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No.15/30/2008 -DGAD
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES
UDYOG BHAVAN

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NOTIFICATION

New Delhi, the 26th February, 2010

Final Findings (Sunset Review)

Subject: Sunset Review regarding anti dumping duty imposed on imports of Polytetrafluoroethylene (PTFE) originating in or exported from Russia.

No.15/30/2008 DGAD : Having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as Rules);

A Background of the Case

1. The Authority, 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, as amended from time to time, (hereinafter referred to as the AD Rules); recommended imposition of provisional Anti Dumping duty on the imports of Polytetrafluoroethylene (hereinafter also referred to as the subject goods) originating in or exported from Russia (hereinafter also referred to as the subject country) falling under customs Sub heading 390461, Chapter 39 of the Customs Tariff Act, 1975 vide notification No. 24/1/98/DGAD, dated 9th June, 1999. The final findings were notified vide notification No 21/1/98-DGAD dated 13th October. 1999 and definitive anti dumping duty was imposed vide Notification No. 141/99 Customs dated 30/12/1999. The petition in that case was filed by M/s. Hindustan Fluorocarbon Limited. The Authority conducted a sunset review of the said definitive duty and recommended continued imposition of definitive antidumping duty on import of the subject goods from the subject country vide notification No. 15/6/2003-DGAD, dated the 7th October, 2004, such duty was imposed by the Govt. of India vide Customs Notification No. 110/2004 dated 18.11.2004 for a further period of five years. The anti dumping duty has been

extended further for a period of one year after initiation of sunset review as per customs notification 2/2010-Customs dated 11th January 2010.

2. The Authority received a duly substantiated application from M/s. Gujarat Fluorochemicals Ltd. with a request for extension of duties on the grounds that the expiry of the duty is likely to lead to continuation or recurrence of dumping and injury. The petitioner submitted prima facie evidence in this regard, substantiating the need for extension of the anti dumping duty in force.

3. Having satisfied itself that the petitioner has produced sufficient positive information substantiating the need for a review and in view of the order of the Hon'ble Delhi High court in the matter of Indian Metal and Ferro Alloys Ltd V/s Designated Authority, Writ Petition (Civil) No. 16893 of 2006, the Authority initiated the sunset review investigation of anti-dumping duty imposed on imports of subject goods originating in or exported from Russia vide Notification No. 15/30/2008-DGAD dated 27th February, 2009 in accordance with Section 9A (5) of the Act, read with Rule 23 of the AD Rules.

B. Procedure

4. The procedure described below has been with regard to the investigation:

(a) M/s Gujarat Fluorochemicals Ltd., Noida has filed a petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 requesting extension of anti dumping duty in force on imports of Polytetrafluoroethylene (PTFE) originating in or exported from Russia.

(b) The Authority on the basis of sufficient evidence submitted by the applicants issued a public notice dated 15/30/2008-DGAD dated 27th February, 2009 published in the Gazette of India, Extraordinary, initiating Anti-Dumping review investigations concerning imports of the subject goods, originating in or exported from the said country, to review whether expiry of duty is likely to lead to continuation or recurrence of dumping and injury. The scope of the present review covers all aspects of the previous notification.

(c) The Embassy of the subject country in New Delhi was informed about the initiation of the investigations in accordance with Rule 6(2).

(d) The Authority provided copies of the non-confidential version of the application to the known exporters and the Government of Russia in accordance with Rules 6(3) supra. A copy of the non-confidential application was also provided to other interested parties, wherever requested.

(e) The Authority forwarded a copy of the public notice to the following known exporters (whose names and addresses were made available to the Authority) and gave them opportunity to make their views known in writing within forty days from

the date of the letter in accordance with the Rules 6(2) & 6(4). However, none of the exporters have filed exporter's questionnaire response.

1. Hrast Ltd, P.O. Box No. 17, 203104, Moscow, Russia
2. Jampack Enterprises Ltd., St. Petersburg, pr. Kosmonavtov, d.35, Russia
3. Kirovo- Chepetsky Khimichesky Kombinat, 7, Pozharny Lane, Kirovo- Chepetsk 613042, Kirov Region, Russia.

(f) Following initiation and after public hearing, M/s Halo Polymer, an exporter of the subject goods from Russia responded to the initiation and petition by submitting their exports to India. However, information submitted by them were grossly incomplete and not in the manner of exporters questionnaire.

(g) The Authority forwarded a copy of the public notice to all the following known importers (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 forty days from the date of issue of the letter in accordance with the Rule 6(4).

- (a) M/s Goenka & Sons, Mumbai
- (b) M/s Pragati International, New Delhi
- (c) M/s Venus Industries, New Delhi
- (d) M/s Mechanical Packing Industries, Mumbai
- (e) M/s Mach Polymers, Pune
- (f) M/s Tee Coating Industries, Ahemdabad
- (g) M/s Pragati Plastic Pvt. Ltd, New Delhi
- (h) M/s Automate Industries, Ahemdabad
- (i) M/s Dip Flon Engineering Co., Ahemdabad
- (j) M/s Plastic Product Engineering Co, Ahemdabad
- (k) M/s Corrosion Engineers, Ahemdabad.

(h) However none of importers have filed Importer's Questionnaire response except M/s Guarniflon India Pvt Ltd, which have submitted few annexure to the importers questionnaire. However, comments have been filed by M/s Lakshmi kumaran & Sridharan in respect of following companies

1. Supremo Polymer Industries
2. TFE Coating industries
3. Fluorocarbon Processing industries
4. Manek Fluoro Polymers Pvt Ltd
5. Packlon Industries.
6. Kanan Polymer.
7. Electro polymer industries.
8. Sanghvi Techno Products.
9. Dip Flon Engg & Co.
10. Plastic products engg company
11. Fluoroflon Industry
12. Dhvani Polymer Industries.

13. jayhind polymers.
14. Angana International.
15. Aflon engg Corporation.
16. T&F Insulations Pvt Ltd.
17. Tefkot Cable Company

(i) 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).

(i) Exporters, producers and other interested parties who have not responded to the Authority, nor supplied information relevant to this investigation have been treated as non-cooperating interested parties.

(j) Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, including the period of investigations.

(k) Information was sought from the applicant and other domestic producer to determine non-injurious price based on the optimum cost of production and cost to make and sell the subject goods in India on the basis of Generally Accepted Accounting Principles (GAAP) to ascertain whether Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry;

(l) The Authority held a public hearing on 29.10.09 to hear the interested parties orally. The interested parties present at the time of hearing were advised to file written submissions of the views expressed orally and were also given an opportunity to file rejoinder to the views expressed by other interested parties. The written submissions and rejoinders received from interested parties have been considered, to the extent considered relevant;

(m) On the spot verification of the data provided by the applicant and domestic industry was carried out to the extent considered necessary.

(n) In accordance with Rule 16 of the Rules supra, the essential facts were disclosed to known interested parties and comments received on the same have been considered in present Final Findings.

(o) Investigation has been carried out for the period starting from 1st October 2007 to 30th September 2008 (also referred to as the period of investigation or POI). However, injury analysis covers the years 2005-06, 2006-07, 2007-08 & POI.

(p) *** in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

Product under consideration and like article

5. The product under consideration in the present case is "Polytetrafluoroethylene (also referred to as PTFE) originating in or exported from Russia. PTFE is produced in various grades, such as molding grade, fine powder, aqueous dispersions and compound grades of filled grades. All grades that were included in the scope of the previous case and current duties are within the scope of the present review. PTFE is primarily used in electrical, electronic, mechanical and chemical industries for their unique characteristics which are chemical inertness, electrical and thermal insulation, low coefficient of friction, non toxic, non flammable, resistance to radiation, low level of static and dynamic friction and outstanding electrical properties over a wide frequency range.

6. The Polytetrafluoroethylene (PTFE) is classified under subheading no 390461 under Customs tariff Act and at subheading no. 39046100. Customs classifications are indicative only and, in no way, binding on the scope of the investigations.

Views of the Domestic Industry

7. The present investigation being the sunset review, the scope of the product under consideration must remain same as that in the original investigation. Whereas only M/s Hindustan Fluorocarbon Limited was the only producer at the time of the investigation, the product is now being produced by M/s Gujarat Fluorochemicals Ltd. as well. For this added reason, there is no reason to review the product scope. The domestic industry claimed that there is no known difference between the products manufactured by them and the subject goods imported from the subject country. The domestic industry also claimed that the technology and primary production process employed by them and the foreign producers are comparable; even though every producer fine-tunes its production process based on available facilities and necessities.

Views of the Importers

8. It has been argued by the responding importers, that the scope of the product under consideration is too broad as the notice of initiation includes all the grades of PTFE whereas the applicant M/s Gujarat Fluorochemicals limited produces only one grade of PTFE, i.e., Granular Resin.

Examination by the Authority

9. The present investigations are sunset review investigations. Anti dumping duties are in force on imports of PTFE on the basis of recommendations earlier made by the Authority. Hindustan Fluorocarbon Limited comprised domestic industry in the previous investigations. While the present petition was filed by Gujarat Fluorochemicals Ltd., Hindustan Fluorocarbon Limited has cooperated with the Authority and has provided all relevant information. The Authority considers that the scope of the product under consideration in the present sunset review need neither be enhanced, nor curtailed, particularly when the need for the same has not been established by an interested party. In the present investigations, the domestic industry comprises of Gujarat Fluorochemicals Ltd. and Hindustan Fluorocarbon Limited. Hindustan Fluorocarbon Limited constituted

the domestic industry at the time of previous investigations. It was established in this investigations that the domestic industry produces and supplies like article to the product under consideration. Since both Gujarat Fluorochemicals Ltd. and Hindustan Fluorocarbon Limited have cooperated with the Authority in the present investigations and have provided all relevant information, the scope of product under consideration and like articles is required to be decided based on the goods produced and supplied by these two companies. Subsequent to the disclosure statement, the domestic industry as well as exporter and importers have reiterated their views as made earlier in their submissions. After examining the submissions and verifications of domestic industry, it is noted that the domestic industry manufactures the domestic like product to the product under consideration as defined in this disclosure statement.. Therefore, for the purpose of the sunset review , the scope of the product under consideration remains the same as defined in the original investigations and as mentioned in the para as above.

Domestic Industry and Standing

10. The application has been filed by Gujarat Fluorochemicals Ltd., Noida. Further, M/s Hindustan Fluorocarbon Limited, Hyderabad, has cooperated in the present investigation and provided all relevant information. In the original investigations, Hindustan Fluorocarbon Limited had filed the petition before the Designated Authority.

11. M/s Gujarat Fluorochemicals Ltd., has set up a new plant for production of PTFE with an installed capacity of 5500 MT, which commenced commercial production in December 2007. Capacity and production of Gujarat Fluorochemicals Ltd., in the current investigation period is significantly higher than Hindustan Fluorocarbon Limited. The Authority notes that production by Gujarat Fluorochemicals Ltd., and Hindustan Fluorocarbon Limited accounts for 100% of the production of the subject goods in India. In response to the disclosure statement, the exporter and importers have objected to the fact that M/s HFL had entered the anti dumping proceedings after the public hearing and interested parties were not notified about the submissions of M/s HFL till the issuance of the disclosure statement. After examining the issues, it is noted that M/s HFL had participated in the public hearing and had submitted the information as per the domestic industry proforma and a copy of the non confidential version of the same was duly placed in the public file for information to all concerned interested parties. The Authority therefore considers M/s Gujarat Fluorochemicals Ltd (GFL) ., and Hindustan Fluorocarbon Limited (HFL) as domestic industry for the purpose of the present investigations.

Confidentiality

12. The Authority examined the confidentiality claims of the interested parties and on being satisfied with regard to claim on confidentiality, the same has been allowed.

Submissions and issues raised

13. The Authority notes that none of the interested parties have filed questionnaire responses. However, following importers have filed their responses through M/s Lakshmi Kumaran and Sridharan. Even though these responses clearly states that these

are in respect of parallel investigations relating to China, the Authority has considered it appropriate to rely upon these for the present investigations as well, in so far as the same are relevant for the present investigations.

- i. Supremo Polymer Industries
- ii. TFE Coating Industries
- iii. Fluorocarbon Processing Industries
- iv. Manek Fluro-Polymers private Limited
- v. Packlon Industries
- vi. Kanan Polymer
- vii. Electro Polymers Industries
- viii. Sanghvi Techno Products
- ix. Dip-Flon Engg. & Co.
- x. Plastic products Engineering Company
- xi. Fluoroflon Industry
- xii. Dhvani Polymer Industries
- xiii. Jayhind polymers
- xiv. Angana International
- xv. Aflon engineering Corporation
- xvi. Tefkot Cable Company
- xvii. T & F Insulations Pvt Ltd.

14. Views expressed by the interested parties have been appropriately taken into account in the present disclosure statement.

Determination of Dumping Margin

Under Section 9A(1)c of the Customs Tariff Act 1975, normal value in relation to an article means:

1. 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
2. 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 imports of the article from a country other than the country of origin and where the article has been merely transhipped 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.

15. The Authority sent questionnaires to the known exporters for the purpose of determination of normal value in accordance with Section 9A(1)(c). A copy of the initiation notification, letter addressed to the exporters and questionnaire, seeking relevant information was also sent to the Govt. of Russia. None of the exporters have responded to the questionnaire in the form and manner prescribed.

Normal Value & Export Price:

16. In view of non-cooperation from any exporters from the subject country, the Authority has no option but to proceed on the basis of best information available in view of non-cooperation from the Russian exporters. Efforts were made to determine normal value on the basis of selling prices in the domestic market of Russia. While petitioner stated that there are no magazine/journals reporting prices of the product under consideration in Russia, research made by the Authority did not show any material evidence of prevailing prices in Russia. It is however noted that information available on website shows price offers of US\$ 45-50 per kg., adoption of which will result in significantly high dumping margin. Since this information would have been to the disadvantage of the Russian exporters, the Authority has not adopted this price. The prices from Russia to third country can also not be adopted for want of cooperation from Russian exporters and the claim by the domestic industry that the Russian exports to third country were also at similar price range and were at dumping prices (as also established by imposition of anti-dumping duties on exports of PTFE from Russia to Europe). In view of the same, the Authority is constrained to determine normal value on the basis of best available information i.e. estimate of cost of production.

17. It is also noted that the claim made by the applicant with regard to determination of normal value has also not been disputed by the exporter or other interested parties. Under the circumstances, normal value under the rules has been constructed on the basis of facts available as per rule 6(8) of the Anti-dumping Rules. Therefore, the information available on the cost of the production has been taken as the basis of the determination of normal value, after additions for selling, general & administrative expenses and reasonable profit.

Material Cost	*****
Utility Cost	*****
Conversion cost	*****
SGA	*****
Finance Cost	*****
Profit Margin @ 5%	*****
Normal Value (Rs. per Kg)	*****
Exchange rate for INR to USD	*****

Constructed Normal Value (US\$ per Kg)	9.25
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18. In view of non-cooperation from any exporters from the subject country, the Authority has no option but to proceed on the basis of best information available. The Authority has considered information relating to imports on the basis of DGCI&S, Russian Customs data (as per World Trade Atlas) and IBIS. It is noted that Russian Customs data is available on calendar year basis and no month-wise breakdown is available. The export price for the POI, therefore, can not be determined based on Russian customs data. Since DGCI&S covers all Customs Ports in the country, whereas IBIS covers only selected Ports and further since DGCI&S information is found to be more exhaustive than IBIS information, the Authority propose to determine export prices on the basis of DGCI&S information.

19. Export price has been accordingly determined on the basis of available data from DGCI&S. Weighted average export price has been determined considering total volume and value of imports of the product under consideration. The export price so determined is at CIF level. The same has been adjustments for ocean freight, marine insurance, inland freight in Russia, port expenses in Russia on the basis of facts available in view of non cooperation from the Russian exporters.

SN	Particular	All Russian producers/exporters
1	CIF export price	6.04
2	Less : Expenses from CIF to ex-factory	0.21
3	Ex-factory price	5.83

Dumping Margin:

20. Dumping margin has been determined considering the normal value and export price determined, as detailed above. Dumping margin comes as under:-

	Unit	Any Russian producer/exporter
Constructed Normal value	US\$/kg	9.25
Net Export price	US\$/kg	5.83
DM \$	US\$/kg	3.42
DM%	%	58.65

INJURY DETERMINATION

Views of Domestic Industry

21. The Domestic Industry has submitted that subject goods from China and Russia have caused injury to the Domestic Industry as is evident from the following:

- (a) In case of Russia, imports continued in significant volumes.
- (b) In case of China, imports increased significantly as compared to original investigation period.
- (c) The increase in imports from China is inspite of imposition of anti dumping duties.
- (d) In case of China, share of imports has remained very significant in relation to demand/consumption in India.
- (e) The significant volume of China imports are inspite of significant capacities and production within the Country.
- (f) Imports from China and Russia (both individually) are significantly undercutting the prices of the domestic industry. Imports are causing price suppression in the prices of the subject goods in the domestic market. Imports are resulting in price underselling.
- (g) Performance of the domestic industry continues to be adverse. In fact, the domestic industry has been prevented from utilizing its capacities. Even when domestic industry has kept production at low levels, the inventories have sky rocketed to 8-10 months sales. Sales volumes are materially low as compared to the demand in the Country. The domestic industry is suffering significant financial losses, negative return on investment and cash profits.
- (h) Performance of the domestic industry is materially below the projections in its project report.
- (i) Capacity utilization of the Domestic Industry has declined.
- (j) Market share of the subject goods in the domestic market has shown a decline.
- (k) Losses have first reduced but have increased again.
- (l) Sales volumes have increased. However, the profitability has significantly declined.
- (m) Return on capital employed has first improved but then have deteriorated again.
- (n) Growth is showing a negative trend.
- (o) Cash profit first improved but then have later deteriorated.
- (p) Employment & wages have shown a positive trend.
- (q) With regard to ability to raise capital, one of the petitioner companies is having a negative impact; whereas the other being a multi-product company, is not showing any significant negative impact.

22. **Views of Importers & Users**

Views expressed by the importers & users are as follows –

- (a) Constructed Normal Value: no evidence has been provided to substantiate claims regarding consumption factor, raw material, utility, conversion costs
- (b) Export price – no evidence has been provided to substantiate claims regarding adjustments to net export price. As the net export price calculation relates to imports into India, the same cannot be treated as confidential.
- (c) Gujarat Fluorochemicals Ltd. began production only in 2007. Thus data supplied by them for 10 months becomes insufficient. The company, being at its initial stage, is bound to face difficulties.
- (d) Petitioner has compared the data for POI with previous year, which is just four months i.e.; Dec07-Mar 08.
- (e) Market share and sales of domestic industry have shown improvement in the POI.
- (f) Balance sheet of Gujarat Fluorochemicals Ltd. for period 2007-08 & 2008-09 shows improvement in production, captive consumption, and sales despite of fall in demand.
- (g) According to 2008-09 annual report of Gujarat Fluorochemicals Ltd., it continues its strong presence in carbon credit market.
- (h) There is no causal link in the light of dramatic increase in total domestic sales (493%) and market share (588%) and significant fall in domestic demand (-11.6%).
- (i) In the period Dec.07 –Mar 08, the fact that such a sharp increase in output lagged behind the increase in installed capacity demonstrates that the slight decrease in capacity utilization is due to over ambitious capacity additions and not due to increase in imports from the subject country.
- (j) Losses, if any, are due to Gujarat Fluorochemicals Ltd. being at nascent stage and there were huge imports from rest of the world.
- (k) While arriving at the cause of injury authority should take under consideration, the export performance of Gujarat Fluorochemicals Ltd. More than 50% of its production is meant for exports. Any fall in exports will have a direct effect. Further, any reduction in export prices would lead to under absorption of fixed costs and thus lead to additional losses.

23. The Authority has examined the views of the interested parties with regard to injury to the domestic industry. It is noted that

- (a) With regard to increase in market share and sales of the domestic industry, the Authority notes that the applicant commenced commercial production in the investigation period. Therefore, some increase in the sales volumes of the domestic industry and consequent increase in the market share is a consequence of this commencement of production.
- (b) The Authority notes that the petitioner determined normal value on constructed cost of production basis, pleading non-availability of relevant information in public domain. As regards disclosure of various components of constructed normal value, since business sensitive data of the petitioner company has been used to determine normal value, the same cannot be disclosed to other interested parties. As regards evidence of price adjustments, the petitioner clarified that the same were based on most reasonable and conservative basis.

- (c) With regard to the period for which injury data has been made available, the Authority notes that while Gujarat Fluorochemicals Ltd. has commercial production only for this period, Hindustan Fluorocarbon Limited was in production for the entire injury period. The company has provided information relevant to injury assessment. Therefore, the injury to the domestic industry has been examined for investigation period and three preceding years in the present investigations.
- (d) With regard to determination of non injurious price after giving credit for carbon credits, the Authority notes that the non injurious price has been determined on the basis of records maintained by the domestic industry in accordance with Generally Accepted Accounting Principles. Raw materials required for production of the product under consideration does not provide any benefit of carbon credits. Carbon credits are received on account of HFC-23 (also known as R-23), which is not a raw material in production of the product under consideration. Further, since the domestic industry is captively producing R-22, the Authority is required to consider market price of R-22. The cost of production of R-22 is therefore in any case not relevant for determination of non injurious price of PTFE.
- (e) As regards performance of GFL reported in the Annual Report, the Authority observes that GFL is a multi product company. Further, the company has significant domestic and export operations. The Authority has relied upon information relating to the product under consideration alone for the purpose of injury determination. The performance reflected in published financial results therefore may not be relevant or indicative of the performance of the product under consideration.
- (f) With regard to commencement of commercial production by Gujarat Fluorochemicals Ltd. in the investigation period and short period of the same, the Authority notes that –
- Petitioner has provided its injury information to the extent it has been in commercial production. Petitioner has provided information for the subsequent period in its subsequent submissions to show the performance to the maximum extent available;
 - Petitioner has provided information from its project report on the basis of which the present plant was conceived, which shows that the performance achieved so far is far adverse as compared to the performance envisaged in the project report.
 - Even if the non-injurious price envisaged in the project report is considered, it is seen that landed price of import is substantially below such non-injurious price. In the context of Gujarat Fluorochemicals Ltd., given that the company has commenced commercial production in the current POI, the relevant thing is whether the performance of the domestic industry is being adversely affected by continued dumping of the

product, or whether the performance of the company is likely to be adversely affected by recurrence of dumping in case the present anti dumping duties are revoked.

- It has been contended by importers and exporter that Authority should examine to what extent and whether costs associated with start up operations contributed to the injury As regards start up costs and losses due to recent commercialization of production, the Authority notes that the project report of the Gujarat Fluorochemicals Ltd. shows that the same had projected profit in the very first year of commencement of production. It is noted that start up costs for first two months of the operations have been capitalized. Hence, the same has not affected the injury analysis of the company.

Examination by the Authority

24. 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 suppress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

25. 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.

26. The present investigations are sunset review investigations of anti dumping duties in force. Rule 23 provides that provisions of Rule 11 shall apply mutates mutandis basis in case of a review as well. The Authority has therefore determined injury to the domestic industry considering, mutates mutandis, the provisions of Rule 11 read with Annexure II. Further, since anti dumping duties are in force, the Authority considers that the fact of existing anti dumping duties on the product on imports from Russia is required to be considered while examining injury to the domestic industry. The Authority has also examined whether existing measure is required to be extended to counteract the likelihood of dumping causing injury.

27. The product under consideration was being produced in India only by Hindustan Fluorocarbon Limited at the time of previous investigations. The present petition has been filed by Gujarat Fluorochemicals Ltd., who has set up a new production facility for production of the product under consideration and commenced commercial production in Dec., 2007. Therefore, the Authority has

determined injury to the domestic industry by considering information relating to Gujarat Fluorochemicals Ltd. and Hindustan Fluorocarbon Limited.

Volume Effects of Dumped Imports: Import volumes and market shares

28. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India.

29. The Authority received import information from DGCI&S. The Authority examined the volume of imports of the subject goods from the subject country and other countries based on the import data provided by DGCI&S data for the purpose of the present findings.

30. Demand of the product in the Country has been assessed as the sum of domestic sales of the domestic producers and imports from all sources.

Particulars	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Country					
Russia	MT	35	59	57	183
Trend		100	168.57	162.86	522.86
Others	MT	1,386	1,668	2,107	2,134
Total	MT	1,421	1,728	2,165	2,317
Trend	Indexed	100	122	152	163
Share of subject country in total imports	%	2.46	3.44	2.64	7.9
Subject imports in relation to Indian Demand	%	2.02	2.97	2.43	6.66

31. The Authority notes that even though anti dumping duties are in place on imports from Russia, there are continued imports. Further, the imports have shown increase in the POI and are significant in relation to Indian production and consumption.

32. It is noted that while volume of imports is significant, the same is much lower than volume of dumped imports from China PR. It has been submitted that both Chinese as well as Russian imports are attracting anti-dumping duties in EU.

Price effect of imports

33. With regard to the effect of the dumped imports on prices, it has been examined whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. A comparison for product concerned was made between the landed value of exported product and the average selling price of the domestic industry. Selling price of the domestic industry has been determined net of all rebates and taxes, at the same level of trade. This comparison showed that imports from subject country were significantly undercutting the prices of the domestic industry in the market.

Particulars	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Landed price of imports	Rs. Kg	340.04	354.37	259.50	270.11
Net Sales Realization	Rs. Kg	****	****	****	****
Price Undercutting	Rs. Kg	****	****	****	****
Price Undercutting	%	18-22	15-20	35-40	15-20

34. The Authority has also examined price underselling suffered by the domestic industry and notes that the landed value from subject country is significantly below the cost of production and non-injurious price of domestic industry. Further, while cost of production of the subject goods declined, the decline in the selling price of the domestic industry was far more than the decline in the cost of production. The imports are thus depressing the prices of the subject goods in the market.

Particulars	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Cost of sales - Domestic	Rs. Kg	****	****	****	****
Trend	Indexed	100	99	115	84
Selling Price per unit - Domestic	Rs. Kg	****	****	****	****
Trend	Indexed	100	102	98	77
Landed Price	Rs. Kg	340.04	354.37	259.50	270.11

35. It is further noted that the landed price of dumped imports from subject country are significantly below the cost of production and non injurious price of

the domestic industry. The imports therefore resulting in price underselling in the market.

Particulars	Unit	Non-cooperating exporters
Landed price of imports	US\$ per Kg	6.58
Cost of production of Domestic industry	US\$ per Kg	****
Non injurious price of the domestic industry	US\$ per Kg	****
Price underselling amount	US\$ per Kg	****
Price underselling %	%	70-80

Economic parameters of the domestic industry

36. Annexure II to the AD Rules requires that a 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 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. An examination of performance of the domestic industry reveals that the domestic industry has suffered material injury. However, the present investigations being a sunset review investigations, injury to the domestic industry is required to be assessed on likely hood basis. Further, whereas only Hindustan Fluorocarbon Limited was in production at the time of original investigations, Gujarat Fluorochemicals Ltd. with a capacity significantly higher than Hindustan Fluorocarbon Limited has commenced commercial production, that too in Dec., 2007 (i.e., in the investigation period itself). The various injury parameters relating to the domestic industry are discussed below.

Production, sales and capacity utilization:

37. The volume of domestic production and effects of dumped imports on the domestic operation of the domestic industry have been examined in terms of total production, capacity utilization and domestic sales of the domestic industry.

Particulars	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Installed capacity	Mt	500	500	2,333	5,083
Output/Production	Mt	228	245	826	1,478
Trend	Indexed	100	107	361	647
Capacity Utilization	%	45.69	49.00	35.38	29.07
Trend	Indexed	100	107	77	64
Sales of Domestic Industry	MT	308	269	184	433
Trend	Indexed	100	87	60	141

38. It is noted that
- Capacity for the product under consideration has significantly enhanced. As stated earlier, Gujarat Fluorochemicals Ltd. has set up a plant with installed capacity significantly higher than Hindustan Fluorocarbon Limited.
 - Sales volumes of the domestic industry and consequently its production has increased. The increase in these parameters is due to commencement of new production facilities in the Country. It is noted that the volume of Russian imports has significantly increased over the period inspite of commencement of fresh production in the Country.
 - Capacity utilization of the domestic industry has declined.
 - The landed price of dumped imports from Russia without considering prevailing anti dumping duties is significantly below the cost of production and non injurious price of the domestic industry.

Market share:

39. Effects of the dumped imports on the domestic sales and market shares of the domestic industry have been examined as follows:

Particulars	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Import from Russia	MT	35	59	57	183
Import from other countries	MT	1,386	1,669	2,107	2,134
Sales of domestic industry	MT	308	269	184	433

Total Demand in India	MT	1,729	1,997	2,349	2,750
Market share in Demand					
Share of Domestic Industry	%	17.83	13.46	7.84	15.75
Share of Russia	%	2.02	2.97	2.43	6.66
Share of other countries	%	80.15	83.57	89.73	77.59
Total	%	100.00	100.00	100.00	100.00

40 It is noted that the market share of the domestic industry has declined. Even though the market share increased to some extent in the investigation period as compared to previous year, the same is still substantially lower than the market share registered earlier. Further, given that new production facilities commenced commercial production in the investigation period, the market share of the domestic industry was expected to have increased much higher than the levels registered earlier, as is noted from the projections in the annual report of Gujarat Fluorochemicals Ltd.,. However, dumped imports are still having significant share in the demand for the product under consideration in India.

Profits/Loss, cash flow and return on investments

41. Profits, cash flow and return on investments earned by the domestic industry from the sales of the subject goods in the domestic market were as follows: -

Particulars	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Cost of sales - Domestic	Rs. Kg	****	****	****	****
Trend	Indexed	100	99	115	84
Selling Price per unit – Domestic	Rs. Kg	****	****	****	****
Trend	Indexed	100	102	98	77
Profit/Loss (PBT) - Domestic	Rs. Kg	****	****	****	****
Trend	Indexed	(100)	(94)	(141)	(96)
Profit/Loss (PBT)	Rs. Lacs	****	****	****	****
Trend	Indexed	(100)	(82)	(84)	(135)
Profit/Loss (PBIT)	Rs. Lacs	****	****	****	****
Trend	Indexed	(100)	(79)	(83)	(123)
Cash Profit	Rs. Lacs	****	****	****	****
Trend	Indexed	(100)	(71)	(94)	(125)
Return on Capital Employed on NFA	%	****	****	****	****

basis					
Trend	Indexed	(100)	(156)	(11)	(9)

42. It is noted that

- (a) The domestic industry was suffering significant financial losses. In spite of existing significant financial losses, the situation deteriorated further in the investigation period. The domestic industry reported higher losses in the investigation period.
- (b) Return on investment was significantly negative in earlier years. The same continued to be negative, even though the position with regard to return on investment has improved. The improvement in return on investment in the POI could be more on account of addition of significant capital employed due to commencement of production by Gujarat Fluorochemicals Ltd. It is noted that loss before interest has otherwise further increased.
- (c) The domestic industry has suffered negative cash profits throughout the injury period. Further, the level of cash losses have increased during the investigation period.

Factors affecting prices

43. Consideration of the import prices, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported dumped material from Russia are significantly below the selling price of the domestic industry, causing severe price undercutting in the Indian market. Imports from other countries other than China PR (country attracting anti dumping duty from India) are at higher prices. There is no viable substitute to this product. Demand for the product was positive and could not have been a factor responsible for price suppression faced by the domestic industry.

Employment, productivity and wages

44. Number of employees employed by the domestic industry, its productivity and wages paid shows as follows

Particulars	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Employment	Nos.	153	146	167	224
Trend	Indexed	100	95	109	146
Wages	Rs.Lacs	****	****	****	****
Trend	Indexed	100	96	165	252
Productivity per employee	Mt	1.49	1.68	4.94	6.61
Trend	Indexed	100	113	331	443

It is seen that employment has increased. Wages paid have also increased. The increase in employment and wages is because of addition of capacities during the investigation period. Productivity of the domestic industry has shown significant improvement.

Inventories

45. Authority notes that inventories of the product with the domestic industry have shown a significant increase in the POI. While it is noted that some increase in inventories could be due to one more company commencing production, the increase in the inventories is too significant.

	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Opening Stock	Mt	112	32	8	3
Closing Stock	Mt	32	8	490	414
Average Stock	Mt	72	20	249	208
Trend	Indexed	100	28	347	290
Number of days sales in stock	Nos.	38	11	972	349
Trend	Indexed	100	30	2,566	920

Magnitude of Dumping

46. The dumping margin determined are above de minimis level and are quite significant. Dumping margin determined in original investigation as also previous sunset review was also found quite significant.

Growth

47. The domestic industry continues to face negative growth in terms of a number of parameters. It has been claimed that even when production, sales volumes, market share have shown some positive growth, the same is far below the levels that the domestic industry could have achieved in the absence of continued dumping, particularly after addition of significant fresh capacities. On the basis of the examination, it is considered that the domestic industry is facing adverse growth in respect to number of parameters.

Growth (year to year basis)	Unit	2005-06	2006-07	2007-08	Oct-Sep08 (POI)
Growth in sales volume	%		(10-15)	(30-35)	130-140
Growth in production	%		5-10	230-240	75-85
Growth in demand	%		10-20	10-20	10-20

Growth in selling price per unit	%		2-8	(3-10)	(15-25)
Growth in Cost of sale per unit	%		(1-3)	10-20	(20-305)
Growth in profit/loss per unit	%		3-10	(45-55)	30-40
Growth in Profits (PBIT)	%		15-25	(3-10)	(40-50)
Growth in Cash Profit	%		25-35	30-40	25-35
Growth in ROI	%		(45-55)	120-130	1-5
Growth in Inventories	%		(65-75)	1100-1200	(12-22)

Ability to raise fresh investment

48. While one of the domestic industry (Gujarat Fluorochemicals Ltd.) is a multi product company, the other (Hindustan Fluorocarbon Limited) is a subsidiary of HOCL, which is also a multi product company. The domestic industry has claimed that the product is a capital intensive product and has been suffering financial losses for quite some time. M/s Gujarat Fluorochemicals Ltd. has claimed that it has plans to further expand the capacities for the product under consideration. However, the company is not able to timely carry out the expansions in view of continued adverse performance.

Conclusions on injury

49. The examination of above injury parameters and considering the fact that the anti dumping duties are in place on imports from China and Russia, the Authority concludes that even though the volume of imports from Russia is much lower than the volume of imports from China, still, the volume of imports is significant both in absolute terms and relative to production and consumption in India. The domestic industry alleged that the benchmark in case of Russia was higher than the benchmark in respect of China, resulting in preference to imports from China. However, should the present anti dumping duties be revoked, the volume of imports would increase substantially. On the basis of the examination, it is noted that M/s Gujarat Fluorochemicals Ltd. commenced commercial production during the POI. Thus, injury to the domestic industry has to be examined in the light of addition of capacities and fresh production by new company. It is noted that the dumped imports of the subject goods from subject country have been undercutting the domestic selling prices, which has resulted in price depression in the domestic market. It is further noted that even though production & domestic sales increased, the market share and capacity utilization has deteriorated. It is noted that dumped imports from Russia have been undercutting the domestic prices. Further, the landed prices of subject goods from Russia have caused price depression in the domestic market. With regard to consequent impact of the dumped imports on the domestic industry, it is noted that performance of the domestic industry continued to remain adverse on account of decline in capacity utilization, market share, profits, return on investment, cash profits and inventories though the same should have improved as a result of increase in demand and imposition of anti dumping duties earlier.

On the basis of above analysis, the Authority concludes that the performance of the domestic industry has not improved. The situation of the domestic industry has remained fragile and adverse. Further, the domestic industry has suffered continued material injury.

Likelihood of continued injury

50. The current investigations are sunset review of anti-dumping duties earlier imposed on imports of PTFE from Russia. Under the Rules, the Authority is required to determine whether the anti-dumping duty in force is required to be extended further. The Authority proposes to consider following parameters while considering extension of anti-dumping duties –

- (a) Dumping margin determined at the time of original investigation and the current investigation are significant. The product continues to be exported at significantly dumping prices in spite of imposition of anti-dumping duties;
- (b) While volume of dumped imports from Russia is not as high as dumped Chinese imports, the same is significant and has shown increase over the current injury period. The volume of imports in the current investigation period is higher than even than the original investigation period and sunset review investigation period.

Period	Volume of imports (MT)
1995-96	24.1
1996-97	7
1997-98 (till June, 98)	40.7
1999-00	98
2000-01	109
2001-02	157
POI (first sunset review)	158
2005-06	35
2006-07	59
2007-08	57
Oct-Sep08 (POI)	183

- (c) Freely disposable production capacities – The information provided by the domestic industry and not refuted by other parties shows existence of significant unutilised capacities in Russia.
- (d) It has been submitted that exports of the product from Russia to various countries in the world are quite significant and are at a price lower than the normal value established for Russia and selling price & non injurious price of the domestic industry (after necessary adjustments for expenses). The domestic industry has argued that revocation of Anti dumping duty will lead to a situation where exports from Russia would significantly undercut the prices of the domestic

industry and thus would provide Russian producers better market opportunity in India vis-à-vis other global markets.

Volumes (kgs) (source: World Trade Atlas)

Rank	Country	2006	2007	2008
0	--The World--	9616208	9634058	9109613
1	Italy	3776618	3918305	2751896
2	United States	1356231	1845024	1360070
3	Romania	1389600	247890	848700
4	Korea, South	907566	1200360	781356
5	Switzerland	172800	316830	741600
6	China	552706	402269	370170
7	Germany	241200	285110	307360
8	India	52561	44669	288010
9	Netherlands	343498	243374	250444
10	Canada	144000	234000	216000
11	Turkey	140940	138469	214185
12	France	79824	236808	162618
13	Austria	0	0	145616
14	Ukraine	111958	149596	132070
15	Mexico	36000	72100	108000
16	Brazil	81240	47730	90000
17	Vietnam	54000	22328	78530
18	Singapore	0	18000	54000
19	Japan	18930	34440	46993
20	Czech Republic	0	0	36905
21	Malaysia	79968	122528	26656
22	Thailand	22328	6664	22328
23	United Kingdom	0	28	19080
24	Poland	0	0	18762
25	Taiwan	0	0	18000
26	Iran	0	45000	18000
27	Bulgaria	0	0	2204
28	Denmark	0	0	60
29	Hungary	5400	0	0
30	Kazakhstan	240	1	0
31	Malta	48600	0	0
32	Uzbekistan	0	2475	0
33	Sweden	0	58	0
34	Tajikistan	0	2	0

Average price in US\$ per Kg

Rank	Country	-/ KG - 2006	-/ KG - 2007	-/ KG - 2008
0	--The World--	4.61	5.57	6.16
1	Italy	4.48	5.56	6.24
2	United States	4.38	5.41	6.17
3	Romania	4.93	6.04	6.31
4	Korea, South	4.82	5.55	6.03
5	Switzerland	5.38	6.29	6.17
6	China	4.11	4.77	5.32
7	Germany	4.65	5.72	6.47
8	India	5.91	5.49	5.72
9	Netherlands	4.41	6.06	6.43
10	Canada	4.69	5.48	5.74
11	Turkey	4.34	5.93	6.31
12	France	4.74	5.55	6.56
13	Austria	0	0	5.6
14	Ukraine	4.36	5.68	6.46
15	Mexico	5.07	5.83	6.34
16	Brazil	5.03	6.8	5.6
17	Vietnam	6.41	6.1	6.79
18	Singapore	0	5.2	5.43
19	Japan	6.82	6.56	6.84
20	Czech Republic	0	0	6.87
21	Malaysia	5.7	5.75	6.2
22	Thailand	6.03	5.5	6.1
23	United Kingdom	0	6.43	6.06
24	Poland	0	0	5.55
25	Taiwan	0	0	6.7
26	Iran	0	6.51	6.63
27	Bulgaria	0	0	7.96
28	Denmark	0	0	5.13
29	Hungary	4.73	0	0
30	Kazakhstan	8.33	23	0
31	Malta	4.88	0	0
32	Uzbekistan	0	8.89	0
33	Sweden	0	1.31	0
34	Tajikistan	0	106.5	0

- (e) Vulnerability of the domestic industry – It has been submitted that the domestic industry continues to suffer material injury in spite of current duties.
- (f) The Authority has conducted two investigations in respect of Russia and one investigation in respect of China. All the investigations have established existence of significant dumping.
- (g) Dumping margin in respect to exports to third countries- It has been noted that the exports to third countries are materially below the constructed normal value determined in this investigation.
- (h) It has also been claimed that the product under consideration is also attracting anti-dumping duties in other countries. It is further noted that Europe has earlier imposed anti-dumping duties on imports of the product under consideration from China and Russia. Further, exports from Italy and Japan are also attracting anti-dumping duties in USA. Thus, it is noted that with the anti dumping duties in place from other countries, there would be greater incentive for the Russian companies to dump the subject goods to India.

On the basis of the foregoing, it is concluded that revocation of Anti dumping duties on imports from Russia is likely to lead to intensified dumping and consequent injury to the domestic industry.

Causal Link

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

- (a) **Imports from Third Countries:** - The Authority notes that price of imports of the product under consideration from countries other than China and Russia are significantly higher than the import price from the countries attracting anti dumping duties. Imports from China are at dumping prices and the Authority is conducting a parallel mid term review investigations in respect of imports from China.
- (b) **Contraction in Demand:** - There is no contraction in the demand during injury period. On the contrary, overall demand for subject goods has shown significant positive growth during the injury period.
- (c) **Pattern of consumption:** - No significant change in the pattern of consumption has come to the knowledge of the Authority, nor any interested party has made any submission in this regard.

- (d) **Conditions of competition:** - The investigation so far has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.
- (e) **Developments in technology:** - The investigation so far has not shown that there was any significant change in technology which could have caused injury to the domestic industry.
- (f) **Export performance of the domestic industry:** - It has been argued that the domestic industry has been exporting significant exports at financial losses and injury to the domestic industry is due to possible losses in its exports. The domestic industry has contended that they are being forced to export only because of lack of demand for their product in the Country because of presence of dumped imports in the market. It is noted that the export volumes of the domestic industry have increased. Further, the export price of the company has been found far higher than the import price in India. In fact, the price in case of exports is found higher than the domestic selling price. The company has been exporting to a number of destinations in the World, including some of the developed countries. Further, the price and profitability in the domestic and export market has been segregated by the Authority for the purpose of present injury assessment. Therefore, the analysis on injury is not misrepresentative due to possible inclusion of export performance and injury to the domestic industry is not due to possible deterioration in exports.
- (g) **Carbon credits** – Some of the interested parties have argued that the domestic industry and foreign producers are earning good revenue from sale of carbon credits. The Authority however notes that the carbon credits are not being generated from production and sale of the product under consideration.

52. The Authority notes that while listed known other factors do not show that injury to the domestic industry has been caused by these factors, following parameters show that injury to the domestic industry is likely due to dumped imports:

- a. The landed prices of imports, without present anti dumping duties, is likely to be lower than the selling price of the domestic industry. As a result of positive price undercutting, the consumers are likely to resort to higher volume of imports and is likely to lead to decline in market share of the domestic industry.
- b. Decline in market share has prevented the domestic industry from increasing their production and capacity utilization inspite of increase in demand and setting up of new capacities. Revocation of anti dumping duty is likely to lead to decline in the market share of the domestic industry.
- c. Lower import prices are likely to prevent the domestic industry from increasing their prices.
- d. The domestic industry has not been able to increase its prices in order to come out of the injury suffered in the past. Price depression effect of the imports has resulted in continued financial losses to the domestic industry and consequently continued negative return on investment and cash profits. Thus, continued adverse performance on account of profits, return on investments and cash profits is due to presence of dumped imports in

the market. Revocation of anti dumping duty on imports from Russia is likely to further deteriorate the situation of the domestic industry in the market.

e. Significant continued adverse performance of the domestic industry is due to presence of dumped imports in the market.

The Authority therefore, concludes that revocation of anti dumping duty is likely to lead to continued injury to the domestic industry within the meaning of Rule 11 of Anti-dumping Rules and Article 3.5 of Agreement of Anti- dumping.

Magnitude of Injury and injury margin

53. The non-injurious prices for the subject good has been compared with the landed value of the exports from the subject country for the same description for determination of injury margin. The weighted average landed price of the exporters from the subject country and their injury margins have been worked out as follows:

Particulars	Unit	Non cooperating exporters
Landed price of imports	US\$ per Kg	6.58
Non injurious price of the domestic industry	US\$ per Kg	****
Injury margin	US\$ per Kg	****
Injury margin %	%	70-80

Indian industry’s interest & other issues

54. The Authority recognizes that imposition of anti-dumping duties might affect the price level of product in India. However, fair competition in the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods.

55. The Authority notes that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the Domestic Industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the Country. Imposition of anti-dumping measures would not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the products to the consumers.

FINAL FINDINGS:

56. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority through the submission of interested parties or otherwise as recorded in the above findings and on the basis of the above analysis of the state of dumping and injury and likelihood of continuation or recurrence of dumping and injury, the Authority concludes that:

- i. The subject goods are entering the Indian market at dumped prices and dumping margins of the subject goods imported from Russia is significant and above de-minimis limits prescribed. The subject goods continue to be exported to India at dumped prices in spite of existing anti dumping duties.
- ii. Considering the facts available on record, the subject goods are likely to enter Indian market at enhanced volumes and at dumped prices, should the present measures be withdrawn.
- iii. The domestic industry continues to suffer injury in spite of existing anti dumping duties. Further, should the present anti dumping duties be revoked, injury to the domestic industry is likely to continue and intensify.
- iv. The deterioration in the performance of the domestic industry is because of dumped imports. Further, revocation of anti dumping duty on imports from Russia is likely to lead to continued & intensified injury to the domestic industry.

57. Having concluded that the product continues to be exported at dumped prices from Russia, the current dumping margin and injury margin establishes the need for revision in the anti-dumping duty in force. Also, after having concluded that the domestic industry continues to suffer injury and there is likelihood of continuation or resumption of dumping and injury on account of imports from Russia, if the duties are revoked, the Authority is of the opinion that the form of anti dumping duty is required to be modified, the measure in force is required to be extended and the quantum of anti-dumping duty is required to be modified in respect of imports from Russia.

58. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. For the purpose of determining extent of injury, the landed value of imports has been compared with the non-injurious price of the domestic industry determined for the period of investigation. Accordingly, the antidumping duty equal to the amount mentioned in Col 9 of the table below is recommended to be imposed on all imports of subject goods originating in or exported from Russia.

Table

Sl. No.	Sub-heading	Description	Specifi cation	Country Of origin	Country Of export	Producer	Exporter	Amount	Unit	Cur-rency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	3904 61	Polytetra fluoro-ethylene (PTFE)	Any	Russia	Russia	Any	Any	3.42	KG	US\$
2.	3904 61	Polytetra fluoro-ethylene (PTFE)	Any	Russia	Any	Any	Any	3.42	KG	US\$
4	3904 61	Polytetra fluoro-ethylene (PTFE)	Any	Any except Russia & China PR	Russia	Any	Any	3.42	KG	US\$

59. An appeal against the orders of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service tax Appellate Tribunal in accordance with the relevant provisions of the Act.

P.K Chaudhery
Designated Authority