C.1 Views of the Domestic industry**

7. The views of the domestic industry are as follows:

- a. The PUC is Measuring Tapes. The subject goods is mainly used in high precision professional jobs, for measuring depth, width or length of an object, and for construction work and surveys. Measuring Tapes are used by foremen, masons, carpenters, forestry departments and tailors etc. Essentially, as the name suggests, measuring tapes are used to “measure” dimensions and can be found wherever measurement is required to be taken.
- b. The product under consideration was defined by the Authority in its original final finding dated 1<sup>st</sup> September 2003. The description of the subject goods or its use has not undergone any change. Therefore, description and scope of PUC in the original investigation has been referred to and relied upon in this review investigation as well.
- c. There is no known difference in the PUC exported from China PR and that produced by the Indian industry. In the present case, both products are comparable in terms of technical characteristics, end uses, technical and commercial substitutability and tariff classification. The two are technically and commercially substitutable.

### **C.2. Views of other interested parties**

No submission has been made by the exporters/other interested parties with regard to scope of the product under consideration (PUC) and like article.

### **C.3. Examination by the Authority**

8. The PUC in the present sunset review investigation is "Measuring Tapes". This being a sunset review investigation, the scope of the PUC remains the same as that in the original investigation. The PUC in the original investigation was defined as under :

*(a) The product under consideration is "Measuring Tapes", its parts and components etc., all type of steel measuring and fibre glass tapes and their parts or components are the subject matter of the present petition. It is generally used for measuring the length, breadth etc. of an object. It is used by foreman, mason, carpenter, forestry departments and tailors etc. Measuring Tapes are manufactured from tempered high quality carbon steel blade, phosphate and coated with special enamel to withstand corrosion and rust. Measuring tapes are used for: -*

- a. high precision professional jobs;*
- b. measuring depth, width, or length of an object;*
- c. contraction and surveys.*

*b. In technical terms, the measuring tapes are defined in terms of length and width of a tape, raw material used i.e. steel or fibre glass and, finally precision with which dimensions are marked on the tape. It is classified under Chapter 90 of the Customs Tariff Act under sub-headings 9017, 9017.80, 9017.8001, 9017.90. The petitioner has stated that subject goods are being imported under above-mentioned sub-headings. The Custom classification is indicative only and not binding on the scope of investigation.*

9. Rule 2(d) relating to the definition of "like article" specifies that "like article" means an article which is identical or alike in all respects to the article under investigation, or in the absence of such an article, another article having characteristics closely resembling those of the article under investigation.
10. From the above definition of the term "like article", it is clear that the like article has to be identical or alike in all respects to the article under investigation. The scope of the term like article shall also include those articles having closely resembling characteristics to those under investigation in the absence of articles identical or alike in all respects.
11. On the basis of information on record, the Authority holds that there is no known difference in the subject goods produced by the Indian domestic industry and those imported from the subject country. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classifications of the goods. The two are technically and commercially substitutable. The consumers also use the two interchangeably. The Authority holds that the product manufactured by the Applicant constitutes like article to the subject goods being imported into India from the subject country.

12. It is noted that HS code for the product concerned is 9017. Therefore, for the purpose of analysis of import data, the Applicant has obtained transaction-wise DGCI&S import data for the Heading 9017. Thereafter, the Applicant has sorted the import data for PUC by examining the description for each line item given in the DGCI&S. The Authority has cross verified the sorting of import data done by the Applicant.

#### **D. SCOPE OF DOMESTIC INDUSTRY & STANDING**

##### **D.1. Views of the Domestic industry**

13. Following submissions have been made by the domestic industry with regard to scope and standing of the domestic industry:
- a) The present application has been filed by M/s. FMI Limited. The Applicant is neither related to an importer in India nor exporter from the subject country, nor has the Applicant imported the product under consideration. The Applicant holds a major proportion of total domestic production of subject goods in India. The Applicant, therefore, satisfies the requirement of standing and constitutes domestic industry within the meaning of the Rules.
  - b) The production figures of other Indian producers are based on market intelligence. To the best of the knowledge of the Applicant, the production figures of the other producers are representative and any deviation with actual figures will, in fact, reveal that their actual production is lower as the Applicant has made a conservative estimate.
  - c) There are other known producers of the subject goods in India i.e. M/s. Freemans Measures Limited, Klas Tape Co., Venus Industrial Corpn., Ambika Overseas, New Wave Industries, whose estimated production based on market intelligence during the POI is 26% of total Indian production.

##### **D.2. Views of other interested parties**

14. No submission has been made by the exporters/other interested parties with regard to scope of the product under consideration (PUC) and like article

##### **D.3. Examination of the Authority**

15. Rule 2 (b) of the 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”.*

16. The present SSR application has been filed by M/s. FMI Limited. The Applicant is neither related to an importer in India nor any exporter from the subject country. Further, the Applicant has not imported the subject goods during the POI. Applicant had initially submitted that as per market intelligence there are other known producers of the subject goods in India i.e. M/s. Freemans Measures Limited, Klas Tape Co., Venus Industrial Corpn., Ambika Overseas, New Wave Industries whose estimated production based on market intelligence during the POI is 26% of total Indian production. Thus, Applicant's share is 74% in Indian production of the subject goods during the POI.
17. In view of the above, the Authority hold that the Applicant constitutes a major proportion of total domestic production of subject goods in India. The Applicant, therefore, satisfies the requirement of standing and constitutes domestic industry within the meaning within the meaning of Rule 2 (b) and of Rule 5 (3) of the Rules. The Applicant constitutes domestic industry within the meaning of the Rules.

## **E. CONFIDENTIALITY AND OTHER ISSUES**

### **E.1 Submissions made by domestic industry**

18. The following submissions have been made by the domestic industry with regard to confidentiality and other issues:
  - a. Applicant is the producer in the POI and, thus, its information, even in terms of volume parameters such as production, sales, etc. has not been disclosed as the same is not in public domain. Disclosure of such highly business sensitive information, would be of significant competitive advantage to competitors and consumers and would seriously impact the interest of Applicant. The Applicant has, however, provided indexed information wherever possible.
  - b. Applicant has provided sufficient information justifying initiation of the investigation. Applicant has provided all information as required under the application proforma.
  - c. DGCI&S data is confidential data and therefore cannot be circulated. The interested party is free to collect transaction-wise data from DGCI&S, if they so desire. Reference is made to the Trade Notice F. No. 4/2/2017 dated 8<sup>th</sup> December 2017.
  - d. The Applicant submitted that it has provided the data in indexed form in the non-confidential version of the application in accordance with Rule 7 of the Rules and Trade Notice No. 10/2018 dated September 7, 2018.
  - e. Indexed information has been provided, wherever possible. The injury analysis is essentially an analysis of trend which can be easily seen through trends of various parameters provided in the application.

### **E.2 Views of other interested parties**

19. No submission was made by any other interested party with regard to confidentiality and other issues:

### **E.3 Examination by the Authority**

20. 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.”*

21. With regard to the confidentiality of information, the Authority notes that the information provided by the domestic industry on confidential basis was examined with regard to sufficiency of the confidentiality claim in accordance with Rule 7 of the Rules. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential. Non-confidential version of the information provided by Domestic Industry were made available to all interested parties through the public file as per Rule 6(7) and Trade Notice No. 10/2018 dated September 7, 2018.

## **F. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN**

### **F.1 Normal Value**

22. Under Section 9A(1)(c) of the Act, normal value in relation to an article means:

- (i) the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
- (ii) when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when*

*because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*

*(a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*

*(b) the cost of production of the said article in the country of origin along With reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

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

## **F.2 Views of the Domestic industry**

23. The following are the submissions made by the Applicant in respect of normal value:

- a. China should be considered a non-market economy, in line with the position taken by the Authority in previous cases, and by investigating authorities in other countries. Chinese producers' cost and price cannot be relied upon for determination of normal value.
- b. Paragraph 1 to 6 of Annexure I of the Rules do not apply for computation of normal value for imports from China PR, unless a producer/exporter shows with sufficient evidence that he is operating under market economy conditions. As a result, normal value for China PR has to be determined in terms of paragraph 7 of Annexure I of the Rules. Para 7 of Annexure I of the Rules provides that the calculation of the normal value in a non-market economy may be determined on the following basis:
  - i. the price in a market economy third country;
  - ii. constructed cost in a market economy third country;
  - iii. the price from such a third country to other countries, including India;
  - iv. the price actually paid or payable in India, adjusted to include a reasonable amount of profit.
- c. The Applicant has determined normal value of subject goods based on constructed cost of production of the subject goods.

### **F.3. Examination by the Authority**

#### **Market Economy status for Chinese producers**

24. Article 15 of China's Accession Protocol in WTO provides as follows: "Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

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

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

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

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

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

*(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event; the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector.”*

25. 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 India's Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming the market economy status. It is noted that since none of the responding producer and the exporter from China PR have submitted supplementary questionnaire response, the normal value computation is required to be done as per provisions of para 7 of Annexure I of the Rules. Accordingly, the normal value and export price for the all the producers/exporters from the subject country have been determined as below.

#### **F.5 Determination of Normal Value**

26. As none of the producers from China PR have filed the Supplementary Questionnaire response, the normal value has been determined in accordance with Para 7 of Annexure I of the Rules. In the absence of sufficient information on record, regarding the other methods as are enshrined in Para 7 of Annexure I of the Rules, the Authority has determined the normal value on “any other reasonable basis”.
27. The Authority has, therefore, constructed the normal value for China PR on the basis of cost of production in India, duly adjusted, including selling, general and administrative expenses. The constructed normal value so determined for Chinese exporters is mentioned in the dumping margin table below.

#### **F.5 Determination of Export Price**

28. Export price from subject country has been determined considering volume and value of imports for the period of investigation as per DGCI&S published data. Adjustments have been made for freight, insurance, FOB export price, port expenses, Bank Charges and non-refundable VAT.

29. Based on normal value and export price determined as above, the dumping margin for producers/exporters from China PR has been determined and the same is provided in the table below. It is seen that the dumping margin is significant.

**Dumping Margin Table**

SN	Type of Tape	Normal Value (Rs./Kg)	Export price (Rs./Kg)	Dumping Margin (Rs./Kg)	Dumping Margin %	DM Range %
1	Steel Tape	***	***	***	***	120-140
2	Fiber Tape	***	***	***	***	200-220

**G. ASSESSMENT OF INJURY AND CAUSAL LINK**

30. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
31. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 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.
32. The Authority notes that the application for imposition of antidumping duty has been filed by M/s. FMI Limited. In terms of Rule 2(b) of the Rules, the Applicant has been treated as the domestic industry for the purpose of this investigation. Therefore, for the purpose of this determination the cost and injury information of the Applicant has been examined.

**G.1 Submissions made by the Domestic Industry**

- a. The demand of the subject goods has witnessed significant increase in the injury period.
- b. Chinese imports have declined due to imposition of duties. However, at the same time increased significantly from Singapore and Cambodia. The exports from these

countries are goods originating in China which is being merely processed and then exported to India.

- c. An anti-circumvention application seeking extension of ADD from Singapore and Cambodia has been filed. Imports of Chinese origin subject goods have increased and is quite significant. Imports are low because ADD is in place. However, imports show increase, significant decline in prices and are below Indian cost and price.
- d. Both Price undercutting and Price suppression/depression are likely if duties cease to exist. Significant price difference along with surplus capacity in China show that in all likelihood the imports will increase after cessation of ADD.
- e. Market share of DI as well as Indian industry as a whole increased over injury period, as a result of decline in share of the subject imports due to existing duties. However, imports of Chinese origin goods through Cambodia and Singapore has increased. Thus, China still holds a significant share of domestic market.
- f. Landed price is significantly below selling price of DI. Price undercutting is significant. Cost of production declined up to 2017-18 and then increased in the POI, the same trend was followed by selling price. The domestic industry reduced selling price lower than the decline in the cost of production in view of adverse profitability of the operations and the need to improve the same.
- g. Domestic Industry's capacity increased over the injury period due to increase in demand, and accordingly, production, sales and capacity utilization also increased.
- h. Market share of DI as well as Indian industry as a whole increased over injury period, as a result of decline in share of the subject imports due to existing duties. However, imports of Chinese origin goods through Cambodia and Singapore has increased. Thus, China still holds a significant share of domestic market.
- i. Profitability, return on investment and cash profits of the domestic industry has increased over the injury period. It has taken a considerably long period before the domestic industry could improve its profitability. This has been due to dumping from one or other sources. The imposition of ADD on other sources and extension of present ADD has now resulted in improvement in profits, cash profits and ROI.
- j. Inventories with the Domestic Industry have increased over the injury period. Employment, productivity and wages have increased over the injury period.
- k. The performance of the domestic industry improved in view of anti-dumping duty in place. The volume and prices at which the Chinese exporters are dumping the material globally, exhibits the nature of the Chinese exporters. Thus, considering the pattern of behaviour of Chinese exporters and the positive growth of the domestic industry post-imposition of duty, it can be concluded that the cessation of anti-dumping duty would only lead to negative growth for the domestic industry once again.
- l. Dumping margin is not only more than de-minimis but also substantial. Despite imposition of ADD, dumping continues from subject country.
- m. In terms of causal link, the relationship was established in previous investigations as well. Nonetheless, it would be seen that dumped imports continue to enter the market; import prices are lower than domestic prices; imports are undercutting and underselling the prices; if the duty ceases DI would be forced to reduce prices which

would naturally impact its profitability, profits, cash flow and return on investment; if current prices are maintained then DI would lose sales and that would then result in increase in inventories level; decline in production, capacity utilization, and productivity, increase in cost of production and decline in profits.

## **G.2 Submissions made by other interested parties**

33. No submissions were made by interested parties with regard to injury and casual link related issues.

## **G.3 Examination by the Authority**

34. Article 3.1 of the WTO agreement and Annexure II of the Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like products; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
35. The present investigation is a sunset review of anti-dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutatis mutandis in case of a review as well. The Authority has, therefore, determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “... *taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....*”. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.
36. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure II of the Rules states as under:

*“(iv) The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic*

*factors and indices having a bearing on the state of the industry, including natural 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.”*

37. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any. The Authority has taken note of the submissions made by domestic industry and has examined the injury to the domestic industry in accordance with the Rules.
38. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some may not. The Authority considers all injury parameters and, thereafter, concludes whether the domestic industry has suffered injury or not. The Authority has examined the injury parameters as under taking into account the facts and arguments submitted by the domestic industry.

#### I. ASSESSMENT OF DEMAND

39. For this purpose, demand or apparent consumption of the product in India is taken as the sum of domestic sales of the Indian producers and imports from all sources. Share of imports from the subject country in demand/consumption in India determined by the Authority is as under:

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Actual	annualised
Imports from China PR	MT	16	33	79	40	32
Imports from Other Countries	MT	1262	656	1290	2204	1763
Total Imports	MT	1278	689	1369	2245	1796
Domestic Sales of Applicant	MT	***	***	***	***	***
Domestic Sales of Other Producers	MT	***	***	***	***	***
Total Demand	MT	***	***	***	***	***
Trend	Indexed	100	99	145	203	162

## II. VOLUME EFFECT OF DUMPED IMPORTS

### i. Import Volumes and Share of Subject Country

40. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. The Authority has examined the volume of imports of the subject goods from the subject country and other countries based on the transaction-wise import data provided by DGCI&S. The import volumes of the subject goods and share of the dumped import during the injury investigation period are as follows:

Particulars	Unit	2015-16	2016-17	2017-18	POI(A)	
					Actual	Annualised
Imports from China	MT	16	33	79	40	32
Imports from Other Countries	MT	1262	656	1290	2204	1763
Cambodia and Singapore	MT	0	406	1267	2118	1695
Other imports	MT	1,262	250	23	86	69
<b>Total Imports</b>	<b>MT</b>	<b>1278</b>	<b>689</b>	<b>1369</b>	<b>2245</b>	<b>1796</b>
Subject country imports in relation to						
Total imports	%	0-5	0-5	0-5	0-5	0-5
India production	%	0-5	0-5	0-5	0-5	0-5
Indian demand	%	0-5	0-5	0-5	0-5	0-5
Imports from Cambodia & Singapore in relation to						
Indian production	% range	0-1%	10%-20%	20%-30%	30%-40%	30%-40%
Consumption	%	0%	10%-20%	20%-30%	20%-30%	20%-30%

41. It is seen that the import from China have remained low in volume in absolute terms as well as in relation to production and consumption in India. The domestic industry has however contended that
- Even when the volume is low, the price is dumped and injurious. Dumping margin, price undercutting and injury margin is very significant,
  - The low volume is in view of ADD in force and circumvention of antidumping duty through Cambodia and Singapore. It is also noted that imports from other countries have increased significantly and such increase is largely from Cambodia and Singapore. The domestic industry has claimed that these goods are of Chinese origin and the producers in China have routed the subject goods through Cambodia and Singapore. The domestic industry has also contended that there is no full-fledged

production facility for this product in Cambodia and Singapore. Therefore, while the import volume of product under consideration is low, actual import of subject goods is much higher when considered along with imports from Cambodia and Singapore. The domestic industry has filed an application under anti circumvention law in respect of imports from Cambodia and Singapore and the same is being considered separately. It is seen that the imports of the product shows significant increase, both in absolute terms and in relation to production and consumption, if imports from Cambodia and Singapore are also added to imports from China.

### III. PRICE EFFECT OF THE DUMPED IMPORTS

42. In terms of Annexure II (ii) of the Rules, the Authority is required to consider the effect of the dumped imports on domestic prices in terms of price undercutting, price underselling, price suppression and price depression, if any.

#### i. Price Undercutting

43. With regard to the effect of dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports of the price of the like product 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. In this regard, a comparison has been made between the landed value of the product from the subject country and the average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at ex-factory level.

Year	Unit	Steel tapes	Fibre Tapes	PUC
Chinese imports				
Import volume	MT	39	1	40
Import value	Rs in Lakhs	45	1	46
Assessable value	Rs. /Kg	116	100	115
Landed value	Rs. /Kg	125	108	124
Selling price	Rs. /Kg	***	***	***
Price undercutting	Rs. /Kg	***	***	***
Price undercutting	%	120%-130%	180%-190%	125%-135%

44. It is seen that imports of the subject goods from China PR are at a price significantly below the prices of domestic industry.

#### ii. Price Underselling

45. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from the subject country. For this purpose, the NIP

determined for the domestic industry w.r.t. steel and fibre Measuring Tapes has been compared with the their landed price of imports as obtained from the DGCI&S import data. Comparison of the NIP of the domestic industry with weighted average landed price of imports shows as follows:

Particulars		UOM	Based on Average NIP
Imports	Steel Measuring Tape	MT	39
Landed Price		Rs/Kg	125.88
NIP		Rs/Kg	***
Price Underselling Margin		Rs/Kg	***
Price Underselling Margin		%	***
Trend		Range	100-120

Particulars		UOM	Based on Average NIP
Imports	Fiber Measuring Tape	MT	01
Landed Price		Rs/Kg	108.25
NIP		Rs/Kg	***
Price Underselling Margin		Rs/Kg	***
Price Underselling Margin		%	***
Trend		Range	160-180

46. It is seen that the landed price of imports is materially below NIP for the domestic industry. Imports are likely to result in price underselling in the event of cessation of existing anti-dumping duties.

### **iii. Price Suppression and Depression**

47. In order to determine whether the dumped imports are depressing the domestic prices or whether the effect of such imports is to suppress prices to a significant degree and prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices and landed value over the injury period. The position is shown as per the table below:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Cost of Sales	Rs/kg	***	***	***	***
Trend	Index	100	95	90	91

Domestic Selling Price	Rs/kg	***	***	***	***
Trend	Index	100	98	97	101
Landed Value	Rs/kg	233	308	121	124
Trend	Index	100	132	52	53

48. It is noted that while the cost of sales has declined over the injury period, the selling price has increased. Thus, the domestic industry did not suffer suppressing/ depressing effect in prices in domestic market.

### **Impact on Economic Parameters of the Domestic Industry**

49. Annexure II to the Rules requires that determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like product. The Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth and the ability to raise capital investments. An examination of performance of the domestic industry indicates that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below:

#### **a) Capacity, Production, Capacity Utilization and Sales**

50. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization is as follows:

Particulars	UOM	2015-16	2016-17	2017-18	POI	POI(A)
Capacity	MT	2391	3040	4134	6403	5122
Trend	Indexed	100	127	173	268	214
Production	MT	***	***	***	***	***
Trend	Indexed	100	126	184	254	203
Capacity utilization	%	***	***	***	***	***
Trend	Indexed	100	98	106	95	95
Domestic Sales	MT	***	***	***	***	***
Trend	Indexed	100	127	184	253	202

51. It is seen that
- Domestic industry has enhanced capacity over the injury period.

- b. Production and domestic sales have increased over the injury period in view of increase in demand, addition of capacities and antidumping duty in force on imports from subject countries and other countries.
- c. Capacity utilization of the domestic industry increased and then declined. The capacity utilisation was lowest in the POI. It is noted that significant portion of the capacity available with domestic industry is un-utilized.

**b) Profits, Return On Capital Employed and Cash Profit**

52. The cost of sales, selling price, profit/ loss, cash profits and return on investment of the domestic industry has been analysed as follows:

Particulars	UOM	2015-16	2016-17	2017-18	POI	POI(A)
Profit/loss Domestic	Rs /Kg	***	***	***	***	***
Trend	Indexed	-100	-52	129	159	159
Profit/(Loss)	Rs Lacs	***	***	***	***	***
Trend	Indexed	-100	-40	156	252	222
PBIT	Rs Lacs	***	***	***	***	***
Trend	Indexed	-100	-47	177	321	277
Cash Profit	Rs Lacs	***	***	***	***	***
Trend	Indexed	-100	100	375	605	504
ROCE	%	***	***	***	***	***
Trend	Indexed	-100	-45	55	127	127

53. It is seen that profits, return on investment and cash profits have shown an increase over the injury period. However, return on capital employed has remained below reasonable levels.

**c) Market Share in Demand**

54. The effects of the dumped imports on the market share in demand of the domestic industry have been examined as below:

Particular	Unit	2015-16	2016-17	2017-18	POI	POI(A)
Domestic Industry	%	100	128	127	124	124
Other Producers	%	100	106	85	75	75
Subject Country	%	100	205	333	121	121
Other Countries	%	100	53	71	86	86

55. The Authority notes that the market share of the domestic industry and of the other Indian Producers has increased over the injury period as an effect of anti-dumping duty in place. Market share of imports from China PR have declined throughout the injury period. However, market share of imports from other countries (which are

largely from Singapore and Cambodia) which are allegedly circumventing anti-dumping duties, have increased.

**d) Employment, Wages and Productivity**

56. The position with regard to employment, wages and productivity is as follows:

Particulars	UOM	2015-16	2016-17	2017-18	POI	POI(A)
Employee	Nos	***	***	***	***	***
Trend	Indexed	100	97	98	104	104
Salary and Wages	Rs. Lacs	***	***	***	***	***
Trend	Indexed	100	128	170	261	209
Productivity	MT/Da y	***	***	***	***	***
Trend	Indexed	100	126	184	204	204

57. The Authority notes that the employment of the domestic industry improved during the entire injury period. Productivity per employee has also shown improvement in the POI.

**e) Inventory**

58. The data relating to inventory of the subject goods are shown in the following table:

Particular	Unit	2015-16	2016-17	2017-18	POI
Opening Stock	MT	***	***	***	***
Trend	Indexed	100	143	180	273
Closing Stock	MT	***	***	***	***
Trend	Indexed	100	126	191	440
Average Stock	MT	***	***	***	***
Trend	Indexed	100	130	184	368

59. The Authority notes that level of inventories with the domestic industry has increased throughout the injury period and is significantly high in the POI.

**f) Magnitude of Dumping and Dumping Margin**

60. Magnitude of dumping is an indicator of the extent to which the imports are being dumped in India and are consequently causing or likely to cause injury to the domestic industry. The investigation has shown that dumping margin is positive and significant in the present investigation period. The dumping continues despite anti-dumping duty in force, even though the volume is low due to antidumping duty in place.

**g) Ability to raise capital investment**

61. It is seen that the domestic industry's capacity is largely un-utilized. Thus, the ability to raise capital investment in such a situation has weakened.

**h) Growth**

Growth	Unit	2016-17	2017-18	POI (A)
Production	%	26%	46%	11%
Sales	%	26%	45%	10%
Cost of sales	%	-5%	-6%	2%
Selling price	%	-2%	-1%	4%
ROCE		6%	12%	7%

62. It is seen that the domestic industry has registered positive growth with regard to sales volume, production, capacity utilization, profitability and ROI. However, growth was negative in respect of capacity utilisation and inventories.

**i) Factors affecting domestic prices**

63. The examination of the import prices from the subject country, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported material from the subject country is below the selling price and the non-injurious price of the domestic industry, price underselling in the Indian market. The Authority notes that the prices of the product under consideration in general should move in tandem with the prices of key raw materials and the domestic industry has been fixing its prices considering these input prices and landed price of imports. Thus, the landed value of subject goods from the subject country is an important factor for determination of domestic prices.

**H. MAGNITUDE OF INJURY AND INJURY MARGIN**

64. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining NIP, the best utilisation of the raw materials by 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. The production in POI has been calculated considering the best capacity utilisation and the same production has been considered for arriving per unit fixed cost. 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 product under consideration was allowed as pre-tax profit to arrive the NIP as prescribed in Annexure-III and being followed. The non-injurious price so determined has been compared with the landed prices of imports from the subject country to determine the injury margin as follows:

**Injury Margin Table**

SN	Products	NIP- Rs./ Kg	Landed Value Rs/ Piece	Injury Margin Rs./ Kg	Injury Margin %	Injury Margin Range- %
1	Steel Measuring Tape	***	125.88	***	***	100-120
2	Fiber Measuring Tape	***	108.25	***	***	160-180

**I. CONCLUSION ON INJURY**

65. The Authority notes that the dumped imports of the subject goods from the subject country have declined in view of anti-dumping duty in force on subject imports. The performance of the domestic industry has improved over the injury period. However, imports of the product under consideration are undercutting the prices of the domestic industry in the market and are entering the market at dumped and injurious price.

**J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY**

**J.1 Submissions made by the domestic industry**

66. The domestic industry has contended as follows
- a. Decline in imports post imposition of duty and positive dumping margin in such imports implies likelihood of dumping in the event of withdrawal of duty. This factor is considered by US policy during sunset review investigations. This is also supported by other Authorities including India in its findings such as India SSR of Grinding Media Balls from China and Thailand , US SSR of Silicon Metal from Russian Federation, EU SSR of Certain Tube and pipe fittings of iron and steel from Korea and Malaysia,
  - b. Though the volume of imports is low, but it is at dumped and injurious prices and is undercutting the DI prices. Thus, cessation would lead to intensified dumping.
  - c. Dumping Margin determined in previous investigations and present application are significant.
  - d. Low volume of import from subject country must be assessed contextually and it is only because of other avenues available with the subject country to export the PUC.
  - e. Even this low volume is also at dumped and injurious price and cessation of duty is likely to lead to intensified dumping and consequent injury to the DI.
  - f. Significant dumping margin clearly shows likelihood of dumping and consequent injury in absence of duties.
  - g. Singapore and Cambodia have no known producers of the PUC. Imports from these countries are result of routing of imports of PUC by Chinese producers.
  - h. Upon web research, it has been found that entities from Singapore and Cambodia are merely traders.

- i. One such supplier i.e. Meia (Trading) is a subsidiary of Bestech Precision, a Chinese company that is engaged in manufacturing precision metal stamping parts and metal stamping dies which are widely used in automotive industry, electronic appliances, telecommunications services, electric machine and security areas.
- j. Authority concluded in the last investigation that foreign producers have huge disposable present and potential capacities. The cumulative known Chinese capacity is 72,638 MT as against the total demand in India of around 6,800 MT only.
- k. These producers are intensely export oriented. Exporters are holding significant surplus and unutilized capacities and they are likely to increase export significantly even at further reduced price in the event of cessation of duty.
- l. Price undercutting without ADD is positive throughout except for 2016-17, and is especially significantly high in the POI.
- m. Cessation of current ADD means that DI will have to reduce the selling price or it will lose sales volumes. Such reduction in price at the level of import would result in significant decline of the profitability of the DI. The return on investment and cash profit would also decline significantly. Indian consumers decide their procurement, with the price being the foremost consideration. Availability of such low-priced imports from subject country in the market is definitely causing an adverse impact on the domestic industry.
- n. Vulnerability of the domestic industry relates to whether the industry would be susceptible to material injury in the event of revocation of duties.

## **J.2 Examination by the Authority**

67. The present investigation is a sunset review of anti-dumping duties imposed earlier on the imports of subject goods from China PR. Under the Rules, the Authority is required to determine whether continued imposition of antidumping duty is warranted. This also requires a consideration of whether the duty imposed is serving the intended purpose of eliminating injurious dumping. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia, factors which are required to be taken into consideration viz.:
  - a) A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
  - b) Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
  - c) Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
  - d) Inventories of the article being investigated.
68. It is noted that the sunset review investigation is primarily to carry out the likelihood analysis. As per the rules, the Authority is required to analyse likelihood of continuation

of dumping of subject goods from subject country and injury to the domestic industry in the event of cessation of anti-dumping duties. Current dumping margin, price undercutting and injury margin are good indicator of likelihood of dumping and injury in the event duties ceases to exist.

69. Various factors have been analysed to examine whether there is a likelihood of continuation and recurrence of dumping and injury from the subject country after cessation of existing anti-dumping duty.

a. Rate of increase of dumped imports

70. Even though the volume of imports have declined, the dumping margin and injury margin determined from subject country continue to be significant. This, by itself, evidences that there is likelihood of dumping and significant increase in the imports of subject goods from subject country.

b. Continued Dumping

71. It is noted that even though the volume of subject imports has declined post imposition of duty, but the prices continue to be at dumped and injurious levels. Further, it is seen that dumping margin determined in all previous investigations and in the present review are all positive and significant. Thus, dumping is likely to continue in the event of cessation of ADD.

c. Circumvention practices of exporters

72. It has been contended that dumped imports have entered the market from one source or the other. Evidence placed on record, in terms of public research, has been provided to show that there are no producers in Cambodia and Singapore and that Chinese producers apparently are exporting through these countries, by reporting some production activities in Cambodia and Singapore. The domestic industry has also filed an application under anti circumvention law and has placed relevant evidence on record of the present case. Examination of the evidence is indicative of the fact that significant imports have been reported from Cambodia and Singapore, which are allegedly Chinese origin product.

d. Freely Disposable present and potential capacities with the foreign producers

73. The domestic industry has pointed out that the foreign producers are holding huge capacities. They have further mentioned that the Authority in the last concluded investigation had noted the following with regard to capacity/ production of foreign producers in the subject country:

<b>Name</b>	<b>Capacity/production</b>
Ningbo Hongdi Measuring Tape Industry Company	4,000,000 pieces/month
Ningbo Assist Tools Co Ltd.	4,500,000 pieces/month

Baofeng Tools & Measuring Tools Co Ltd	500,000 pieces/month
Henan Bonthe Measuring Tools Co Ltd	100,000 pieces/month
Yucheng Xinghong Measuring Tools Co Ltd.	300,000 pieces/month
Foshan Zongtian Measuring Tools Co Ltd	1,000,000 pieces/month

74. Considering the average industry norms, pieces have been converted into metric tons. It is seen that the cumulative known capacity with the producers is around 72,638 MT as against the total demand in India of around 6,800 MT only.

e. Export Orientation of exporters

75. The domestic industry has submitted that producers of subject goods in the subject country have high export orientation, as evident from the following observation made y in the last investigation.

SN	Name of known foreign producer/exporter	Export Orientation
1	Shaanxi Yuan Hang Machinery Equipment Import & Export Corporation Ltd.	91% - 100%
2	Ningbo Assist Tools Co Ltd	81%-90%
3	Baofeng Tools & Measuring Tools Co Ltd	51% - 60%
4	Henan Bonthe Measuring Tools Co Ltd	71%-80%
5	Yucheng Xinghong Measuring Tools Co Ltd	91%-100%
6	Foshan Zongtian Measuring Tools Co Ltd	11%-20%

f. Price Attractiveness of Indian Market

76. Analysis of import price and selling price of the domestic industry shows that India is price attractive market for the exporters. It is also noted that the exporters are holding huge unutilized capacity.

g. Vulnerability of the domestic industry

77. The Authority notes that it has conducted three investigations relating to this product in the past and has found that the domestic industry is vulnerable to injurious dumping.

h. Inventories with the foreign producers

78. No verifiable evidence of inventories with the foreign producers could be brought on record in view of absence of publicly available information.

**POST DISCLOSURE COMMENTS**

**K.1 Submissions made by the domestic industry**

79. The Applicant reiterated its submissions regarding the need to continue ADD. Further, the Applicant made the following submissions:
- a. The domestic industry has only recently been able to recover from past ill effects of dumping because of consistent presence of dumped imports in the domestic market, with dumping now increasing from Singapore and Cambodia through circumvention.
  - b. The Applicant has submitted that the present quantum of duties should be extended in the present case. A harmonious reading of Article 11.3 of WTO Agreement and Section 9A (5) read with Rule 23(1B) makes it evident that the Authority is required only to extend the period and that the duties should not be modified in a sunset review. Even in situations where dumping margin and/or injury margin have been found negative at the stage of sunset review, the same quantum of ADD has been extended on the grounds of likelihood of dumping and injury.
  - c. As per evidences submitted by the Applicant in the form of information available on public domain, it is noted that Ningbo Hongdi Measuring Tape Industry Company and Ningbo Assist Tools Co Ltd., have capacity of 3.5 billion metres/year each. Further, it is noted that one such producer i.e. Henan Jianghua Measure Tools Co., Ltd. has an annual production capability of 30 million measure tapes, a figure so astoundingly high in comparison to the total Indian demand of 6807 MT.
  - d. Latest information available on public domain with respect to export orientation of producers in the subject country are as follows:

S N	Name of known foreign producer/exporter	Export Orientation
1	Shaanxi Yuan Hang Machinery Equipment Import & Export Corporation Ltd.	31%-40%
2	Ningbo Assist Tools Co Ltd	41%-50%
3	Baofeng Tools & Measuring Tools Co Ltd	61%-70%
5	Yucheng Xinghong Measuring Tools Co Ltd	91%-100%
6	Foshan Zongtian Measuring Tools Co Ltd	41%-50%
7	Henan Jianghua Measure Tools Co., Ltd.	>90%

- e. The Applicant has submitted that the duty should be imposed in terms of US\$.
- f. The Applicant has submitted that ADD may be imposed only as a fixed quantum, citing that the product is already attracting fixed quantum of ADD at present and that the Anti-dumping legislation which has been created in consonance and in conformity with the WTO Agreement on Anti Dumping, explicitly permits authorities to impose ADD in the form and manner requested. Further, the Applicant has cited cases in which the order of the Authority has been modified by CESTAT on the grounds of incorrect form of measures.

## **K.2 Submissions made by other interested parties**

80. No submissions are made by interested parties in the form of comments to disclosure statement.

## **K.3 Examination by the Authority**

81. The Authority notes that the post-disclosure comments / submissions are mostly reiterations and already examined suitably and adequately addressed in the relevant paras of these final findings.

## **L. CONCLUSION ON LIKELIHOOD OF DUMPING AND INJURY**

82. The evidences on record show that even though imports have declined from the subject country, dumping of the subject goods from China PR continues and imports of subject goods are being made at prices below the non-injurious price. The information on record also shows that there are excess capacities in China and exporters are highly export oriented. Such excess capacities are likely to result in increase of exports at dumped prices in the event of expiry of present duties. Thus, all these parameters indicate that in the event of cessation of ADD, the exporters in the subject country are likely to intensify export of dumped product in India at dumped prices, leading to recurrence of injury to the Domestic Industry.

## **M. INDIAN INDUSTRY'S INTEREST**

83. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject country/territory in any way, and, therefore, would not affect the availability of the product to the consumers.
84. It is recognized that the imposition of anti-dumping duty might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of this product. However, fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

**N. CONCLUSION**

85. Having regard to the contentions raised, information provided and submissions made and 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 dumping and injury to the domestic industry, the Authority concludes that:
- a. There is continued dumping of the subject goods from subject country along and the imports are likely to enter the Indian market at dumped prices in the event of expiry of duty.
  - b. The domestic industry's performance has improved but remains vulnerable to dumping and consequent injury.
  - c. The information on record shows likelihood of continuation/ recurrence of dumping and injury in case the Anti-dumping duty in force is allowed to cease at this stage.
  - d. There is sufficient evidence to indicate that the cessation of ADD at this stage will lead to continuation of dumping and recurrence of injury to the Domestic Industry.

**O. RECOMMENDATIONS**

86. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide information on the aspects of dumping, injury and the causal link.
87. Having concluded that there is likelihood of continuation/ recurrence of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that continuation of duty is required on the import of PUC from the subject country.
88. In terms of provision contained in Rule 4(d) & Rule 17(1) (b) of the Rules, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, definitive anti-dumping duty equal to the amount mentioned in Column 8 of the duty table below is recommended to be imposed for five (5) years from the date of the Notification to be issued by the Central Government, on all imports of subject goods originating in or exported from subject country.

## Duty Table

S. No.	Heading/Sub-Heading	Description of Goods	Specification	Country of Origin	Country of Export	Producer	Duty Amount	Currency	Unit
1	2	3	4	5	6	7	8	9	10
1	9017 80 10 or 9017 90 00*	Measuring Tapes	Steel Tapes and parts and components thereof	China PR	Any Country including China PR	Any	1.83	kg	US\$
2	9017 80 10 or 9017 90 00*	Measuring Tapes	Steel Tapes and parts and components thereof	Any country other than China PR	China PR	Any	1.83	kg	US\$
3	9017 80 10 or 9017 90 00*	Measuring Tapes	Fibre glass Tapes and parts and components thereof	China PR	Any Country including China PR	Any	2.56	kg	US\$
4	9017 80 10 or 9017 90 00*	Measuring Tapes	Fibre glass Tapes and parts and components thereof	Any country other than China PR	China PR	Any	2.56	kg	US\$

\*Custom classification is only indicative and the determination of the duty shall be made as per the description of PUC. The PUC mentioned above should be subject to above ADD even when it is imported under any other HS code

### **I. FURTHER PROCEDURE**

89. 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 with the relevant provisions of the Act.

 18/06/2020

**(Bhupinder S. Bhalla)**

**Additional Secretary & Designated Authority**