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F. No. 15/9/2014-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti Dumping & Allied Duties
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi-110001

Dated the 5th May, 2015

NOTIFICATION (Final Findings)

Subject: Sunset Review of anti-dumping duty imposed on the imports of Measuring Tapes originating in or exported from China PR.

No. 15/9/2014-DGAD: Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter 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 thereof (hereinafter referred to as the Rules or the AD Rules):

A. BACKGROUND OF THE CASE

2. WHEREAS, the Designated Authority (hereinafter also referred so to the Authority) had initiated an investigation concerning imports of “Measuring Tapes” (hereinafter also referred so to the subject goods), originating in or exported from China PR (hereinafter also referred so to the subject country), was earlier initiated by the Authority vide Notification No. 14/31/2002-DGAD dated 23.10.2002. The Authority issued Final Findings vide Notification No. 14/31/2002-DGAD dated 1st September 2003, and the definitive anti-dumping duty was imposed by the Central Government vide Notification No. 147/2003-Customs dated 7th October 2003 on the imports of the subject goods, originating in or exported from the subject country.
3. Whereas, in terms of the Act, the anti dumping duty imposed shall unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition.
4. And, notwithstanding the above provision, the Authority is required to review, on the basis of a duly substantial request made by or on behalf of the domestic industry within a reasonable period of time prior to the date of the expiry of the measure, as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
5. And, whereas, in terms of the above provisions, at the request of M/s FMI Ltd and M/s Freemans Measures Ltd, Sunset Review investigation was initiated by the Authority in respect of the imports of the subject goods, originating in or exported from the subject country, vide Notification No 15/2/2008-DGAD dated 31st March 2008. The Authority vide its Final Finding Notification No.15/2/2008 -DGAD dated 27th March, 2009, recommended continued imposition of the anti-dumping duties on the imports of the subject goods originating in or exported from the subject country and the Central Government vide its Notification No. 49/2009-Customs dated 15th May 2009 extended the anti-dumping duty on

the imports of the subject goods originating in or exported from the subject country.

6. WHEREAS, M/s FMI Limited (hereinafter also referred to as the applicant or the petitioner or the domestic industry) filed a duly substantiated application before the Authority in accordance with the Act and the Rules, alleging likelihood of continuation of dumping of the subject goods, originating in or exported from the subject country and consequent injury to the domestic industry and requested for review, continuation and enhancement of the anti-dumping duty, imposed on the imports of the subject goods, originating in or exported from the subject country.

7. In view of the duly substantiated application filed on behalf of the domestic industry and in accordance with Section 9A(5) of the Act read with Rule 23 of the Anti-dumping Rules, the Authority initiated a second sunset review investigation vide Notification No. 15/9/2014-DGAD dated 9th May, 2014 to review the need for continued imposition of the anti dumping duties in force in respect of the subject goods, originating in or exported from the subject country and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry. The validity of the anti-dumping duty on the imports of the subject goods originating in or exported from the subject country has been extended up to 14th May, 2015 by the Central Government vide Notification No 29/2014-Customs (ADD) dated 4th July, 2014.

8. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods, originating in or exported from the subject country.

B. PROCEDURE

9. The procedure described below has been followed in this investigation:

(i) The Authority notified the Embassy of the subject country in India about the receipt of application alleging dumping of the subject goods originating in or exported from the subject country before proceeding to initiate the investigation in accordance with the Anti-dumping Rules.

(ii) The Authority issued a public notice No. 15/9/2014-DGAD dated 9th May 2014, published in the Gazette of India, Extraordinary, initiating sunset review anti dumping investigations concerning imports of the subject goods, originating in or exported from the subject country.

(iii) The Authority forwarded a letter along with copy of the public notice to all the known exporters and other interested parties/industry associations (whose details were made available by the domestic industry) and gave them opportunity to make their views known in writing within the prescribed time limits in accordance with the anti-dumping rules.

(iv) The Authority provided a copy of the non-confidential version of the application to the known exporters of the subject country in accordance with the Anti-dumping Rules. A copy of the application was also made available to other interested parties, upon request.

(v) Copies of the letter and the exporter questionnaires sent to the exporters/ producers in the subject country were also sent to the embassy of the subject country in India along with a list of known exporters /producers with a request to advise the known exporters / producers from the subject country as also other exporters / producers from the subject country to respond to the questionnaires within the prescribed time limits.

(vi) The Authority sent exporter's questionnaires to elicit relevant information to the following known exporters in the subject country in accordance with the Anti-dumping Rules:

- a. Ningbo Land Tools & Measuring Tools Co Ltd, China
- b. Ningbo Hongdi Measuring Tape Industry Company, China
- c. Shaanxi Yuan Hang Machinery Equipment Import & Export Corp Ltd, China
- d. Cixi Zunbao Steel Tape Company Ltd., China
- e. Yiwu Wudian Great Wall Hardware, China
- f. Baofeng Tools & Measuring Tools Co Ltd., China
- g. Henan Bonthe Measuring Tools Co., Ltd., China
- h. Yucheng Xinghong Measuring Tools Co Ltd., China
- i. Foshan Zongtian Measuring Tools Co Ltd., China

(vii) However, none of the exporters filed response to the exporter's questionnaire or made any other submissions.

(viii) The Authority forwarded a copy of the public notice to the following known importers/users/user associations (whose names and addresses were made available to the authority) of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):

- a) Lohia Trade Concern, Delhi
- b) Vinay Brothers, Mumbai
- c) VK International, Mumbai
- d) Fahad Enterprises, Mumbai
- e) Ghanshyam Dass & Sons (Veekay Industries) Veekay Industries, Mumbai
- f) New Wave Industries, Jalandhar
- g) Ashiana Exports Inc., Mumbai
- h) SK Enterprises, Mumbai
- i) Sterling Enterprises, Mumbai
- j) The ASSOCHAM, New Delhi
- k) FICCI, New Delhi
- l) Confederation of Indian Industry (CII), New Delhi
- m) Federation of Indian Export Organizations, New Delhi
- n) Freemans Measures Ltd, Ludhiana
- o) Klas Tape Co, Mumbai
- p) Venus Industrial Corp, Ludhiana
- q) Ambika Overseas, Jalandhar

(ix) None of the importers/users filed any responses to the importers questionnaire or made any other submissions.

(x) The Period of Investigation (POI) for the purpose of the present review was 1st April 2013 to 31st December 2013 (POI). The examination of trends in the context of injury analysis covered the periods 2010-11, 2011-12, 2012-13 and the POI.

(xi) The domestic industry had submitted the transaction wise data sourced from the secondary source IBIS, Mumbai. The Authority procured the same from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) as well for comparison. The Authority found that the import volume reported in the IBIS data in the POI was significantly higher (approximately 24 times) than reported in the DGCIS data and, therefore, the Authority has relied upon the IBIS data for the injury analysis in present SSR investigation as has been done by the Authority in various previous investigations in such situations.

(xii) Exporters, producers and other interested parties who have neither responded to the Authority, nor supplied information relevant to this investigation have been treated as non-cooperating interested parties.

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

(xiv) The Authority has examined the information furnished by the domestic producer to the extent possible on the basis of guidelines laid down in Annexure III 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 be sufficient to remove injury to the domestic industry.

(xv) In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their views orally in a public hearing held on 10th March, 2015. Only the domestic industry along with its legal counsel presented their views in the oral hearing and was requested to file written submissions of the views expressed orally.

(xvi) The submissions made by the domestic industry during the course of the investigation and considered relevant by the Authority have been examined and addressed in this investigation.

(xvii) On the spot verification of the information and data submitted by the domestic industry was carried out to the extent deemed necessary.

(xviii) Information provided by the interested parties on confidential basis was examined by the Authority with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed. Wherever possible, the interested parties were directed to provide sufficient non-confidential version of the information filed on confidential basis.

(xix) Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded these essential facts on the basis of the 'facts available' and treated such parties as non-cooperative.

(xx) A Disclosure Statement containing the essential facts in this investigation which would have formed the basis of the Final Findings was issued to the interested parties on 24.04.2015. The post Disclosure Statement submissions were received from the domestic industry only and have been considered, to the extent found relevant, in this Final Findings Notification.

(xxi) *** in this Final Findings Notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

(xxii) The exchange rate adopted for the POI is 1 US \$ =Rs 60.33.

C. SCOPE OF PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Submissions by the Domestic Industry

10. The product being dumped in the Indian market is Measuring Tapes or Tapes. The product under consideration is "Measuring Tapes", its parts and components etc. All types of steel measuring tapes and fibre glass tapes and their parts or components are the subject matter of the present petition.

11. The goods produced by the domestic industry are like article to the subject goods imported in India.

C.2 Submissions made by the producers/exporters/other interested parties

12. None of the other interested parties has responded or raised any issues with respect to the product under consideration and like article.

C.3 Examination by the Authority

13. The product under consideration in the present petition is Measuring Tapes or Tapes. In the original investigation, vide Final Findings Notification No 14/31/2002-DGAD dated 1st September 2003, the Authority considered the description of the product as under:

"5. 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.*

6. 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."

14. The scope of the product under consideration in the present investigation remains the same as the scope of the product under consideration in the final findings earlier notified.

15. Measuring tapes are classified under Chapter 90 of the Customs Tariff Act under sub-headings 9017, 9017.80, 9017.8010, 9017.90. The petitioner has stated that subject goods are being imported under sub-headings such as 90171000, 90173010, 90173029, 90178010, 90178090, 90189099 etc. The classification is, however, indicative only and in no way binding on the scope of the present investigation.

16. Further, the applicants submitted that the product manufactured by the domestic industry and the subject goods imported into India from the subject country are like articles within the meaning of the Anti-dumping Rules; that there is no known difference between the subject goods imported from the subject country and that produced by the domestic industry;

that the subject goods produced by the domestic industry and imported from the subject country are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods; that the consumers can use and are using the two interchangeably and that the two are technically and commercially substitutable. After examination, the Authority concludes that the subject goods produced by the domestic industry are like article to that imported from the subject country.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

D.1 Submissions made by the Domestic Industry

17. The Domestic Industry has made the following submissions with respect to the scope of domestic industry and standing:

- (i) The petition has been filed by M/s FMI Limited.
- (ii) Apart from the petitioner, the product under consideration is being produced by other producers who have extended support to the petition. M/s. Freemans Measures Limited, M/s. Klas Tape Co., M/s. Venus Industrial Corpn., M/s. Ambika Overseas and M/s. New Wave Industries India have supported the petition.
- (iii) The production of the petitioner alone constitutes a major proportion of Indian production of the like article. Therefore, the petitioner has sufficient standing to file the present petition on behalf of the Indian domestic industry for the product concerned. Further, petitioner constitutes domestic industry within the meaning of the Rules.

D.2 Submissions made by the producers/exporters/other interested parties

18. None of the other interested parties has responded or raised any issues with respect to the scope of the domestic industry and standing.

D.3 Examination by the Authority

19. The Authority notes that Rule 2(b) of the Anti-dumping Rules provides as follows:

“(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 relate 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”

20. The Authority notes that the application has been filed by M/s FMI Limited. The Authority further notes that apart from the applicant, M/s. Freemans Measures Limited, M/s. Klas Tape Co., M/s. Venus Industrial Corpn., M/s. Ambika Overseas and M/s. New Wave Industries manufacture the like article in India. All these producers of the subject goods have supported the application.

21. The Authority forwarded a copy of the public notice to these known domestic producers of subject goods in India alongwith prescribed proforma and advised them to provide relevant information for injury determination and make their views known in writing the prescribed time limit. While these companies have supported the petition, these

companies have not provided information relevant to injury determination, except that the main supporter M/s Freemans Measures Ltd has provided limited data relating to its capacity, production and sales.

22. However, as per the records available with the Authority, the applicant alone accounts for major share in Indian production in the POI (55.82%). In view of the above position and having regard to the Anti-dumping Rules, the Authority determines that M/s FMI Limited constitutes domestic industry within the meaning of Rule 2(b) of the Anti-dumping Rules, and the petition satisfies the criteria of standing in terms of Rule 5 of the Rules.

E. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

E.1 Submissions by the domestic industry

23. Following are the submissions made by the domestic industry with regard to normal value, export and dumping margin:

- a) China is a non-market economy. No country has granted market economy country status to China.
- b) None of the producers/ exporters from China PR has responded to the exporters' questionnaire or claimed market economy status.
- c) Normal value could not be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not available to the petitioner. Export price from other countries to India cannot be adopted for the reason that import price from other countries could be affected due to imports from the subject country. Therefore, the normal value has been constructed on the basis of cost of production in India, duly adjusted for selling, general & administrative expenses and reasonable profit margin for Steel and Fibre Glass Tapes separately owing to significant cost and price difference between the two types. Further, the major raw material used for production of the two types is also different.
- d) The export price has been determined considering the volume and value of imports for the period of investigation as per data released by secondary source, IBIS. The export price has been adjusted for the expenses that may have been incurred by the exporter for exporting the material to India to determine ex-factory export price.

E.2 Submissions made by the producers/exporters/other interested parties

24. None of the producers/exporters has filed any questionnaire response or legal submission, or has otherwise provided necessary information with respect to normal value, export price or dumping margin.

E.3 Determination of Normal Value

25. 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.

26. At the stage of initiation, the Authority proceeded with the presumption by treating China PR as a non-market economy country. Upon initiation, the Authority advised the known producers/exporters in China as well as the Chinese embassy in India to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the MET questionnaire to all the known producers/ exporters for rebutting presumption of nonmarket economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China to advise the producers/exporters in their country to provide the relevant information. However, none of the Chinese producers/exporters has filed any response. The Authority notes that in the past three years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. In view of the same, the Authority treats the subject country producers/exporters as non-market economy in the present investigation.

27. As per Paragraph 8, Annexure I to the Anti Dumping Rules as amended, the presumption of a non-market economy can be rebutted if the exporter(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) in Paragraph 8 and establish to the contrary. The cooperating exporter/producer of the subject goods from China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Designated Authority to consider the following criteria as to whether:-

(i) The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labor, 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.

28. In view of the fact that none of the producers/exporters has filed any exporters questionnaire including MET questionnaire, MET status has not been accorded to Chinese producers. Further, none of the interested parties, including the domestic industry, has made available any material fact to the Authority to select an appropriate market economy third country. The Authority has, therefore, determined the normal value in respect of China PR on other reasonable basis, in terms of second proviso of Para 7 of Annexure 1 to the Rules.

29. Para 7 of Annexure I of the Anti-dumping Rules provides that:

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

30. Accordingly, the ex-works Normal Value of the product under consideration for all exporters from China PR has been constructed based on facts available and the Authority has determined the normal value in respect of China PR on other reasonable basis, in terms of second proviso of Para 7 of Annexure 1 to the Rules.

Methodology adopted for constructing Normal Value in case of China PR

31. The Authority has constructed the Normal value for the Chinese producers on the following basis –

- a) Prices of major inputs have been taken on the basis of procurement price to the domestic industry. Price of one raw material is based on prevailing international prices and the rest raw materials are based on domestic prices;
- b) Consumption of raw materials and conversion costs has been adopted on the basis of information/data of the domestic industry.
- c) Selling, general & administrative costs have been taken on the basis of information/data of the domestic industry.
- d) Profit has been taken @ 5% of ex-factory cost excluding interest.

32. For the purposes of conducting a fair comparison, separate normal value has been calculated for Steel and Fibre Glass Tapes. Accordingly, the constructed normal value determined by the Authority in respect of China PR for Steel Tapes and Fibre Glass Tapes is as indicated in the dumping margin table below.

E.4 Determination of Export Price

33. Since none of the exporters from subject country has responded to the Authority, the Authority has determined Export Price in respect of imports from China PR on the basis of best information available in accordance with Rule 6(8) of the AD Rules. The applicant has determined export price on the basis of imports of the product under consideration in India, as reported by IBIS, the data supplying agency. The Designated Authority has received transaction wise import data from the DGCIS during the course of the investigations as well. It is seen that the volumes of imports reported by IBIS is significantly higher as compared to DGCI&S (in the POI itself, the import volume reported in IBIS is 24 times more than that in the DGCIS) and, therefore, the Authority has considered the data received from IBIS and determined the export price considering all imports of the product under consideration in India. Price adjustments have been made on the basis of claims made by applicant domestic industry in view of non cooperation from the exporters from China PR. Export price has been determined at ex-factory level after adjusting for ocean freight, marine insurance, commission, bank charges, port and inland freight charges. Accordingly, the export price determined by the Authority in respect of China PR for Steel Tapes and Fibre Glass Tapes is as in the dumping margin table below.

E.5 Dumping Margin

34. Considering the normal value and export price as determined above, the dumping margin has been determined as follows. It is seen that the dumping margins are more than de minimis and significant.

Dumping Margin

Parameters	Unit of Measurement	Steel Measuring Tapes	Fibre Glass Measuring Tapes
Normal Value	US\$/kg	***	***
Export Price	US\$/kg	***	***
Dumping Margin	US\$/kg	***	***
Dumping Margin %	%	***	***
Dumping Margin Range %	%	120-160	50-70

F. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK

F.1 Submissions by the Domestic Industry

35. The Domestic Industry has made the following submissions with regard to the injury and causal link:

- a) Demand has shown an increasing trend over the injury period.
- b) Despite the presence of anti-dumping duties, imports are entering at dumped prices.
- c) The domestic industry is suffering from dumping from a number of countries, in addition to China. The domestic industry has filed a petition seeking initiation of anti dumping investigations in respect of imports of the product under consideration from Taiwan, Thailand, Malaysia and Vietnam. The said petition is pending before the Authority for a decision on initiation.

- d) Imports from China declined till 2012-13 and increased thereafter in the period of investigation.
- e) Volume of imports from China is much lower as compared to dumped imports from third countries, which establishes that since the importers had access to dumped imports from third countries, the importers did not import from China and imported from third countries.
- f) There has been significant price undercutting in the injury period.
- g) Landed price of imports are substantially below the cost and selling price of the Domestic Industry. Whereas both cost of production and selling prices increased over the period, the increase in the selling price is less than the increase in the cost of production.
- h) Dumped imports from existing and fresh sources are suppressing the prices of the domestic industry and preventing the price increases that would have occurred in the absence of dumping.
- i) Increase in production and sales volumes is only because domestic industry tried to combat the price injury they were suffering by increasing sales, even if the sales were at suppressed prices.
- j) Performance of the domestic industry has deteriorated significantly in terms of profits, return on investments and cash flow.
- k) Growth of the domestic industry is adverse in terms of price parameters.

F.2 Submissions made by the producers/exporters/other interested parties

36. No submissions have been made by any producer/exporter/other interested parties with regard to the injury and causal link.

F.3 Examination by the Authority

37. In consideration of the various submissions made by the domestic industry in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country.

38. Rule 11 of Antidumping Rules read with Annexure–II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, “.... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles....” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

39. Article 3.1 of the WTO Agreement and Annexure-II of the AD 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.

40. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the rules supra.

41. The present investigation is a sunset review of anti-dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply, mutatis mutandis, in case of a review as well. The Authority has, therefore, determined injury to the domestic industry considering, mutatis mutandis, the provisions of Rule 11 read with Annexure II. Further, since anti-dumping duties are in force on imports of the product under consideration, the Authority considers whether the existing anti-dumping duties on the imports of subject goods from China PR are required to be considered while examining injury to the domestic industry. The Authority has examined whether the existing antidumping measure is sufficient or not to counteract the dumping which is causing injury.

42. According to Section 9(A)(5) of the Customs Tariff Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.

43. For the purpose of 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 link between the dumping and injury, if any. The Authority has examined injury to the domestic industry by considering information relating to M/s FMI Ltd., constituting domestic industry under the Rules. Accordingly, the volume and price effect of dumped imports have been examined as follows:

F.4 Volume Effect of dumped imports and Impact on domestic Industry

a) Demand and Market Share

44. The Authority has determined demand or apparent consumption of the product in the Country as the sum of domestic sales of the Indian producers and imports of the subject goods in India from all sources. The demand so assessed can be seen in the table below. It is seen that demand of the product under consideration in the country has increased up to 2012-13 and then declined slightly in the POI. However, the demand has increased during the POI as compared to the base year. The market share of Indian producers and the subject country has declined over the injury period. However, the market share of imports from other countries has increased. The petitioner has claimed that imports from fresh sources have started entering at dumped prices and that they have already filed a petition before the Authority for consideration of initiation of anti dumping investigations on these sources.

Demand and Market Share in India

Demand	Unit	2010-11	2011-12	2012-13	POI	POI annualized
Subject Country – China PR	MT	66.42	32.25	18.48	20.32	27.09

Demand	Unit	2010-11	2011-12	2012-13	POI	POI annualized
Imports from Other Countries	MT	555.60	762.86	1,254.21	840.92	1,121.23
Sales of domestic industry	MT	964	1057	1267	946	1261
Sales of Other Indian producers	MT	950	923	1,120	826	1,101
Sales of all Indian producers	MT	1,914	1,980	2,387	1,772	2,362
Total Demand	MT	2,537	2,774	3,659	2,633	3,510
Market share in demand:						
Subject country-Imports	%	3%	1%	1%	1%	1%
Other Countries-Imports	%	22%	27%	34%	32%	32%
Domestic Industry	%	38%	38%	35%	36%	36%
Other Indian Producers	%	37%	33%	31%	31%	31%
Domestic Producers as a whole	%	75%	71%	65%	67%	67%

**POI – April 2013-December 2013*

b) Import volumes and market shares

45. With regard to 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. Volume of imports and imports in relation to production and consumption in India are given in the table below:

Import Volume	Unit	2010-11	2011-12	2012-13	POI	POI annualized
Subject Country – China PR	MT	66	32	18	20	27
Imports from Other Countries	MT	556	763	1,254	841	1,122
Total Imports		622	795	1,272	861	1,149
Demand	MT	2,537	2,774	3,659	2,633	3,510
Production of Domestic Industry	MT	1,151	1,235	1,521	1,021	1,361
Production of other producers	MT	956	914	1,127	807	1,077
Total Production	MT	2,107	2,149	2,648	1,828	2,438
Imports from subject country in relation to:						
Total Imports	%	10.68%	4.06%	1.45%	2.36%	2.36%
Demand	%	2.62%	1.16%	0.50%	0.77%	0.77%
Production	%	3.15%	1.50%	0.70%	1.11%	1.11%

**POI – April 2013-December 2013*

46. The Authority notes that imports of the subject goods from China PR declined in 2012-13, but increased again in the period of investigation. However, the share of imports from China PR in relation to total imports into India, apparent demand/consumption in India and total production in India is much lower as compared to imports from third countries. The domestic industry has claimed that the imports of the product under consideration from the subject country declined as a result of imposition of anti dumping

duty. At the same time, they have also claimed that there is strong likelihood that volume of imports from the subject country shall intensify if anti dumping duties are allowed to cease.

F.5 Price Effect of the Dumped imports and impact on the Domestic Industry

47. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject country have been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of subject goods of the domestic industry have been compared with landed value of imports from the subject country. A comparison for subject goods during the period of investigation was made between the landed value of dumped imports and the domestic selling price in the domestic market. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission offered by the domestic industry have been adjusted. The price underselling is an important indicator of assessment of injury. Thus, the Authority has worked out a non-injurious price and compared the same with the landed value to arrive at the extent of price underselling. The non-injurious price has been evaluated for the domestic industry by appropriately considering the cost of production for the product under consideration during the POI. The position is as follows:

a) Price Undercutting and Price Underselling

48. The price undercutting/underselling effects are examined below:

Steel Measuring Tapes

Particulars	Unit	2010-11	2011-12	2012-13	POI
Net Selling Price	Rs/KG	***	***	***	***
Landed price	Rs/KG	***	***	***	***
Price undercutting	Rs/KG	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range %	60-70%	30-50%	50-60%	50-60%

Fibre Glass Measuring Tapes

Particulars	Unit	2010-11	2011-12	2012-13	POI
Net Selling Price	Rs/KG	***	***	***	***
Landed price	Rs/KG	***	***	***	***
Price undercutting	Rs/KG	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range %	80-90%	75-85%	30-40%	35-45%

Measuring Tapes (Steel and Fibre Glass)

Particulars	Unit	2010-11	2011-12	2012-13	POI
Net Selling Price	Rs/KG	***	***	***	***
Landed price	Rs/KG	***	***	***	***
Price undercutting	Rs/KG	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	75-85%	60-70%	50-60%	50-60%

Price Underselling

Parameters	Unit	Steel Tapes	Fibre Glass Tapes	Measuring Tapes (Steel & Fibre Glass)
Non-injurious Price of DI	Rs/KG	***	***	***
Landed Value	Rs/KG	***	***	***
Price Underselling	Rs/KG	***	***	***
Price Underselling	%	***	***	***
Range	%	100-130	40-50	100-120

49. The Authority notes that without anti dumping duty, the landed price of imports is far below the selling price of the domestic industry, thus resulting in significant price undercutting in the event of cessation of anti dumping duty. Further, the landed price of imports is substantially lower than the non-injurious price of the domestic industry in the absence of anti dumping measures, thereby, resulting in significant price underselling effect.

b) Price Suppression and Depression

50. To examine the price suppression and depression effects of the dumped imports on the domestic prices, the trend of net sales realization of the domestic industry has been compared with the cost of sales. The given data shows that whereas both the cost of sales and the selling price of domestic industry increased over the injury period, the increase in selling price was lower than the increase in the cost, signifying existence of price suppression effect. The applicant has claimed that the cost increased as a result of increase in input cost and the domestic industry was unable to increase its prices in proportion to increase in cost due to effect of dumped imports from the existing as well as fresh sources. Resultantly, the profitability of the domestic industry has declined.

Description	Unit	2010-11	2011-12	2012-13	POI
Cost of Sales	Rs/KG	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>105</i>	<i>117</i>	<i>121</i>
Selling Price	Rs/KG	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>101</i>	<i>105</i>	<i>107</i>
Profit/Loss	Rs/KG	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>71</i>	<i>22</i>	<i>10</i>

F.6 Impact on Economic Parameters of the Domestic Industry

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

a) Capacity, Production, Capacity Utilization and Sales

52. Information on capacity, production, capacity utilization and sales volumes of the domestic industry is as under.

Particulars	Unit	2010-11	2011-12	2012-13	POI	POI annualized
Installed Capacity	MT	2,400	2,400	2,400	1,800	2,400
Production	MT	1,151	1,235	1,521	1,021	1,361
Capacity Utilization	%	48%	51%	63%	57%	57%
Domestic Sales	MT	964	1,057	1,267	946	1,261

53. The Authority notes that there is no change in the capacity of the domestic industry over the injury period. The production and sales of the product under consideration increased up to 2012-13 and then declined in the POI. It is noted that the capacity utilization increased upto 2012-13 and declined thereafter in the POI. However, the domestic industry continued to face under-utilized capacities throughout the injury period.

b) Market Share

54. It is noted from the table below that the market share of the subject country has declined as a result of anti dumping duty being in place. However, the market share of Indian producers has declined over the injury period market, whereas the market share of imports from other countries allegedly dumping the goods has increased. The petitioner has claimed that imports from fresh sources are at dumped prices. They have filed a petition before the Authority for consideration of anti dumping investigations on these sources.

Market share in demand	Unit	2010-11	2011-12	2012-13	POI	POI annualized
Subject country-Imports	%	3%	1%	1%	1%	1%
Other Countries-Imports	%	22%	27%	34%	32%	32%
Domestic Industry	%	38%	38%	35%	36%	36%
Other Indian Producers	%	37%	33%	31%	31%	31%
Domestic Producers as a whole	%	75%	71%	65%	67%	67%

c) Profits, Return on Capital Employed and Cash Profit

55. The profits, return on investment and cash profit of the domestic industry have been examined as under:

Particulars	Unit	2010-11	2011-12	2012-13	POI annualized
Cost of Sales	Rs./KG	***	***	***	***
<i>Trend</i>		100	105	117	121
Selling Price	Rs./KG	***	***	***	***
<i>Trend</i>		100	101	105	107
Profit/ Loss per unit	Rs./KG	***	***	***	***
<i>Trend</i>		100	71	22	10
Profit/ Loss	Rs. Lacs	***	***	***	***
<i>Trend</i>		100	78	29	10
Profit before interest & tax	Rs. Lacs	***	***	***	***
<i>Trend</i>		100	83	47	25
Cash Profit	Rs. Lacs	***	***	***	***
<i>Trend</i>		100	79	40	22
Return on Capital Employed	%	***	***	***	***
<i>Trend</i>		100	87	33	18

56. The Authority notes from the above as under:

- (i) Both the selling price and cost of sales of the domestic industry increased over the injury period. However, the increase in cost of sales of the domestic industry was much higher than the increase in the selling price.
- (ii) Profitability has declined over the injury period. The applicant has claimed that injury has been inflicted by cumulative dumped imports from the subject country as well as various new sources in the current injury period. Profitability was significantly low in the period of investigation.
- (iii) Profits, cash profits, profit before interest & tax and return on capital employed have declined drastically over the injury period with the decline in profitability.
- (iv) It is noted that the profitability has declined despite increase in production and sales volumes of domestic industry. This is reflective of the fact that the increase in production and sales volumes is only because domestic industry tried to combat the price injury they were suffering by increasing sales, even if they were selling at suppressed prices.

d) Employment and Wages

57. The employment and wages have increased over the injury period as can be seen from the table below:

Particulars	Unit	2010-11	2011-12	2012-13	POI*
Employment	Nos.	**	**	**	**
Wages	Rs. (Lacs)	**	**	**	**

e) Productivity

58. The productivity of the domestic industry is given in the following table.

Description	Unit	2010-11	2011-12	2012-13	POI
Productivity Per Employee	MT	***	***	***	***
Productivity Per Day	MT	***	***	***	***

59. The Authority notes that the productivity per employee and productivity per day have increased up to 2012-13 and then declined in the POI in lines with the trend of production over the period.

f) Inventories

60. The Authority has examined the inventory level of the domestic industry which is given in the following table.

Description	Unit	2010-11	2011-12	2012-13	POI
Average Stock	MT	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>110</i>	<i>209</i>	<i>246</i>

61. It is noted from the above table that the inventory with the domestic industry has increased substantially over the injury period.

g) Magnitude of Dumping

62. Magnitude of dumping as an indicator of the extent to which the dumped imports can cause injury to the domestic industry shows that the dumping margin determined by the Authority against the subject country is above *de minimis* and significant.

h) Ability to raise capital

63. The applicant has argued that given the current state of affairs where the product is consistently not performing well because of persistent dumping, any fresh investment is not envisaged.

i) Growth

64. With regard to the growth of the domestic industry, the position is as under:

Particulars	Unit	2010-11	2011-12	2012-13	POI
Production	%	-	7.31	23.13	-10.51
Domestic Sales	%	-	9.60	19.85	-0.44
Inventory	%	-	10.46	89.44	17.63
Profit per MT	%	-	-29.10	-69.18	-54.14
Return on Investment (NFA)	%	-	-5%	-21%	-6%

65. The Authority notes that though the production and domestic sales of the domestic industry increased over the injury period. However the growth was negative in the POI. Inventories have increased substantially in the period of investigation. Price parameters such as profits and return on investments have shown consistent negative

growth.

j) Factors Affecting Domestic Prices

66. The examination of the import prices from the subject country and other countries, 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 without antidumping duty, the landed value of imported material from the subject country would be below the selling price and the non-injurious price of the domestic industry in the absence of anti dumping measures, causing significant price undercutting as well as price underselling, in the Indian market. It is also noted that the demand for the subject goods was showing significant increase over the injury period, and, therefore it could not have been a factor affecting domestic prices. Thus, the principal factor affecting the domestic prices is landed value of subject goods from the subject country and other dumping countries.

F.5 Other Known Factors and Causal Link

67. The Authority has examined whether other known factors could have caused injury to the domestic industry as follows:

(a) Volume and Prices of imports not sold at dumped prices

68. The Authority notes that apart from the subject country, imports of Measuring Tapes from Taiwan, Thailand, Vietnam and Malaysia are significant in volume and at low prices. The Authority has received a petition for imposition of anti dumping duty on imports from these countries. The Authority is investigating the merits for initiating an anti-dumping investigation in respect of imports from these countries. The petition prima facie shows that the imports of the product under consideration from these sources are at dumped prices. Imports of product under consideration from all other countries are either low in volume or at high prices and are not causing injury to the domestic industry.

(b) Contraction in demand and / or change in the pattern of consumption

69. The Authority notes that demand for the product has grown over the injury period, except a slight decline in the POI. However, demand for the product under consideration has increased in the POI as compared to the base year. Hence, a decline in demand cannot be causing injury to the domestic industry. Further, the Authority has found no evidence of a change in the pattern of consumption of the product.

(c) Trade restrictive practices of and competition between foreign and domestic producers

70. The Authority notes that the subject goods are freely importable and there are no trade restrictive practices in the domestic market. Further there is no perceptible competition among the domestic producers, except that is obvious of a market economy, which could have been a cause of injury to the domestic industry. It is noted that there is a single market for the subject goods where dumped imports from the subject country compete directly with the subject goods supplied by the domestic industry. It is also noted that the imported subject goods and domestically produced goods are like articles and are used for similar applications/end uses. There is no evidence of trade restrictive practices of and competition between the foreign producers and domestic producers causing injury to the domestic industry.

71. The applicant claimed that injury to the domestic industry is not on account of inter-se competition. The Authority notes from the information on record that (a) the sales of petitioner and supporter Freemans Measures with highest volumes ("main supporter") shows the same trend, (b) sales of both petitioner and main supporter declined in POI when the imports from these third countries increased significantly in the POI, (c) market share of both petitioner and main supporter declined over the period. In a situation where the injury to the domestic industry would have been due to main supporter, their performance should have improved and petitioner's performance should have declined. However, in the instant case, even the main supporter has lost sales and market share. It is also noted that the supporter with highest volumes and petitioner have remained in the market place throughout the injury period. Thus, inter-se competition has remained throughout the injury period and, therefore, the claimed deterioration in performance of the domestic industry could not have been because of inter-se competition. It is not a situation where there was no competition with the main supporter in the past and there is competition with the main supporter in the present POI.

(d) Developments in Technology

72. The Authority notes that there are no developments in technology with respect to the product or its manufacture that could have resulted in the injury caused to the domestic industry.

(e) Export performance

73. The Authority notes that the domestic industry does export the product. However, information relating to injury has been examined separately for domestic operations to the extent possible. Any deterioration in the export performance of the domestic industry is, therefore, not a possible cause of the injury determined.

(f) Productivity of the domestic industry

74. The Authority notes that productivity of the domestic industry has increased in accordance with the increase in production. Hence, a decline in productivity cannot be a cause for the injury determined.

(g) Performance of other products

75. The Authority notes that the performance of other products being produced and sold by the domestic industry is not a possible cause of the injury found, since all parameters were examined with respect to the like article in this investigation.

76. The Authority notes that while the known other factors listed above do not appear to have caused the injury determined, the following parameters show that injury to the domestic industry is likely from dumped imports from China, should the present anti dumping duty be allowed to cease.

(i) The dumped imports from the subject country have continued throughout the investigation period, though the volumes have declined.

(ii) Subject imports are coming at prices lower than domestic prices. Once anti dumping duty is discontinued, the dumped imports are likely to increase and cause further injury.

(iii) The capacities available with the Chinese producers and their export orientation suggest that in case anti dumping duty ceases, the volume of dumped imports would increase.

(iv) The imports would undercut the domestic prices in the absence of anti dumping measures. Domestic industry is already facing price suppression in the market. This has resulted in declining profitability to the domestic industry, which would increase further in the event of cessation of anti dumping duty.

(v) Performance of the domestic industry has deteriorated in respect of parameters such as profits, return on investment and cash profit as a result of price suppression.

(vi) In the absence of an anti dumping measure, the likelihood of continuation of dumping and injury cannot be ruled out as is evident from the examination of likelihood of continuation of dumping and consequent injury.

F.6 Conclusion on Injury and Causation

77. The Authority notes that the volume of dumped imports from the subject country has declined as a result of anti dumping measures being in force and apparent fresh dumping being faced by the domestic industry from new sources. Production and sales of the domestic industry have increased upto 2012-13 and declined thereafter in the POI. Profit-related parameters have all been shown significant deterioration over the injury period. Profits, cash flow and return on investment have declined significantly. Inventories have increased substantially in the period of investigation. The Authority notes that the domestic industry has suffered injury during the current period.

F.7 Likelihood of continuation/recurrence of dumping and injury

Submissions by Domestic Industry

78. The domestic industry has made the following submissions with regard to likelihood of continuation/recurrence of dumping and injury:-

- i. There is continued dumping of the product under consideration from China PR. Dumping of the product under consideration is likely to intensify from the subject country should the current anti-dumping duty cease.
- ii. The exporters and producers of the subject country continued to export the material at dumped prices even after imposition of the anti-dumping duty

Nature of Investigation	Dumping Margin (%)	
	Steel	Fibre Glass
Original Investigation	1069%	148%
First SSR Investigation	275 to 325%	625 to 675%

- iii. Dumped imports from subject country would cause significant price undercutting in the absence of anti dumping duty.
- iv. The landed price of imports from the subject country in the absence of anti dumping duty would be significantly lower than the selling price and cost of sales of the Domestic Industry. These producers would, therefore, aggressively target Indian market in the event of cessation of anti dumping duty.
- v. Exporters in the subject country have capacities far in excess of Indian demand.

	Name	Capacity/production
1.	Ningbo Hongdi Measuring Tape Industry Company	4,000,000 pieces/month
2.	Ningbo Assist Tools Co Ltd.	4500,000 pieces/month
3.	Baofeng Tools & Measuring Tools Co Ltd	500,000 pieces/month
4.	Henan Bonthe Measuring Tools Co Ltd	100,000 pieces/month
5.	Yucheng Xinghong Measuring Tools Co Ltd.	300,000 pieces/month
6.	Foshan Zongtian Measuring Tools Co Ltd	1,000,000 pieces/month

- vi. Dumping Margin determined in previous investigations and present petition are significant and clearly shows likelihood of dumping and consequent injury in the event of cessation of anti-dumping duty.
- vii. Cessation of anti-dumping duty shall cause significant price suppressing and depressing effect.
- viii. Domestic Industry is vulnerable to injury from dumped imports. Current level of dumping margin from the subject country creates great possibility that expiry of duty will result in intensified dumping of subject goods from the subject country in the Indian market in increased volumes; given the fact that subject country holds excessive capacities.
- ix. The foreign producers are intensely focused on exports. In the event of cessation of duty, these exporters are likely to increase their exports to India at dumped prices.

SN	Name of the company	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%

- x. In the event of cessation of current anti-dumping duty and if domestic industry chooses to sell at import prices, the domestic industry would suffer significant financial losses. The return on investment and cash profit are already significantly low, and would deteriorate even further.
- xi. 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 and in itself justifies extension of anti dumping duty.
- xii. Even in the event of low volumes of imports reported during the POI of a sunset review investigation, anti-dumping duty can be continued. There are a number of instances where foreign authorities have continued the anti dumping duty in the first and subsequent sunset reviews.

Examination by the Authority

79. The present investigation is a sunset review of anti-dumping duties earlier imposed on imports of Measuring Tapes from China. 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. In this case, as there are continued dumped imports, the Authority is required to examine whether cessation of anti dumping duty is likely to lead to continued dumping of the product. Exporters and producers from the subject country are exporting the subject goods at dumped prices. In the previous investigations also dumping margin was significant. In such a situation, the Authority has no reason to believe that dumping will not intensify if the duty is removed.

Level of current and past dumping margin

80. Considering the dumping margin determined by the Authority in the previous investigation and the dumping margin now assessed, it is quite evident that the exports continued to be made at dumped prices and are likely to continue with the cessation of anti dumping duties. Though the volume of imports has declined over the injury period as a result of anti-dumping duties being in force, yet the domestic industry has witnessed deterioration in the financial performance of the product under consideration in view of continued dumping in the market. The volume of imports from the subject country is likely to increase in the event of cessation of anti-dumping duties, given the significant price undercutting in the absence of anti-dumping duty and underselling effects.

Price attractiveness of Indian market

81. The price at which the subject goods are being exported by China PR to India is an indicator of the likelihood of continuation of dumping and injury to the domestic industry. At the landed price in India, there is significant undercutting without anti dumping duty. Thus, with the cessation of anti-dumping duties, the Indian prices would be too attractive to these exporters and there is strong likelihood that Indian consumers would import substantially.

Significant capacities with the subject country

82. As per information on record, Chinese producers have significant capacity. In the event of cessation of anti-dumping duty, these producers are likely to intensify dumping of the subject goods.

Conclusion on Likelihood of dumping and injury

83. Considering the fact that imports from the subject country have continued at dumped prices despite existing anti dumping duty, there exists likelihood of intensified dumping and consequent injury to the domestic industry in the event of cessation of anti dumping duty. It is further noted that the import prices would undercut the domestic prices and also have a significant suppressing effect on the domestic prices.

Magnitude of injury and injury margin

84. The Authority has determined non-injurious price for the domestic industry, taking into consideration the cost of production of the domestic industry. This non-injurious price of the domestic industry has been compared with the landed value of the subject imports from the subject country to determine injury margin. The injury margin has been worked out as follows:

Injury Margin Table

Parameters	Unit	Steel Measuring Tapes	Fibre Glass Measuring Tapes
Non-injurious Price of DI	US\$/Kg	***	***
Landed Value	US\$/Kg	***	***
Injury Margin	US\$/Kg	***	***
Injury Margin %	%	***	***
Injury Margin Range%	%	100-130	40-50

85. It is noted that the level of injury margin, as determined, is considered significant.

F. INDIAN INDUSTRY'S INTEREST:

86. The purpose of anti dumping duties in general is to eliminate dumping which is causing injury to the domestic industry and 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 recognizes that the imposition of anti dumping duties might affect the price levels of the products manufactured by using the subject goods and consequently might have some influence on relative competitiveness of these products. However, fair competition on the Indian market will not be reduced by the anti dumping measures. On the contrary, imposition of anti dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. The Authority notes that the imposition of anti dumping measures would not restrict imports from the subject country in any way, and therefore, would not affect the availability of the product to the consumers. The consumers could still maintain two or even more sources of supply.

G. POST DISCLOSURE STATEMENT SUBMISSIONS BY THE INTERESTED PARTIES

G.1 Post Disclosure Statement submissions by the opposing Interested Parties

87. None of the exporters/importers/users and other opposing interested parties has made any post Disclosure Statement submissions.

G.2 Post Disclosure Statement submissions by the Domestic Industry

88. Following are in brief the post Disclosure Statement submissions made by the domestic industry:

- a. The Authority has rightly proposed to treat all exporters in China as operating under non-market economy conditions as none of the exporters from China PR have responded to the investigations or claimed Market Economy Treatment.
- b. Normal value has been determining considering constructed cost of production.

- c. The investigation has established existence of significant dumping.
- d. The imports of the product from the subject country have continued at dumping prices in spite of anti dumping duty in force.
- e. Demand has shown an increasing trend over the injury period.
- f. The domestic industry is suffering from dumping from a number of countries, in addition to China. The domestic industry has filed a petition seeking initiation of anti dumping investigations in respect of imports of the product under consideration from Taiwan, Thailand, Malaysia and Vietnam. The said petition is pending before the Authority for a decision on initiation.
- g. Imports from China declined till 2012-13 and increased thereafter in the period of investigation.
- h. Volume of imports from China is much lower as compared to dumped imports from third countries, which establishes that since the importers had access to dumped imports from third countries, the importers did not import from China and imported from third countries.
- i. Landed price of imports are substantially below the cost and selling price of the Domestic Industry. Whereas both cost of production and selling prices increased over the period, the increase in the selling price is less than the increase in the cost of production.
- j. Dumped imports from existing and fresh sources are suppressing the prices of the domestic industry and preventing the price increases that would have occurred in the absence of dumping.
- k. Increase in production and sales volumes is only because domestic industry tried to combat the price injury they were suffering by increasing sales, even if the sales were at suppressed prices.
- l. Performance of the domestic industry has deteriorated significantly in terms of profits, return on investments and cash flow.
- m. Growth of the domestic industry is adverse in terms of price parameters.
- n. Both dumping margin and injury margin in the current POI are positive and significant.
- o. The price undercutting without prevailing anti dumping duties is positive and is quite significant.
- p. The import prices without anti-dumping duty are materially below selling price of the domestic industry. The consumers would, therefore, switch to imported product in the event of cessation of anti dumping duty which will lead to significant increase in imports of the product.
- q. There is likelihood of intensified imports in case existing anti dumping duty ceases.

- r. The domestic industry is likely to suffer injury in the event of cessation of anti dumping duty.
- s. The anti dumping duty is required to be continued.
- t. Duty may be recommended on fixed amount basis in US\$ term.

G.3 Examination by the Authority

89. The Authority has reached to the conclusion that the above arguments of the domestic industry are repetitive and have already been dealt with by the Authority in the Disclosure Statement earlier and have also been dealt with again in the Final Findings Notification under appropriate headings.

H. CONCLUSION

90. The Authority notes that none of exporters from China PR and importers/users and other opposing interested parties in India participated in the investigation, i.e., they neither submitted post initiation responses nor participated in the Oral Hearing or made any post Disclosure Statement submissions. Having regard to the contentions raised, information provided and submissions made by the domestic industry and facts available before the Authority and on the basis of above analysis including analysis of likelihood of continuation of dumping and injury and post Disclosure Statement submissions made by the Domestic Industry, the Authority concludes that:

- a. There is continued dumping of the product under consideration from China PR. Dumped imports have continued to enter in the country even after the anti dumping duty has been in force.
- b. Dumped imports are causing injury to the domestic industry.
- c. Chinese producers are holding significant capacities for the product under consideration and have very high export orientation. Dumping of the product under consideration is likely to intensify from the subject country, should the current anti dumping duty be revoked. It is, therefore, concluded that the dumping and injury is likely to continue if the anti dumping duty is revoked.
- d. The Authority, thus, in order to remove likely injury to the domestic industry, considers it necessary to recommend continuation of definitive anti dumping duty on all imports of the subject goods from the subject country.

I. RECOMMENDATION

91. Having concluded as above, the Authority is of the view that the antidumping measure is required to be recommended to offset dumping of the subject goods originating in or exported from the subject country and its consequential injury to the domestic industry.

92. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti dumping duty on the imports of the subject goods originating in or exported from the subject country equal to the lesser of the margin of dumping and the margin of injury so as to remove the injury to the domestic industry. Accordingly, anti dumping duty equal to the amount indicated in the table below is recommended to be imposed concerning all imports of the subject goods, originating in or exported from the subject country, by the Central Government.

Duty Table

S. No.	Heading/ Subheading	Description of goods	Specification	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
1.	9017 80 10 or 9017 90 00	Measuring Tapes	Steel Tapes and parts and components thereof	China PR	China PR	Any	Any	2.83	kg	US\$
2.	9017 80 10 or 9017 90 00	Measuring Tapes	Steel Tapes and parts and components thereof	China PR	Any other than China PR	Any	Any	2.83	kg	US\$
3.	9017 80 10 or 9017 90 00	Measuring Tapes	Steel Tapes and parts and components thereof	Any other than China PR	China PR	Any	Any	2.83	kg	US\$
4.	9017 80 10 or 9017 90 00	Measuring Tapes	Fibre glass Tapes and parts and components thereof	China PR	China PR	Any	Any	1.33	kg	US\$
5.	9017 80 10 or 9017 90 00	Measuring Tapes	Fibre glass Tapes and parts and components thereof	China PR	Any other than China PR	Any	Any	1.33	kg	US\$
6.	9017 80 10 or 9017 90 00	Measuring Tapes	Fibre glass Tapes and parts and components thereof	Any other than China PR	China PR	Any	Any	1.33	kg	US\$

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

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

(J K Dadoo)
Designated Authority

