

**MINISTRY OF COMMERCE & INDUSTRY**  
**DEPARTMENT OF COMMERCE**  
**(DIRECTORATE GENERAL OF ANTI-DUMPING &**  
**ALLIED DUTIES)**

**NOTIFICATION**

NEW DELHI, the 31st January 2003

**PRELIMINARY FINDINGS**

**Sub:** Anti-Dumping Investigation concerning imports of Measuring Tapes from China PR.

**No.14/31/2002-DGAD** - Having regard to the Customs Tariff Act 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, thereof:

**A. PROCEDURE**

1. The procedure described below has been followed with regard to the investigation:
  - i. The Designated Authority (hereinafter referred to as Authority), under the above Rules, received a written application from M/s FMI Limited, Ludhiana and M/s. Freemans Measures Ltd., Ludhiana., on behalf of the domestic industry, alleging dumping of Measuring Tapes originating in or exported from China PR (hereinafter referred to as subject country).
  - ii. Preliminary scrutiny of the application filed by the petitioner revealed certain deficiencies, which were subsequently rectified by the petitioner. The petition was, therefore, considered as properly documented.
  - iii. The Authority on the basis of sufficient evidence submitted by the petitioner decided to initiate the investigation against imports of subject goods from China PR. The authority notified the Embassy of China PR in New Delhi about the receipt of dumping allegation before proceeding to initiate the investigation in accordance with sub-Rule 5(5) of the Rules.
  - iv. The Authority issued a public notice dated 20.10.2002 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of the subject goods classified under custom Code 9017 of Schedule I of the Customs Tariff Act, 1975 originating in or exported from China PR.

- v. The Authority forwarded a copy of the public notice to the known exporter (whose details were made available by petitioner) and gave them an opportunity to make their views known in writing within forty days from the date of the letter in accordance with the Rule 6(2):
- vi. The Authority forwarded a copy of the public notice to all the known importers (whose details were made available by petitioner) of subject goods in India and advised them to make their views known in writing within forty days from the date of issue of the letter in accordance with the Rule 6(2).
- vii. Request was made to the Central Board of Excise and Customs (CBEC) and DGCI&S, Kolkata to arrange details of imports of subject goods made in India during the past three years, including the period of investigation.
- viii. The Authority provided a copy of the petition to the known exporter and the Embassy of the subject country in accordance with Rules 6(3) supra. A copy of the non-confidential petition was also provided to other interested parties, wherever requested.
- ix. The Authority sent a questionnaire to elicit relevant information to the following known exporters/producers, in accordance with the Rule 6(4):
  - 1. NANGBO LAND TOOLS & MEASURING TOOLS COMPANY LIMITED  
No. 60, Chengjiao Road  
Yuyao City, Zhejiang
  - 2. NINGBO HONGDI MEASURING TAPE INDUSTRY COMPANY  
Xijiao Village Yuyao, ningbo  
China
  - 3. TOP-LONG INDUSTRIAL COMPANY LTD.,  
826, Sec, 2, chung-San-Rd.  
Tai-shan Hsiang,  
243 Taipei Hsien, Taiwan – Roc
  - 4. JOHNNEY ENTERPRISES COMPANY LTD.,  
P.O. Box 26-551  
Taipei, Taiwan
  - 5. TAIWAN SAN TYAU COMPANY LTD.,  
P.O. Box. 401 Hsin Tien. Taipei  
Taiwan San Tyau Company Ltd.,
- x. The Embassy of the subject country in New Delhi was informed about the initiation of the investigation in accordance with **Rule 6(2)** with a request to advise all concerned exporters/producers from their country to respond to the questionnaire within the prescribed time. A copy of the letter, petition and questionnaire sent to the known exporter was also sent to the Embassy of the subject country in accordance with Rule 6(3).

xi. A questionnaire was sent to the following known importers/user associations of the subject goods for necessary information in accordance with Rule 6(4):

1. M/s Lohia Trade Concern, Delhi
2. M/s Vinay Brothers, Mumbai
3. M/s V.K. International, Mumbai

Response/information to the questionnaire/notification was filed by the following exporters/producers:- NIL

Response/information to the questionnaire/notification was filed by any of the Importers/user Associations:- NIL

xii. Information regarding injury was sought from the petitioner(s), which was also furnished by the petitioner. The injury parameters of the following domestic producers were furnished:-

1. M/s FMI Limited, Ludhiana
2. M/s. Freemans Measures Ltd., Ludhiana

xiii. The Authority kept available non-confidential version of the evidence presented by various interested parties in the form of a public file maintained by the Authority and kept open for inspection by the interested parties as per Rule 6(7).

xiv. Cost investigation was also conducted to work out optimum cost of production and cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles (GAAP) and the information furnished by the petitioner. The cost data of the following domestic producers was provided and analysed:--

1. M/s FMI Limited, Ludhiana
2. M/s. Freemans Measures Ltd., Ludhiana

xv. \*\*\*\*In this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

xvi. Investigation was carried out for the period starting from 1st April 2001 to 30th June 2002 i.e. the period of investigation (POI).

## **B. VIEWS OF EXPORTERS, IMPORTERS AND OTHER INTERESTED PARTIES**

### **1. PETITIONER'S VIEWS**

#### a. PRODUCT UNDER CONSIDERATION

The product under consideration in the present petition is Measuring Tapes, its part and components thereof. Measuring tapes can be of following types:-

1. Steel Tapes,
2. Fiberglass Tapes,
3. Metal wired Tapes.

Steel tapes are broadly divided into two types:-

1. Pocket tapes,
2. Other than pocket tapes

Pocket Tapes can be of 2, 3 or 5 meters, while other tapes are larger than 5 meters. Large tapes can be of 10, 15, 20, 25, 30 meters etc. with different width. While these are the lengths in which it is largely made, tapes can be made in other lengths also.

All types of steel measuring and fiberglass tapes and their parts or components (so long as the imports constitute in effect import of measuring tapes) are the subject matter of the present petition.

Measuring tapes are generally used for measuring the length, breadth, etc. of an object. The same is used in Engineering, by Foreman, Mason, Carpenter, Forestry Deptt. Tailors etc.

Steel Measuring Tapes are manufactured from tempered high quality carbon steel blade, phosphated and coated with special enamel to withstand corrosion & rust.

Measuring Tapes are used in the following:-

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

As the name suggests, measuring tapes are used to "measure" dimensions. These can be found wherever measurement is required to be taken.

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.

b) DOMESTIC INDUSTRY

The present petition has been jointly filed by FMI Limited, Ludhiana and Freemans Measures Limited, Ludhiana., representing the domestic industry. The total domestic production is 608343 Kg. and the petitioner companies constitute 90% of the subject goods production. FMI Limited Ludhiana and Freemans measures Limited, Ludhiana are multi product companies.

c) LIKE ARTICLE

- i. There is no known difference in subject goods produced by the Indian industry and imported from China PR. Subject goods produced by the Indian industry and imported from China PR are comparable in terms of characteristics such as product specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. Subject tapes produced by the petitioners and imported from China PR should be treated as like articles in accordance with the anti dumping Rules.
- ii. There is no known difference in the technology adopted by the domestic industry and the manufacturers in China. The technology adopted by the domestic industry is comparable to the technology adopted by the manufacturers in China. However, every manufacturer fine-tunes its production process on the basis of necessities and available facilities.

d) DUMPING

- i. In the instant case, China PR is a non-market economy. China has been treated as non-market economy by European Commission and United States in the past three years. European Union and United States are members of World Trade Organization. In India also, the Designated Authority has treated China as non-market economy.
- ii. The Designated Authority has treated China as non-market economy in practically all the investigations initiated against China after the amendment dated 31st May 2002. Even after the amendment dated 4th Jan., 02 the Designated Authority have treated China as a non-market economy.
- iii. With regard to treatment of China as non market economy by other WTO members countries, European Commission in the mater of Ferro molybdenum

- from China, bicycles from China and non frozen apple juice concentrate by China has treated China as a non market economy.
- iv. USA has treated China as a non-market economy in the matter of exports of Steel concrete reinforcing bars by China and still treating China as a non-market economy in the matter of anti-dumping investigations concerning imports of Ball Bearing.
  - v. Determination of normal value in China is to be done in accordance to the rules relating to non-market economies. Normal value has been estimated on the basis of cost of production, after addition for selling, general and administrative expenses.
  - vi. The petitioners have been able to get evidence of transaction wise imports information from the subject countries. As stated above the imports are coming in various units such as Nos., PCS, Dozens, Gross, Kg, Meters, PKG, Box, Col., CTN, SET, UNT, etc.
  - vii. The information compiled by the DGCI&S is unreliable for the reasons that (a) all the imports have not taken place in the customs classification meant for measuring tapes; (b) substantial imports have taken place under other classifications such as 90170000, 90171000, 90173001, 9017800, 90178001, 90178009, 90179000 as per information collected from secondary source; and (c) DGCI&S has reported imports in terms of weight and it is not known how DGCI&S has converted (and whether DGCI&S has in fact converted or not) the imports into Kgs.
  - viii. The petitioner submits that the transaction wise secondary data is not appropriate for the purpose of assessment of export price. The petitioner has, therefore, assessed export price on the basis of transaction wise secondary data. Export price has been assessed considering imports of pocket tapes, since pocket tapes constitute major proportion of imports. For the domestic industry also, pocket tapes constitutes major proportion of their production and sales.
  - ix. The producers in China PR are producing Measuring Tapes by using similar technology. Since there are plants with the comparable process in India, Petitioners have adopted the constructed cost of production pertaining to a plant in India having the same process by using consumption norms, for various raw materials comparable to that of the exporter. The normal value for China has been constructed at US\$ \*\*\*\*.
  - x. On the basis of the material, available from the secondary sources in the petition the ex-factory export price after considering the adjustments on ocean freight, marine insurance, port expenses, commission and inland freight to an extent of \*\*\*\*, \*\*\*\*, \*\*\*\*, and\*\*\*\*, respectively comes to \*\*\*\*.
  - xi. The dumping margin on the basis of the above constructed normal value and exporting export price comes to 1406.2%.

The Government of India has amended para 8 of the Rules on 4th Jan. 2002 which states as under:

"Para 8 of Annexure 1-Amended on 04.01.02

- a. The term "non market economy country" means any country which the Designated Authority determines as not operating on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise, in accordance with the criteria specified in sub paragraph (3)
  - b. There shall be a presumption that any country that has been determined to be, or has been treated as a non-market economy country for the purpose of an anti dumping investigation by the Designated Authority or by the competent authority of any WTO member country during the three year period preceding the investigation is a non-market economy country.
  - c. Provided, however, that a non-market economy country or the concerned firms from such country may rebut such a presumption by providing information and evidence to the Designated Authority that establishes that such country is not a non market economy country on the basis of criteria specified as per Rules.
- xii. The Designated Authority shall consider in each case the following criteria as to whether:
- i. the decision of concerned firms in such country regarding prices, costs and inputs, including raw materials cost of technology and labour, output sales and investment, are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values:
  - ii. the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts:
  - iii. such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms, and
  - iv. the exchange rate conversions are carried out at the market rate;
- xiii. Provided, however, that where it is shown by sufficient evidence in writing on the basis of the criteria specified in this paragraph that market conditions prevail for one or more such firms subject to anti-dumping investigations, the Designated Authority may apply the principles set out in paragraphs 1 to 6 instead of the principles set out in this paragraph.

- xiv. It is evident from the above that para 8, which was inserted on 31.5.2001 has been amended on 04.02.2002 in the following manner:
- The countries which have been treated by the Designated Authority or any other investigating authorities, who are members of WTO, as non-market economies during last three preceding years can be considered as non market economy.
  - Firms, companies in all such countries, may provide relevant information (on market economy) and claim status of market economy treatment.
- xv. After determination that country is a non-market economy. The Designated Authority would follow para 7 of Annexure I for determination of normal value which is 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 a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin.*

e) INJURY

- i. Production, sales and capacity utilization of the domestic industry which were increasing till 2000-01 declined in 2001-02 and the POI. This reduction in sales and production resulted in injury to domestic industry. Export sales of the domestic industry has also declined as Chinese goods are competing with the domestic industry not only in Indian market but in other countries also.
- ii. The imports are such low priced that the landed price of imports is significantly below the selling price of the domestic industry. Dumped imports are causing severe price undercutting to the domestic industry.
- iii. Landed value of the dumped imports are significantly below the cost of production of the domestic industry resulting in severe price suppression/depression to the domestic industry.
- iv. The stocks with the domestic industry started increasing from 2001-02 and further increased significantly in April 02-June 02 due to dumping from Chinese exporters. Domestic industry could not reduce the prices to match the prices of imports. This has resulted in increase in stocks due to reduction in sales, which is more than reduction in production.
- v. Profitability of the domestic industry has not improved. The industry is not getting reasonable return on its investments, leave aside reasonable return, which is necessary for existence of the Industry.

- vi. The employment level of the domestic industry has not undergone any significant change. Should the industry continue to face the present undercutting, underselling and loss of sales volumes, the domestic industry would be forced to curtail the employment levels.
- vii. The domestic industry has lost significant sales which is evident from the increasing market size and reducing sales volumes.
- viii. Whereas the demand for the product has increased, sales volumes of the domestic industry have declined as a result of significant increase in the imports.
- ix. Return on investment for the domestic industry is negative. Further, the domestic industry is not able to earn reasonable return on investment.
- x. The productivity of the domestic industry has declined, given decline in the production and sales volumes.
- xi. The imports are adversely affecting the cash flow of the domestic industry, as the domestic industry is not able to generate adequate return on its investment.
- xii. The domestic industry is finding it difficult to plan fresh investments.
- xiii. It may thus be seen that the dumped imports of Measuring Tapes are causing severe material injury to the domestic industry. The injury to the domestic industry continues,

1. Imports from other countries are either de-minimus or at higher prices. Imports from Other countries are not causing injury to the domestic industry.
2. The demand of Measuring Tapes is increasing. Possible decline in demand is, therefore, not a reason for injury to the domestic industry.
3. There is no difference in the technology adopted by the petitioners and by the producers in the subject country. The domestic industry is able to compete with the imports so long as the same are not at dumped prices. There is no material change in technology. Export performance of the domestic industry has deteriorated due to dumped Chinese exports to other countries also. Other factors such as trade restrictive practices are also not a possible reason for the present state of affairs of the domestic industry.

## **2. IMPORTER/USER'S VIEW**

None of the importers/users responded to the Initiation Notification.

## **3. EXPORTER'S VIEWS**

None of the exporters have responded to the Initiation Notification.

## **C. EXAMINATION BY AUTHORITY**

The foregoing submissions made by the exporter and the petitioner, to the extent these are relevant as per Rules and have a bearing upon the case, have been examined, considered and dealt with at appropriate places in these findings.

## **1. PRODUCT UNDER CONSIDERATION**

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, carpainter, forestry departments and tailors etc. Measuring Tapes are manufactured from tempered high quality carbon steel blade, phosphated 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.

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.

The Authority notes that the investigation covers all types of steel measuring and fibre glass tapes and their parts, components and constitute the subject matter under investigation. The Authority for the purpose of dumping margin has made appropriate comparisons on kg basis only.

## **2. LIKE ARTICLE**

There is no known difference in subject goods produced by the Indian industry and imported from China PR. Subject goods produced by the Indian industry and imported from China PR are comparable in terms of characteristics such as product specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. Subject tapes produced by the petitioners and imported from China PR should be treated as like articles in accordance with the anti dumping Rules.

There is no known difference in the technology adopted by the domestic industry and the manufacturers in China. The technology adopted by the domestic industry is comparable to the technology adopted by the manufacturers in China. However, every manufacturer fine-tunes its production process on the basis of necessities and available facilities.

The Authority therefore for the purpose of preliminary determination pending final determination holds that the goods produced by the Domestic Industry and those exported from the subject country are like article within the meaning of the Rules 2(d).

### **3. DOMESTIC INDUSTRY**

- i. The present petition has been jointly filed by FMI Limited, Ludhiana and Freemans Measures Limited, Ludhiana., representing the domestic industry. The petitioner companies constitute 90% of the subject goods under production.
- ii. The Authority notes that the petitioners constitute more than 50% of the total domestic production and therefore have the standing to file the petition on behalf of the domestic industry as per Rule 5 (3) (a) and (b) of the Anti-Dumping Rules and also represent Domestic Industry in terms of Rule 2(b)

### **4. NORMAL VALUE & EXPORT PRICE**

Under Section 9A(1)(c), normal value in relation to an article means:

- i. The comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or
- ii. When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either:-
  - a. Comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or
  - b. The cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section(6);

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.

The Authority also notes the various custom notification no. 44/99 (NT), dated 15th July 1999, No. 28/2001(NT), dated 31st May 2001 and No. 1/2001(NT), dated 4th January 2002 on the anti dumping in respect of the issue of non market economy under the anti dumping Rules.

The normal value and ex-factory export price determination is illustrated below.

#### **A. NORMAL VALUE**

- i. Designated Authority sent questionnaires to the known exporters/producers in China and Embassy of the subject country in India.
- ii. The Authority notes that none of the exporters from, PR China have responded to the questionnaire sent by the Authority for the purpose of investigation to the initiation notification. In view of this non-cooperation, the Authority upholds the claim of the petitioners for treating such producers/exporters on the non-market principle as none of the exporter have rebutted the claim of non market economy claim by the petitioner. The Authority notes that the petitioner has claimed China PR as a non market economy on the basis of various findings. The Authority therefore in view of no rebuttal by the exporter on the issue of non market economy and the fact that the cost of production of the subject goods has not been made available by the exporter thus not permitting the authority to apply the ordinary course of trade test, has referenced the normal value separately for both steel tapes and fibre glass tapes on the basis of constructed cost of production with appropriate adjustments on best available informations on records as per the anti dumping Rules.
- iii. The Authority has referenced the Normal Value for steel tapes for such producers/exporters as \*\*\*\*\$/Kg and the normal value for fibre glass tapes for such producers/ exporters as \*\*\*\*\$/Kg for the purpose of preliminary determination pending final determination.

#### **B. EXPORT PRICE**

- i. The Authority notes that the export price has been determined separately for both steel tapes and fibre glass tapes on the basis of the data compiled by DGCI&S Kolkata. Since there is no response from exporters, adjustments on ocean freight, ocean insurance, commission, inland freight, and port expenses

to an extent of \*\*\*\*\$/Kg, \*\*\*\*\$/Kg, \*\*\*\*\$/Kg, \*\*\*\*\$/Kg. and \*\*\*\*\$/Kg. respectively as provided by the petitioners.

- ii. The ex-factory export price for steel tapes is referenced as \*\*\*\*\$/Kg and the ex-factory export price for fibre glass tapes is referenced as \*\*\*\*/Kg for the purpose of preliminary determination pending final determination.

## 5. DUMPING- Comparision of Normal Value & Export Price

The rules relating to comparison provides as follows:

"While arriving at margin of dumping, the Designated Authority shall make a fair comparison between the export price and the normal value. The comparison shall be made at the same level of trade, normally at ex-works level, and in respect of sales made at as nearly possible the same time. Due allowance shall be made in each case, on its merits, for differences which affect price comparability, including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics, and any other differences which are demonstrated to affect price comparability."

The authority has carried out weighted average normal value comparison with the weighted average ex-factory export price in Period of Investigation, for evaluation of the dumping margin for all the exporters/producers of the subject country.

The dumping margin for exporter/producers comes as under:

Sl. No.	Country / Exporter / Producer	Normal Value (\$/Kg.)	Ex-Factory export price (\$/Kg.)	Dumping Margin as % of EP
1	China PR			
	(Steel Tape)	****	****	1069%
	(Fibre Glass Tape)	****	****	148%

## 6. INJURY AND CAUSAL LINK

Under Rule 11 supra, Annexure-II, when a finding of injury is arrived at, such finding shall involve determination of the 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.

- i. For the examination of the impact of the dumped imports on the domestic industry in India, we may consider such indices having a bearing on the state of the industry as production, capacity utilisation, sales quantum, stock, profitability, net sales realisation, the magnitude and margin of dumping, etc. in accordance with Annexure II(iv) of the rules supra.
- ii. The Authority notes and observes the following economic parameters in the case of domestic producers who had supported the petition initially ,

	1999-2000 (Kg)	2000-2001 (Kg)	2001-2002 (Kg)	POI (Kg)	Annualized (Kg)
<b>Imports</b>					
China	100283	81228	261117	342382	273906
Other Countries	1021	4790	156	533	426
<b>Market share in Imports</b>					
Subject Countries(%)	99	94	99.94	99.54	99.84
<b>Economic Parameters of Domestic Industry (Kg)</b>					
Capacity	989550	989550	989550	1236938	989550
Production	671833	635367	603589	760429	608343
Capacity Utilization(%)	67.89	64.21	61	61.48	61.48
Domestic Sales	480868.76	508113.9	515880	638394.6	510715
Closing stock	15044.35	10153.67	8571.67	23548.93	23548.93
Unit Cost of Production (Rs./Kg)	****	****	****	****	****
Unit selling price(Rs./Kg)	****	****	****	****	****
Unit Profit/Loss (Rs./Kg)	****	****	****	****	****
Demand (Kg)	736076	750190	965056	1216189	972951
<b>Market Share in Demand(%)</b>					
Imports	13.76	11.47	27.08	32.51	28.19
Subject countries	13.62	10.83	27.06	32.36	28.15
Other countries	0.14	0.64	0.02	0.04	0.04
Domestic Industry	65.33	67.73	53.46	52.49	52.49
Indian Industry	20.91	20.80	19.47	19.31	19.31
<b>Imports in relation to Production of domestic industry (%)</b>	15	14	43	45	45
Employment	829	732	682	676	676
Production per day	2195.53	2096.3	1972.51	1968	1968

- iii. Imports of Measuring Tapes from subject countries have increased significantly in (i) absolute terms; (ii) in relation to production; and (iii) in relation to the consumption in India. While the imports are primarily from subject country only, share of imports from China has increased significantly in period of investigation in relation to the demand in India.

- iv. The production and capacity utilization of the domestic industry has declined in period of investigation. This decline in the production and capacity utilization is in spite of the fact that one of the petitioner companies is not very old in terms of commercial production of the subject goods.
- v. Both the petitioner companies determine their prices best on prevailing market conditions. The market prices were driven by the lower prices of the dumped imports as the share of dumped imports has increased from 94% in 2000-01 to 99.94% in 2001-02. Based on the records available no other factor appears to have affected the domestic price.
- vi. Though domestic sales volumes of the domestic industry has marginally increased, the selling price has declined. Further, domestic industry could not reduce its selling price to match dumped imports due to following reasons:-
  - a. Measuring Tapes is a consumer product, which is basically sold at retail level. There are hardly any large scale sales to direct consumers.
  - b. The consumers include mainly those peoples who are not much educated.
  - c. The landed price of imports is so low as compared to the cost of production and selling price of the domestic industry that the domestic industry cannot even think of reducing its price to match the price of imported tapes.
  - d. Considering the situation, the domestic industry had two option, either to match the price or to lose the sales. There is very significant different gap the cost of production or selling price and landed price of imports. It is nothing but impossible to match the landed price. Therefore, the domestic industry is losing the market.
- vii. In view of the above, the domestic industry could not reduce the selling prices to match the dumped imports.
- viii. Inventory with the domestic industry has increased from 10153.67 Kg. to 23548.93 Kg. in POI significantly in period of investigation.
- ix. It has been observed the dumping by the subject country has had a significant impact on the net sales realisation of the domestic industry for the subject goods. To preserve its market share the petitioner had to compete with low priced and dumped imports of the subject goods from the subject country. The landed price of the dumped imports indicating the evidence of price undercutting.
- x. The Authority notes that the landed value of dumped imports from China is much below the cost of production of domestic industry which is resulting in price suppression/depression.
- xi. The employment level of domestic industry has declined.

- xii. The productivity of the domestic industry has increased due to decline in the number of employees. It is also observed that the production per employee has increased, whereas production per day declined significantly.
- xiii. The cash profit of the industry increased in 2000-01 and declined in POI.
- xiv. The demand for the product has increased. However, the growth of the domestic industry has declined significantly. The imports are retarding the growth of the domestic industry in spite of significant demand in the country. In such a situation it would be difficult for the domestic industry to plan fresh investments.
- xv. The Authority notes that all relevant factors cumulatively and collectively establish that the domestic industry has suffered the material injury during the period of investigation due to dumped imports.

## **7. Causal Link:-**

The domestic industry is facing injury due to dumping of Measuring Tapes by exporters from China.

The share of volume of dumped imports in total consumption has increased from 10.83% in 2000-01 to 28.15% during POI. The market share of the domestic industry fell from 67.73% in 2000-01 to 52.49% during POI. The dumped imports were coming into India at price that significantly undercut the prices of the like domestic product. The prices of dumped import have caused both price depression and price suppression on the prices of the like domestic products. Thus both volume and price effect is established.

There is no contraction in demand (demand has rather increased). Further, there is no other factor such as trade restrictive practice or development in technology which could have caused material injury to the domestic industry. Increase in imports in absolute terms as also relative to the production and consumption in India have directly resulted increase in the sales, which further resulting in decline in the share of the domestic industry in the demand of the product in the country. Further, the low prices of imports have prevented the domestic industry from optimizing their profitability.

## **8. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES**

The Authority holds that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country.

The Authority also recognizes that though the imposition of anti-dumping duties might affect the price levels of the products manufactured using the subject goods and consequently might have some influence on relative competitiveness of these products, however, fair competition in the Indian market will not be reduced by these anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by the dumping practices and would prevent the decline of the domestic industry and help maintain availability of wider choice of the subject goods to the consumers. Imposition of anti-dumping measures would also not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the products to the consumers.

## **9. LANDED VALUE**

The landed value of imports for the purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

## **D. CONCLUSIONS:**

**It is seen, after considering the foregoing, that:**

- a. The subject goods in all forms originating in or exported from the subject country have been exported to India below its normal value.
- b. The domestic industry has suffered material injury.
- c. The injury has been caused to the domestic industry by dumping of the subject goods originating in or exported from the subject country.
- d. The imports significantly undercut the price of the domestic product forcing the domestic industry to sell at unremunerative prices.
- e. The Authority recommends anti-dumping duty on imports of subject goods falling under Chapter 90 originating in or exported from the subject country.
- f. It was considered to recommend the amount of anti-dumping duty equal to the margin of dumping so as to remove the injury to the domestic industry accrued on account of dumping. Accordingly, it is proposed that provisional anti dumping duties equal to the difference between the amount in Col. 3 of the table below and landed value of the subject goods in US\$/Kg be imposed, from the date of notification to be issued in this regard by the Central Government, on all imports of all types of steel measuring and fiber glass tapes, and their parts, components etc. originating in or exported from China PR under Chapter 90 Customs sub-heading 9017, 9017.80, 9017.8001, 9017.90 of the Customs Tariff, pending final determination.

Sl. No.	Country/Exporter/Producer	Amount (US\$/Kg.)
1	China PR  (Steel Tapes and their parts and components) (Fibre Glass Tapes and their parts and components)	4.106 4.775

## E. FURTHER PROCEDURE

The following procedure would be followed subsequent to notifying the preliminary findings:

- a. The Authority invites comments on these findings from all interested parties and the same would be considered in the final findings;
- b. Exporters, Importers, Petitioner and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the despatch of the letter. Any other interested party may also make known its views within forty days from the date of publication of these findings;
- c. The Authority would conduct verifications to the extent deemed necessary;
- d. The Authority would provide opportunity to all interested parties for oral submissions, for which the date and time shall be communicated to all known interested parties separately;
- e. The Authority would disclose essential facts before announcing final findings.

**(L V SAPTHARISHI)**  
Designated Authority

**L.V. Saptharishi**  
Additional Secretary  
Tel: 23011837

Dated 31st January 2003

D.O. No. 14/31/2002-DGAD

Dear Sir,

Please find enclosed herewith a copy of the Preliminary Findings dated 31st January 2003 regarding anti dumping investigations concerning imports of Measuring Tapes originating in or exported from China PR for publication in the Gazette of India, for your information and necessary action.

Yours sincerely,  
Sd/-  
(L.V. Saptharishi)

Shri C.S. Rao  
Secretary,  
Department of Revenue  
North Block  
New Delhi-110001  
Encl: As above

Copy to :- Shri Gautam Ray, Joint Secretary (TRU). Department of Revenue, Ministry of Finance, New Delhi

The Authority notes and observes the following economic parameters in the case of domestic producers who have supported the petition:-

	1999-2000 (MT)	2000-2001 (MT)	2001-2002 (MT)	POI (MT)	Annualized (MT)
<b>Imports</b>					
Indonesia	14860	0	4972	50546	67395
Taiwan	0	19033	327	85000	113333
EU (excluding France)	298	19964	173	20216	26955
Subject Countries	15157	38996	5472	155762	207683
<b>Market share in Imports</b>					
Subject Countries(%)	17.47	52.97	13.97	70.50	70.50
<b>Economic Parameters of Domestic Industry (MT)</b>					
Capacity	809800	809800	822300	822300	822300
Production	728526	741555	740192	578000	770667
Capacity Utilization(%)	89.96	92	90.01	93.72	93.72
Domestic Sales	519307	516048	522312	392248	522997
Closing stock	4347	3371	9133.3	8875.88	8876
Unit Cost of Production (Rs./MT)	****	****	****	****	****
Unit selling price(Rs./MT)	****	****	****	****	****
Unit Profit/Loss (Rs./MT)	****	****	****	****	****
Demand	1391534	1409949	1406129	1193596	1591461.5
<b>Market Share in Demand(%)</b>					
Imports	6.23	5.22	2.79	18.51	18.51
Subject countries	1.09	2.77	0.39	13.05	13.05
Other countries	5.14	2.46	2.40	5.46	5.46
Domestic Industry	37.32	36.60	37.15	32.86	32.86
Indian Industry	56.45	58.18	60.07	51.16	51.16
<b>Imports in relation to Production of domestic industry (%)</b>					

