

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

**NOTIFICATION**

New Delhi, the 22<sup>nd</sup> June, 2010

**Preliminary Findings**

**Subject: Antidumping investigations involving imports of PVC Flex Film originating in or exported from China PR.**

NO. 14/04/2010-DGAD: - Having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, (hereinafter referred as Rules) 1995 thereof;

2. WHEREAS M/s Pioneer Polyleathers Pvt. Ltd., Rudrapur (herein after referred to as the applicant) has filed an application before the Designated Authority (hereinafter referred to as this Authority), in accordance with the Act, and Rules, alleging dumping of PVC Flex Film (herein after referred to as subject goods), originating in or exported from the China PR (referred to as subject countries) and requested for initiation of an investigations for levy of anti dumping duties on the subject goods.

3. AND WHEREAS, the Authority on the basis of sufficient evidence submitted by the applicant on behalf of the domestic industry, issued a public notice dated 1<sup>st</sup> February 2010 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of the subject goods originating in or exported from the subject countries in accordance with the sub-Rule 6(1) of the Rules to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

**Procedure**

4. The procedure described below has been followed:

- i. The Authority notified the Embassy/Representatives of the subject country in India about the receipt of dumping application made by the petitioner before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra;
- ii. The Designated Authority sent copies of initiation notification dated 1.02.2010 to the Embassy of the subject country in India, known exporters from the subject country, importers, consumers and the domestic industry as per the addresses made

- available by the applicant and requested them to make their views known in writing within 40 days of the initiation notification.
- iii. The Authority provided copies of the non-confidential version of the application to the known exporters and to the Embassy of subject country in accordance with Rule 6(3) supra.
  - iv. The Embassy of the subject country in India was informed about the initiation of the investigation in accordance with Rule 6(2) with a request to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time. A copy of the letter and questionnaire sent to the exporters were also sent to them, along with the names and addresses of the exporters.
  - v. The Authority sent questionnaires, to elicit relevant information to the following known exporters in subject country in accordance with Rule 6(4).

| <b>S. No.</b> | <b>Name of the Company</b>                                       |
|---------------|--|
| 1.            | Zhejiang MSD Warp knitting and Coating Co. Ltd., China           |
| 2.            | Shanghai LanQuan Plastic Products Co. Ltd., China                |
| 3.            | Zhejiang Minglong Holding Ltd., China                            |
| 4.            | Zhejiang Tianxing Technical Textiles Co. Ltd., China             |
| 5.            | Haining ganglong Knitting Clothes Co. Ltd., China                |
| 6.            | Hangzhou Hongze New Material Co. Ltd., China                     |
| 7.            | Julong Tent & Advertisement Materials Industrial Co. Ltd., China |
| 8.            | Shanghai oursign Indutrial Co. Ltd., China                       |
| 9.            | Zhejiang Chengbang New Materials Co. Ltd., China                 |
| 10.           | Habei Hongding Plastic Manufacturing Co. Ltd., China             |

- vi. The Authority extended the time limits till 31<sup>st</sup> March, 2010 for the submission of the response on the request of the interested parties.
- vii. In response to the above notification, following exporters/ producers/ have responded to the initiation notification:

| <b>S. No</b> | <b>Name of the Company</b>  |
|--------------|---|
| 1.           | Jiangjin Nanwei Plastics Co. Ltd., China (Producer) & Jiangjin Nanwei International Trade Co. Ltd., China (Exporter)                    |
| 2.           | Heytex technical textiles (Zhangjiagang) Co.Ltd., China   |
| 3.           | Zhejiang Botai Plastic Co. Ltd., China  |
| 4.           | Zhenjiang Tianchang Plastic fabric Co. Ltd., China  |
| 5.           | M/s Zhejiang Ganglong New Material Co., Ltd, China  |
| 6.           | M/s Shanghai Nar Industrial Co. Ltd (NAR), China (Producer) and M/s Shanghai Inflex Signage Co. Ltd, China (Exporter)                   |
| 7.           | M/s Zhejiang Hailide New Material Co. Ltd., China   |
| 8.           | M/s Guangzhou Dina Membrane Structure Co. Ltd, China (Producer) & M/s Guangzhou Hongxin Economic Development Co. Ltd., China (Exporter) |
| 9.           | Shanghai Lanquan Plastic products Co. Ltd, China  |
| 10.          | Zhejiang Minglong plastic Cement Co. Ltd, China   |
| 11.          | Cixi Linyun Plastics Wart Co. Ltd, China  |
| 12.          | M/s Zhejiang Yuli Plastic Co. Ltd, China  |

- x. Questionnaire was sent to the following known importers and Consumers of subject goods in India calling for necessary information in accordance with Rule 6(4).

| S.No | Name of the Company                       |
|------|---|
| 1.   | Graphic Aids Print Sales Company, Kolkata |
| 2.   | Goldstone Imaging Pvt. Ltd., Delhi        |
| 3.   | X Print RBCPL, New Delhi                  |
| 4.   | Hi-Sign Durga International, Delhi        |
| 5.   | E sys Information Technologies Pvt. Ltd.  |
| 6.   | Kumar Distributors, Pariamet, Chennai     |
| 7.   | Shubh Plastics, Mumbai                    |
| 8.   | Tech-Zone Global Trading Co., Chennai     |
| 9.   | Aditya International, Mumbai              |
| 10   | Spectrum, Delhi                           |
| 11.  | Krishna tarpaulin Industries, Chennai.    |

- xi. In response to the above notification, following importer has responded to the initiation notification:

| S.No | Name of the Company                                |
|------|--|
| 1.   | M/s Rationale Business Corporation Pvt Ltd, India. |

- xii. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties;
- xi. 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 and the period of investigation.
- xii. Optimum cost of production and cost to make and sell the subject goods in India based on the information furnished by the applicant on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if Anti-Dumping duty, lower than the dumping margin, would be sufficient to remove injury to Domestic Industry.
- xiii. Investigation was carried out for the period starting from 1st April 2008 to 30th September 2009 (18 months, POI). The examination of trends, in the context of injury analysis, covered each quarter of POI (April-June 2008, July September 2008, October-December 2008, January-March 2009, April-June 2009 and July

September 2009), considering the petitioner has commenced production only in April 2008.

- xiv. \*\*\* In this Notification represents information furnished by the applicant on confidential basis, and so considered by the Authority under the Rules.

### **Product under Consideration and Like Article**

5. The product under consideration is 'PVC Flex Film'. PVC Flex Films are also known as PVC Flex Banners, PVC Flex Sheets for advertising signage, billboards, PVC films and tarpaulins etc., (hereinafter referred to as subject goods). The product is a multi-layered PVC film with sand-witch lamination of reinforcement textile. This laminated product called flex is used for advertisement industry. The PVC Flex Film can be of different types depending upon its quality and characteristics like front lit or back lit and glossy or Mattie. The product is used by advertising industry for applications such as hoardings, billboards, POP, banners, sign boards etc. However PVC Rigid Films and Cotton / Canvas Tarpaulins are outside the purview of this investigation.

6. PVC Flex Films are classified under Chapter 39 of the Customs Tariff Act, 1975, under Tariff Heading Nos. 3920 and 3921. The information received from IBIS shows that the material is being imported and cleared under a large number of other customs classifications, which includes 39201019, 39201012, 39204900, 39219026, 39219029, 39269099, 39199090, 39181090, 39189090, and 39269080. The customs classification is however, indicative only and in no way binding on the scope of the present investigation.

7. The applicant has claimed that there is no known difference between the products manufactured by them and the subject goods imported from the subject country, which can have any impact on price, usage, quality etc. The applicant also claims that the technology and primary production process employed by them and the foreign producers are comparable. With regard to any possible difference between the production process of the exporter in the subject country and the product sold by the domestic industry, it has been contended by the domestic industry that the difference in production process does not make the subject good a different product. However, in the light of the fact that both the products are comparable in terms of characteristics such as physical & chemical properties, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods, both the products are technically and commercially substitutable and used by the consumers interchangeably. Merely because manufacturing process and technology is different does not make the product different from the subject goods.

8. With regard to like article, Rule 2(d) of the AD Rules provides as under: -

*"like article " means an article which is identical or alike in all respects to the article under investigation for being dumped in India or in the absence of such article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;*

9. M/s Shanghai Inflex Signage Co. Ltd. China PR has claimed that its production process for making the subject good is significantly different from that of the domestic product and therefore, both the products cannot be termed as like article. They have also sought exclusion of certain grades, which according to them are not manufactured by the domestic Industry.

10. No Other argument has been received from any interested party on the scope of product under consideration or like article. Examination of the product and import data submitted by the applicant indicates that there is no difference between subject goods produced by the Domestic Industry and imported from China. Further /s Shanghai Inflex Signage Co. Ltd. China PR in the questionnaire has made interalia stated that “Our company does not request for MET and therefore the responses below only respond to the questions concerning general information and information concerning exports to India and our company does not respond to questions concerning normal value, i.e., sales to domestic and third country markets or production cost and expenses. Our company purchased all of our subject merchandise for the sales to India from an affiliated producer of subject merchandise, namely Jiangyin Nanwei Plastic Co.Ltd”. To that extent they have not provided any details of production process, or manufacturing process of COP of the grades sought to be excluded. Further even in the Questionnaire Response, particularly in Appendix 2, relating to sales to India, it is not clear as to which of the categories, sales during POI are claimed to be outside the scope of PUC on the premise that the same are not manufactured by the DI or whether any such sales have not at all been included therein. In view of the above as also similarity in manufacturing process and substitutability, the Authority provisionally holds that the two are required to be treated as alike and one product for the purpose of defining the ‘product under consideration’ in this case. On the issue of limiting the scope of PUC only to ITC (HN) Code 3920 alone, the Authority has taken care of this aspect in the concluding part of Para 6, above which states “The customs classification is however, indicative only and in no way binding on the scope of the present investigation”.

### **Domestic Industry and Standing**

11. The petition has been filed by M/s Pioneer Polyleathers Pvt. Ltd., Rudrapur and the applicant is the only known producer of the subject goods in India. Subsequent to initiation, no information has been received from any interested party providing information regarding any other domestic producer of the subject goods in India. The production of the M/s. Pioneer Polyleathers Pvt. Ltd thus constitutes 100% of the Indian production. The Authority therefore holds that the applicant commands a major proportion of the production of the subject goods in India and for the purpose of this investigation the applicant, M/s Pioneer Polyleathers Pvt. Ltd. commands the standing in terms of Rule 5(3) and constitutes the domestic industry in terms of Rule 2(b).

### **De Minimis Limits**

12. As per the import data received by the Authority from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and other secondary sources, as well as the data furnished by the cooperating exporters from the subject country, the imports of the subject goods from the subject country are above the de minimis level.

**Other submissions and issues raised**  
**Determination of Dumping Margin**  
**Examination of Market economy claims**

13. The Authority, notes that in the past China PR has been treated as a non-market economy country in the anti-dumping investigations by other WTO Members. Therefore, in terms of para 8 (2) of the annexure of anti-dumping of AD rules, China PR has been treated as a non-market economy country subject to rebuttal of the above presumption by the exporting country or individual exporters in terms of the above Rules.

14. 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 prove to the contrary. The cooperating exporters/producers of the subject goods from People's Republic of 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:-

- a) The decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
- b) 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;
- c) Such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and
- d) The exchange rate conversions are carried out at the market rate.

15. The Authority notes that following producers and exporters of the subject goods from the subject country have submitted their questionnaire responses and market economy questionnaire responses, consequent upon the initiation notice issued by the Authority and rebutted the non-market economy presumption. The questionnaire responses and the Market economy responses of these responding producers and exporters have been examined with regard to their claim on Market Economy Treatment.

| <b>S. No</b> | <b>Name of the Company</b>  |
|--------------|---|
| 1.           | Heytex technical textiles (Zhangjiagang) Co.Ltd., China   |
| 2.           | Zhejiang Botai Plastic Co. Ltd., China  |
| 3.           | Zhenjiang Tianchang Plastic fabric Co. Ltd., China  |
| 4.           | M/s Zhejiang Ganglong New Material Co., Ltd, China  |
| 5.           | M/s Shanghai Nar Industrial Co. Ltd (NAR), China (Producer) and M/s Shanghai Inflex Signage Co. Ltd, China (Exporter) |
| 6.           | M/s Zhejiang Hailide New Material Co. Ltd., China   |
| 7.           | M/s Guangzhou Dina Membrane Structure Co. Ltd, China (Producer) & M/s Guangzhou                                       |

|     |   |
|-----|---|
|     | Hongxin Economic Development Co. Ltd., China (Exporter) |
| 8.  | Shanghai Lanquan Plastic products Co. Ltd, China        |
| 9.  | Zhejiang Minglong plastic Cement Co. Ltd, China         |
| 10. | Cixi Linyun Plastics Wart Co. Ltd, China                |
| 11. | M/s Zhejiang Yuli Plastic Co. Ltd, China                |

### **Examination by the Authority**

16. The Authority has taken cognizance on the information provided by the exporters in their response with which they want to rebut the presumptions as mentioned in para 8 of Annexure 1 of the Rules and Non Market Economy questionnaire sent to them regarding grant of market economy status to their company. However, the responding companies have failed to provide sufficient evidence to establish their market economy claim. These responses have been found to be deficient and there are missing links between the claims made that they are operating under Market economy conditions and actual information available on record. Separate communications are being sent to each of these responding exporters, seeking comments on the observations made by the Authority. The Authority notes that none of these responses from Chinese exporters are flawless and therefore, pending examination of the issues regarding ownership and control, its impact on the cost and prices and business decisions of the company, transformation of ownership from time to time, evaluation of assets, land use rights, the Authority is of the view that all these producers- exporters from China PR cannot be granted market economy status for the preliminary determination of its Normal Value. However, their submissions regarding Market Economy Claim will be examined in detail during the course of investigation and verification by the Authority. The position in this regard is proposed to be reviewed during the course of investigation, if, upon verification these companies satisfy the MET norms.

### **Determination of normal value**

17. As recorded above there are significant issues of market economy determination in respect of the responding exporters from the subject country that requires further examination and verification. Therefore, pending further examination and verification of the claims made by the responding exporters and producers from China PR, in respect of their market economy claims and individual treatment claims, for the purpose of the preliminary finding, the authority has provisionally constructed the normal value in China PR on the basis of Para-7 to Annexure-I to the Rules.

18. In this connection Para 7 of Annexure I of the Anti-dumping Rules provide that:

*“In case of imports from non-market economy countries, normal value shall be determined on the basis if 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”.*

19. The Authority indicated, in the Initiation Notification that the applicant has proposed South Korea as an appropriate market economy third country. However, some of the interested parties have objected to the appropriateness of South Korea as surrogate country stating that the goods imported from South Korea are primarily of expensive variety, viz., Blacklit, whereas China mainly exports relatively cheaper Frontlit variety. In view of this argument of the interested parties, the Authority notes that for determination of normal value based on South Korea cost and prices the Authority would require complete and exhaustive data on types of product exported from South Korea, domestic sales or third country export sales, as well as cost of production and cooperation of producers in third country, which the applicant is unable to obtain.

20. Pending further examination of the issues relating to Market Economy claim and pending verification of data / submissions made by these responding producers / exporters, for the purpose of preliminary determination, the Authority proceeds to provisionally determine the normal value in China PR on other reasonable basis, in terms of second proviso of para 7 of Annexure 1 to the Rules. Accordingly, the ex-works Normal Value of the product under consideration for all exporters from China PR has been provisionally constructed based on facts available. The Normal Value has been constructed taking into account international prices of all the major inputs, Consumption norms, conversion cost (normated at \*\*\*% capacity utilization- The investigation has been initiated under material retardation concept and during POI the DI has been able to achieve only \*\*\*% capacity utilization), and SGA expenses of the domestic industry have been adopted for determination of the normal value. After adding a reasonable profit margin of \*\*\*% constructed normal value works out as under:

| Material Cost (Rs. In lacs) | Other manufacturing Cost (Rs. In lacs) | SGA & Finance cost (Rs. In lacs) | Profit margin @ *** % | Constructed Normal Value (CNV) | CNV @ Exchange Rate @ Rs. 46.95 /US\$ (USD) |
|-----------------------------|--|----------------------------------|-----------------------|--------------------------------|---|
| ***                         | ***                                    | ***                              | ***                   | ***                            | ***   |

### **Export Price**

#### **Export price for the responding exporters from China PR Zhejiang Hailide New Material Co., Ltd.**

21. Zhejiang Hailide New Material Co., Ltd. has reported export of \*\*\*MT of PVC Flex Films of Front lit Type of different GSMs' to India during the POI. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight, ocean freight and insurance to India, and credit expenses to arrive at ex-factory export price. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a

refund a part of the VAT paid on export. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, including the VAT adjustments, the Authority has determined the export price of the above exporter as follows:

| Quantity exported (MT) | Net Export Price (USD) | Net Export Price (USD/MT) |
|------------------------|------------------------|---------------------------|
| ***                    | ***                    | ***                       |

**M/s Shanghai Nar Industrial Co. Ltd (NAR) (Producer) through M/s Shanghai Inflex Signage Co. Ltd. (Exporter)**

22. M/s Shanghai Nar Industrial Co. Ltd (NAR) has reported export of PVC Flex Films of Backlit Type of different GSMs' to India both directly as well as through its related exporter M/s M/s Shanghai Inflex Signage Co. Ltd. during the POI. The front lit type has been exported by NAR through M/s Shanghai Inflex Signage Co. Ltd. Only. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight, ocean freight and insurance to India, and credit expenses to arrive at ex-factory export price. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Further, in order to arrive at ex-factory export price, the profit of the exporter, Shanghai Inflex Signage Co. Ltd. has been adjusted from the final export price to India at \*\*%, as per the Annual Income statement of exporter. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, including the VAT and exporter's profit adjustments the Authority has determined the export price of the above exporter as follows:

23. Since the producer can easily switchover between direct exports and exports through M/s Shanghai Inflex Signage Co. Ltd, the Authority has determined one export price and dumping margin for the exports made by M/s Shanghai Nar Industrial Co. Ltd (NAR) either directly or through M/s Shanghai Inflex Signage Co. Ltd

**M/s Shanghai Nar Industrial Co. Ltd (NAR) direct and through M/s Shanghai Inflex Signage Co. Ltd.**

| Quantity exported (MT) | Net Export Price (USD) | Net Export Price (USD/MT) |
|------------------------|------------------------|---------------------------|
| ***                    | ***                    | ***                       |

**M/s Guangzhou Dina Membrane Structure Co. Ltd, China (Producer) & M/s Guangzhou Hongxin Economic Development Co. Ltd., China (Exporter)**

24. M/s Guangzhou Dina Membrane Structure Co. Ltd has reported export of PVC Flex Films of both Backlit & Frontlit Types of different GSMs' to India through the exporter M/s Guangzhou Hongxin Economic Development Co. Ltd. during the POI. The sales to Indian customers as per Questionnaire Response are in CIF, CNF & FOB terms. The Authority notes that apart from the responding exporter, one of the major importers in the field who imports most of the PUC from subject exporter has also responded by submitting a Questionnaire Response. The perusal of this questionnaire response vis-a-vis data submitted by the responding exporter

reveals that there are glaring mismatches in respect of different type of information provided by the exporter and by the importer in respect of the same transactions. It is also noted that some of the transactions which were invoiced prior to POI but cleared in Indian Customs during POI have not been reported in the questionnaire Response. The Authority holds provisionally that although the information filed by the responding importer may not be acceptable on its face value, the information provided by the subject exporter is also not be acceptable as it is. Its reliability has to be established first which is possible only after the records of both the importer and the exporter are verified. Pending this verification, the Authority holds that for Provisional determination NEP cannot be worked out for this responding exporter and consequently individual DM cannot be determined. This issue however shall be revisited if the exporter gives access to its records before final determination.

**Shanghai Lanquan Plastic Products Co., Ltd.**

25. Shanghai Lanquan Plastic Products Co., Ltd. has reported export of PVC Flex Films of Frontlit Type of different GSMs' to India during the POI. The sales to Indian customers are in CIF, CNF & FOB terms. The Authority notes that apart from the responding exporter, one of the major importers in the field who imports most of the PUC from subject exporter has also responded by submitting a Questionnaire Response. The perusal of this questionnaire response vis-a-vis data submitted by the responding exporter reveals that there are glaring mismatches in respect of different type of information provided by the exporter and by the importer in respect of the same transactions. It is also noted that some of the transactions which were invoiced prior to POI but cleared in Indian Customs during POI have not been reported in the questionnaire Response. The Authority holds provisionally that although the information filed by the responding importer may not be acceptable on its face value, the information provided by the subject exporter is also not be acceptable as it is. Its reliability has to be established first which is possible only after the records of both the importer and the exporter are verified. Pending this verification, the Authority holds that for Provisional determination NEP cannot be worked out for this responding exporter and consequently individual DM cannot be determined. This issue however shall be revisited if the exporter gives access to its records before final determination.

**Zhejiang Minglong Plastic Cement Co., Ltd.**

26. Zhejiang Minglong Plastic Cement Co., Ltd. has reported export of PVC Flex Films of Frontlit Type of different GSMs' to India during the POI. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight & handling, ocean freight and insurance to India, export packing, credit expenses, Bank Charges and non-refundable VAT to arrive at ex-factory export price. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, the Authority has determined the export price of the above exporter as follows:

| <u>Quantity exported (MT)</u> | <u>Net Export Price (USD)</u> | <u>Net Export Price (USD/MT)</u> |
|-------------------------------|-------------------------------|----------------------------------|
| ***                           | ***                           | ***                              |

**Jiangyin Nanwei Plastic Co.,Ltd (Producer) & Jiangyin Nanwei International Trade Co. Ltd. (Exporter)**

27. M/s Jiangyin Nanwei Plastic Co.,Ltd has reported export of PVC Flex Films of both Backlit & Frontlit Types of different GSMs' to India through the exporter Jiangyin Nanwei International Trade Co. Ltd. during the POI. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight, ocean freight and insurance to India, bank charges and credit expenses. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Further, in order to arrive at ex-factory export price, the profit of the exporter, Jiangyin Nanwei International Trade Co. Ltd. needs to be adjusted from the final export price to India. The Authority notes that the exporter has not provided its income statement for the POI. Hence for the purpose of adjustment, profit @ \*\*\*% of the invoice value has been considered reasonable to arrive at net export price. Pending further clarification and verification of the claims made, including the exporter's profit adjustments the Authority has determined the export price of the above exporter as follows:

| <u>Quantity exported (MT)</u> | <u>Net Export Price (USD)</u> | <u>Net Export Price (USD/MT)</u> |
|-------------------------------|-------------------------------|----------------------------------|
| ***                           | ***                           | ***                              |

**Zhejiang Botai Plastic Co. Ltd.**

28. Zhejiang Botai Plastic Co. Ltd. has reported export of PVC Flex Films of Frontlit Type of different GSMs' to India during the POI. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight, ocean freight and insurance to India, bank charges and credit expenses to arrive at ex-factory export price. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, including the VAT adjustments, the Authority has determined the export price of the above exporter as follows:

| <u>Quantity exported (MT)</u> | <u>Net Export Price (USD)</u> | <u>Net Export Price (USD/MT)</u> |
|-------------------------------|-------------------------------|----------------------------------|
| ***                           | ***                           | ***                              |

**Zhejiang Ganglong New Material Co.,Ltd.**

29. Zhejiang Ganglong New Material Co. Ltd. has reported export of PVC Flex Films of Frontlit, Backlit and Tarpaulin types of different GSMs' to India during the POI. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight, ocean freight and insurance to India, bank charges and port & customs declaration charges to arrive at ex-factory export price. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the

claims made, including the VAT adjustments, the Authority has determined the export price of the above exporter as follows:

| Quantity exported (MT) | Net Export Price (USD) | Net Export Price (USD/MT) |
|------------------------|------------------------|---------------------------|
| ***                    | ***                    | ***                       |

**Heytex Technical Textiles (Zhangjiagang) Co. Ltd.**

30. Heytex Technical Textiles (Zhangjiagang) Co. Ltd. has reported export of PVC Flex Films of Frontlit and Backlit and Tarpaulin types of different GSMs' to India during the POI. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight, ocean freight and insurance to India, bank charges, credit cost and customs clearance charges to arrive at ex-factory export price. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, including the VAT adjustments, the Authority has determined the export price of the above exporter as follows:

| Quantity exported (MT) | Net Export Price (USD) | Net Export Price (USD/MT) |
|------------------------|------------------------|---------------------------|
| ***                    | ***                    | ***                       |

**Zhejiang Tianchang Plastic Fabric Co., Ltd.**

31. Zhejiang Tianchang Plastic Fabric Co., Ltd. has reported export of PVC Flex Films of different GSMs' to India during the POI. The types of PVC films exported to India have been provisionally considered of Frontlit type as the same has not been mentioned in the response. The sales to Indian customers are in CIF, CNF & FOB terms. The exporter has claimed adjustments towards inland freight & handling, ocean freight and insurance to India, bank charges, credit cost and customs declaration & port charges to arrive at ex-factory export price. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, including the VAT adjustments, the Authority has determined the export price of the above exporter as follows:

| Quantity exported (MT) | Net Export Price (USD) | Net Export Price (USD/MT) |
|------------------------|------------------------|---------------------------|
| ***                    | ***                    | ***                       |

**Cixi Linyun Plastics Wart CO., LTD**

32. Cixi Linyun Plastics Wart CO., LTD has reported export of PVC Flex Films of different GSMs' to India during the POI. The types of PVC films exported to India have been provisionally considered of Frontlit type as the same has not been mentioned in the response. The sales to Indian customers are in FOB terms. The exporter has claimed adjustments towards inland freight and bank charges to arrive at ex-factory export price. However, it is noticed that no

adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, including the VAT adjustments, the Authority has determined the export price of the above exporter as follows:

| Quantity exported (MT) | Net Export Price (USD) | Net Export Price (USD/MT) |
|------------------------|------------------------|---------------------------|
| ***                    | ***                    | ***                       |

### **Zhejiang Yuli Plastic Co., Ltd**

33. Zhejiang Yuli Plastic Co., Ltd has reported export of PVC Flex Films of different GSMs' to India during the POI. The types of PVC films exported to India have been provisionally considered of Frontlit type as the same has not been mentioned in the response. The sales to Indian customers are in CIF and FOB terms. The exporter has claimed adjustments towards inland freight & handling, ocean freight & insurance, and bank charges to arrive at ex-factory export price. However, it is noticed that no adjustment towards the non-refundable VAT has been made though the exporter is required to pay VAT @17% of the invoice value and is entitled for a refund a part of the VAT paid on export. Such adjustments have been made based on the invoice value. Pending further clarification and verification of the claims made, including the VAT adjustments, the Authority has determined the export price of the above exporter as follows:

| Quantity exported (MT) | Net Export Price (USD) | Net Export Price (USD/MT) |
|------------------------|------------------------|---------------------------|
| ***                    | ***                    | ***                       |

### ***Dumping Margins***

34. For the purpose of determination of dumping margin the ex-works normal value and export prices so determined provisionally on a weighted average basis have been compared at the same level of trade and dumping margin has been determined for the exporters from the subject country. While arriving at margin of dumping, comparison has been made on comparable basis between the export price and normal value. Principles of fair comparison demand the comparison to be made between like products after make due allowance for any differences that affect price comparability. Accordingly, exporter wise dumping margin has been worked out as shown below. Further for Non-cooperating exporters, DM have been determined by calculating NEP based upon DGCI&S data because it was noted that DGCI&S data reports a lower Assessable value compared to the one submitted by responding exporters and therefore the exporters who have not responded to the initiation have probably exported at a lower price than the responding exporters.

Amount USD

| Producer                                | Exporter                                | Qty. Exported (MT) | Normal Value | Export Price | Dumping Margin | DM %   |
|---|---|--------------------|--------------|--------------|----------------|--------|
| Zhejiang Hailide New Material Co., Ltd. | Zhejiang Hailide New Material Co., Ltd. | ***                | ***          | ***          | ***            | 10-15% |

|   |   |     |     |     |     |        |
|---|---|-----|-----|-----|-----|--------|
| M/s Shanghai Nar Industrial Co. Ltd (NAR)         | M/s Shanghai Nar Industrial Co. Ltd (NAR)         | *** | *** | *** | *** | 30-35% |
| M/s Shanghai Nar Industrial Co. Ltd (NAR)         | M/s Shanghai Inflex Signage Co. Ltd.              | *** | *** | *** | *** | 30-35% |
| Zhejiang Minglong Plastic Cement Co., Ltd.        | Zhejiang Minglong Plastic Cement Co., Ltd.        | *** | *** | *** | *** | 2-7%   |
| Jiangyin Nanwei Plastic Co.,Ltd                   | Jiangyin Nanwei International Trade Co. Ltd.      | *** | *** | *** | *** | 33-38% |
| Zhejiang Botai Plastic Co. Ltd.                   | Zhejiang Botai Plastic Co. Ltd.                   | *** | *** | *** | *** | 27-32% |
| Zhejiang Ganglong New Material Co.,Ltd.           | Zhejiang Ganglong New Material Co.,Ltd.           | *** | *** | *** | *** | 30-35% |
| Heytex Technical Textiles (Zhangjiagang) Co. Ltd. | Heytex Technical Textiles (Zhangjiagang) Co. Ltd. | *** | *** | *** | *** | 7-12%  |
| Zhejiang Tianchang Plastic Fabric Co., Ltd.       | Zhejiang Tianchang Plastic Fabric Co., Ltd.       | *** | *** | *** | *** | 37-42% |
| Cixi Linyun Plastics Wart CO., LTD                | Cixi Linyun Plastics Wart CO., LTD                | *** | *** | *** | *** | 25-30% |
| Zhejiang Yuli Plastic Co., Ltd                    | Zhejiang Yuli Plastic Co., Ltd                    | *** | *** | *** | *** | 60-65% |
| Others (Non-Cooperating)                          | Others (Non-Cooperating)                          | *** | *** | *** | *** | 60-65% |

35. The dumping margins so determined provisionally are significant and above de-minimis, level.

**Methodology for Injury Determination and Examination of Causal Link**  
**Views of the domestic industry**

36. The followings are the views of domestic industry: -

- a) The imports from China PR have increased in absolute terms and remained at very significant level in relation to the production and consumption. The volume of imports

has increased significantly even when the petitioner has commenced new production facilities for the product under consideration.

- b) The dumping of the product under consideration is materially retarding the establishment of the domestic industry in India.
- c) In spite of the significant increase in the demand of the country and commissioning of the production by the petitioner, the sales of the domestic industry have declined in the presence of the dumped imports in the market.
- d) There is significant price difference between the goods produced by the domestic industry and those imported from the subject country.
- e) The market share of the imports increased in the period of investigation preventing the domestic industry to improve its market share in spite of new production facilities.
- f) Exporters from the subject country are exporting the subject goods at prices substantially lower than prices at which the imports from the other countries are entering in India.
- g) The weighted average import price even after including the basic customs duties have been significantly below the net sales realization of the domestic industry, thereby resulting in significant price undercutting.
- h) Landed price of imports is far below the cost of production of the domestic industry. Further, the selling price of the domestic industry is considerable below its cost of production.
- i) Domestic industry has suffered material injury due to the increase in dumped imports and is threatened with continued injury.
- j) The domestic industry is materially retarded is clearly established on the comparison of the actual achievement of the industry with the projected or expected results.
- k) There is a decline in the capacity utilization and subsequently the production, sales and market share of the domestic industry due to the ill-effect of the increased dumped imports. Productivity of the domestic industry showed the similar trend.
- l) Profitability, cash flow and return on capital which were positive during the commencement of the plant turned negative in the period of investigation due to increase in the imports from the subject country.
- m) The domestic industry is deprived of the opportunity to grow and establish itself in the light of growing demand in the domestic market on the other hand; there has been a considerable level of inventories with the domestic industry.
- n) The injury parameters clearly establish that the domestic industry is materially retarded even when the domestic industry has made all efforts to set up the well equipped plant and commenced production successfully but incurred losses due to increased imports from the subject country.
- o) On the issue of seeking a copy of the project report, at least a non-confidential version, which has formed the basis of the application, as requested by one of the legal representatives, representing a number of exporters, the DI has objected to the same stating that the Project Report contains sensitive information obtained by the company after extensive research, analysis and after spending huge amount of money and Man-Hours. They have also pleaded that the report contains highly confidential commercial information and making public this information will weaken their competitive position.

### **Views of Responding Producers / Exporters**

37. APJ-SLG Law offices, sought copy of the project report, to enable them to give their comments on the injury to the domestic industry.

### **Examination by the Authority**

38. The Authority has taken note of various submissions of the interested parties on injury to the domestic industry and has analyzed injury to the domestic industry considering the facts available on record and the applicable law. As regards Injury analysis, the POI has been prescribed by the Authority and therefore for injury analysis for the injury during POI has to be considered.

39. Annexure-II of the AD Rules provides 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 articles; and (b) the consequent impact of these imports on domestic producers of such articles. 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 to prevent the price increases, which would have otherwise occurred to a significant degree.

40. As regards the impact of the dumped imports on the domestic industry Para (iv) of Annexure-II of the Anti Dumping Rules states as follows:

*“The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the Industry, including natural and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of margin of dumping actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.”*

41. With regard to the claim of certain interested parties seeking a copy of the Project report, the Authority holds that the submissions made by DI on this score are valid and the same cannot be put in public domain.

42. As already highlighted in the initiation notification, as alleged by the DI that dumping of PUC in India is materially retarding the establishment of the DI, and that the injury analysis will be carried out covering each quarter of POI, considering that the petitioner has commenced the production in April 2008, the injury analysis has been carried out accordingly. In this context, the Authority relies upon Rule 4(1)(c)(ii) and Rule 11(1) of AD Rules, which state as under:

**Rule 4(1)(c)(ii)**

*“the injury or threat of injury to an industry established in India or material retardation to the establishment of an industry in India consequent upon the import of such article from the specified countries”.*

**Rule 11(1)**

*“In the case of imports from specified countries, the designated authority shall record a further finding that import of such article into India causes or threatens material injury to any established industry in India or materially retards the establishment of any industry in India”.*

**Volume Effect of dumped imports and Impact on domestic Industry**

43. With regard to the volume of the dumped imports, the Designated Authority is required to consider whether there has been a significant increase in dumped imports, in absolute terms or relative to production and consumption in India. In this context, the Authority has considered DGCI&S import data as well as import data reported in secondary sources i.e. IBIS.

44. Detailed analysis of imports as per IBIS shows that material is being imported and cleared under a number of customs subheadings. Petitioner claimed to have procured data from IBIS, which showed imports having been reported under following classifications –

|          |          |          |          |          |
|----------|----------|----------|----------|----------|
| 39201019 | 39201012 | 39204900 | 39219026 | 39219029 |
| 39269099 | 39199090 | 39181090 | 39189090 | 39269080 |

45. Considering this, the volume analysis has been done based upon IBIS data as under.

**Import volumes and Market Share of Subject Country**

46. The Authority has examined the volume of imports of the subject goods from the subject country and other countries based on the transaction-wise import data provided by DGCI&S and IBIS data provided by the domestic industry. The Authority also notes that the export from the China PR as reported in the IBIS data is much higher than export data reported by all the responding exporters from China PR taken together. Therefore, for the purpose of the preliminary determination the export volume reported by the IBIS has been considered for volume analysis.

| Sn. | Country                  | Units | 2005-06 | 2006-07 | 2007-08 | POI    |
|-----|--------------------------|-------|---------|---------|---------|--------|
| 1   | China                    | Mt    | 7,928   | 12,628  | 23,630  | 48,680 |
|     | Trend                    | Index | 100     | 159     | 298     | 614    |
| 2   | Others (Korea RP)        | Mt    | 514     | 640     | 553     | 3,400  |
|     | Trend                    | Index | 100     | 124     | 108     | 661    |
| 3   | Total                    | Mt    | 8,443   | 13,268  | 24,183  | 52,081 |
|     | Trend                    | Index | 100     | 157     | 286     | 617    |
| 4   | Share of Subject Country | %     | 93.91   | 95.18   | 97.71   | 93.47  |
|     | Trend                    | Index | 100     | 101     | 104     | 100    |

| Sn. | Country                  | Units | Q1    | Q2    | Q3    | Q4    | Q5     | Q6    |
|-----|--------------------------|-------|-------|-------|-------|-------|--------|-------|
| 1   | China                    | Mt    | 7,030 | 9,436 | 7,334 | 7,860 | 9,886  | 7,135 |
|     | Trend                    | Index | 100   | 134   | 104   | 112   | 141    | 101   |
| 2   | Others                   | Mt    | 425   | 397   | 243   | 599   | 905    | 832   |
|     | Trend                    | Index | 100   | 93    | 57    | 141   | 213    | 196   |
| 3   | Total                    | Mt    | 7,455 | 9,833 | 7,577 | 8,459 | 10,791 | 7,967 |
|     | Trend                    | Index | 100   | 132   | 102   | 113   | 145    | 107   |
| 4   | Share of Subject Country | %     | 94.30 | 95.96 | 96.80 | 92.92 | 91.62  | 89.55 |
|     | Trend                    | Index | 100   | 102   | 103   | 99    | 97     | 95    |

### **Market Share and Demand**

| SN. | Share In Demand   | Units | Q1    | Q2    | Q3    | Q4    | Q5    | Q6    |
|-----|-------------------|-------|-------|-------|-------|-------|-------|-------|
| 1   | Subject Country   | %     | 92.98 | 88.03 | 77.60 | 70.39 | 76.98 | 76.08 |
|     |                   | Index | 100   | 95    | 83    | 76    | 83    | 82    |
| 2   | Other Countries   | %     | 5.62  | 3.70  | 2.57  | 5.36  | 7.04  | 8.88  |
|     |                   | Index | 100   | 66    | 46    | 95    | 125   | 158   |
| 3   | Domestic Industry | %     | 1.40  | 8.27  | 19.83 | 24.25 | 15.98 | 15.04 |
|     |                   | Index | 100   | 589   | 1,412 | 1,727 | 1,138 | 1,071 |

47. The above data indicates that imports of the subject goods from the subject country have increased substantially in Q2 and Q5 of the Injury period and in other quarters has remained at more or less the same level. However, when considered over a period of 4 years, including POI and preceding three years, the imports have increased 6 times, commensurate to the demand and perhaps what has led the DI to set up a plant looking into the domestic demand of PUC.

### **Actual and potential effect on production and capacity utilization:**

48. 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.

| S.No | Particulars          | Units | Q1  | Q2  | Q3    | Q4    | Q5    | Q6    |
|------|----------------------|-------|-----|-----|-------|-------|-------|-------|
| 1    | Installed Capacity   | Mt    | *** | *** | ***   | ***   | ***   | ***   |
|      | Indexed              | Index | 100 | 100 | 100   | 100   | 100   | 100   |
| 2    | Production           | Mt    | *** | *** | ***   | ***   | ***   | ***   |
|      | Indexed              | Index | 100 | 779 | 1,309 | 2,057 | 1,822 | 1,011 |
| 3    | Capacity Utilisation | %     | *** | *** | ***   | ***   | ***   | ***   |

|   |                           |       |       |        |       |        |        |       |
|---|---------------------------|-------|-------|--------|-------|--------|--------|-------|
|   | Indexed                   | Index | 100   | 779    | 1,309 | 2,057  | 1,822  | 1,011 |
| 4 | Domestic Sales            | Mt    | 106   | 887    | 1,874 | 2,708  | 2,052  | 1,411 |
|   | Indexed                   | Index | 100   | 835    | 1,765 | 2,550  | 1,933  | 1,329 |
| 5 | Sales of Others Producers | Mt    | -     | -      | -     | -      | -      | -     |
| 6 | Imports                   | Mt    | 7,455 | 9,833  | 7,577 | 8,459  | 10,791 | 7,967 |
|   | Indexed                   | Index | 100   | 132    | 102   | 113    | 145    | 107   |
| 7 | Total Demand              | Mt    | 7,561 | 10,719 | 9,451 | 11,166 | 12,843 | 9,378 |
|   | Indexed                   | Index | 100   | 142    | 125   | 148    | 170    | 124   |

49. The Authority notes that the production, sales and capacity utilization of the domestic industry, which was increasing till Q4 declined significantly in period of Q5 and Q6 of POI.

#### **Actual and potential effect on market share:**

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

| S.No. | Share In Demand   | Units | 2005-06 | 2006-07 | 2007-08 | Q1    | Q2    | Q3    | Q4    | Q5    | Q6    |
|-------|-------------------|-------|---------|---------|---------|-------|-------|-------|-------|-------|-------|
| 1     | Subject Country   | %     | 93.91   | 95.18   | 97.71   | 92.98 | 88.03 | 77.60 | 70.39 | 76.98 | 76.08 |
|       |                   | Index | 100     | 101     | 104     | 99    | 94    | 83    | 75    | 82    | 81    |
| 2     | Other Countries   | %     | 6.09    | 4.82    | 2.29    | 5.62  | 3.70  | 2.57  | 5.36  | 7.04  | 8.88  |
|       |                   | Index | 100     | 79      | 38      | 92    | 61    | 42    | 88    | 116   | 146   |
| 3     | Domestic Industry | %     |         |         |         | 1.40  | 8.27  | 19.83 | 24.25 | 15.98 | 15.04 |
|       |                   | Index |         |         |         | 100   | 589   | 1,412 | 1,727 | 1,138 | 1,071 |

51. While the domestic demand has increased about 7 times during POI as compared to 2005-06, the domestic industry could garner only 15% of the total domestic demand during POI whereas subject country held a market share of 76% and others had 9% of the market share during the POI. Further in terms of imports, the subject country held a share of 93.47% of the total imports whereas only less than 7% came from other countries viz. Korea RP.

#### **Price Effect of the Dumped imports on the Domestic Industry**

52. With regard to the effect of the dumped imports on prices, the Authority is required to consider 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.

### **Price undercutting and underselling effects**

53. Price undercutting has been provisionally determined by comparing the weighted average landed value of dumped imports from the subject country over the entire period of investigation with the weighted average net sales realization of the domestic industry. For this purpose landed value of imports has been calculated by adding 1% handling charge and applicable basic customs duty to the value reported in the IBIS data of import prices from the subject country. Price undercutting has also been separately determined based on the export data reported by the responding exporters from China PR.

54. In order to determine the net sales realization of the domestic industry, any rebates, discounts, commissions, etc. offered by the domestic industry and the central excise duty paid have been deducted from the total sales realization.

55. For the purpose of price underselling determination the weighted average landed price of imports from subject country has been compared with the Non-injurious selling price of the domestic industry determined for the POI.

### **Price undercutting ( based on export data of responding exporters)**

(Rs./MT)

| Producer                                   | Exporter                                     | Qty. Exported (MT) | Landed Value (Rs./MT) | Net Selling Price | Price under cutting | Price undercutting % |
|--|--|--------------------|-----------------------|-------------------|---------------------|----------------------|
| Zhejiang Hailide New Material Co., Ltd.    | Zhejiang Hailide New Material Co., Ltd.      | ***                | ***                   | ***               | ***                 | 2-7%                 |
| M/s Shanghai Nar Industrial Co. Ltd (NAR)  | M/s Shanghai Nar Industrial Co. Ltd (NAR)    | ***                | ***                   | ***               | ***                 | 5-10%                |
| M/s Shanghai Nar Industrial Co. Ltd (NAR)  | M/s Shanghai Inflex Signage Co. Ltd.         | ***                | ***                   | ***               | ***                 | 5-10%                |
| Zhejiang Minglong Plastic Cement Co., Ltd. | Zhejiang Minglong Plastic Cement Co., Ltd.   | ***                | ***                   | ***               | ***                 | Negative%            |
| Jiangyin Nanwei Plastic Co.,Ltd            | Jiangyin Nanwei International Trade Co. Ltd. | ***                | ***                   | ***               | ***                 | 7-12%                |
| Zhejiang Botai Plastic Co. Ltd.            | Zhejiang Botai Plastic Co. Ltd.              | ***                | ***                   | ***               | ***                 | 8-13%                |

|   |   |     |     |     |     |           |
|---|---|-----|-----|-----|-----|-----------|
| Zhejiang Ganglong New Material Co.,Ltd.           | Zhejiang Ganglong New Material Co.,Ltd.           | *** | *** | *** | *** | 8-13%     |
| Heytex Technical Textiles (Zhangjiagang) Co. Ltd. | Heytex Technical Textiles (Zhangjiagang) Co. Ltd. | *** | *** | *** | *** | Negative% |
| Zhejiang Tianchang Plastic Fabric Co., Ltd.       | Zhejiang Tianchang Plastic Fabric Co., Ltd.       | *** | *** | *** | *** | 12-17%    |
| Cixi Linyun Plastics Wart CO., LTD                | Cixi Linyun Plastics Wart CO., LTD                | *** | *** | *** | *** | 11-16%    |
| Zhejiang Yuli Plastic Co., Ltd                    | Zhejiang Yuli Plastic Co., Ltd                    | *** | *** | *** | *** | 17-22%    |

**Price undercutting (based on export data reported by IBIS)**

(Rs./MT)

| Sn. | Particulars               | Unit    | POI    |
|-----|---------------------------|---------|--------|
| 1   | Imports-Quantity          | Mt      | 48,680 |
| 2   | Imports- Value            | Rs.Lacs | 29,497 |
| 3   | CIF import price          | Rs./ MT | 60,594 |
| 4   | Landing Charges           | Rs./ MT | 605.94 |
| 5   | Assesable Value           | Rs./ MT | 61,200 |
| 6   | Basic Customs Duty (Rate) | %       | 10     |
| 7   | Custom duty               | Rs./ MT | 6,120  |
| 8   | Custom Cess               | Rs./ MT | 184    |
| 9   | Landed Price              | Rs./ MT | 67,503 |
| 10  | Net Selling Price         | Rs./ MT | ***    |
| 11  | Price undercutting        | Rs./ MT | ***    |
| 12  | Price undercutting        | %       | 13-18% |

**Price underselling ( based on export data of responding exporters)**

(Rs./MT)

| Producer                                | Exporter                                | Qty. Exported (MT) | Landed Value (Rs./MT) | NIP (Rs./MT) | Price under selling (Rs./MT) | Price under selling % |
|---|---|--------------------|-----------------------|--------------|------------------------------|-----------------------|
| Zhejiang Hailide New Material Co., Ltd. | Zhejiang Hailide New Material Co., Ltd. | ***                | ***                   | ***          | ***                          | 15-20%                |

|   |   |     |     |     |     |        |
|---|---|-----|-----|-----|-----|--------|
| M/s Shanghai Nar Industrial Co. Ltd (NAR)         | M/s Shanghai Nar Industrial Co. Ltd (NAR)         | *** | *** | *** | *** | 20-25% |
| M/s Shanghai Nar Industrial Co. Ltd (NAR)         | M/s Shanghai Inflex Signage Co. Ltd.              | *** | *** | *** | *** | 20-25% |
| Zhejiang Minglong Plastic Cement Co., Ltd.        | Zhejiang Minglong Plastic Cement Co., Ltd.        | *** | *** | *** | *** | 1-5%   |
| Jiangyin Nanwei Plastic Co.,Ltd                   | Jiangyin Nanwei International Trade Co. Ltd.      | *** | *** | *** | *** | 22-27% |
| Zhejiang Botai Plastic Co. Ltd.                   | Zhejiang Botai Plastic Co. Ltd.                   | *** | *** | *** | *** | 25-30% |
| Zhejiang Ganglong New Material Co.,Ltd.           | Zhejiang Ganglong New Material Co.,Ltd.           | *** | *** | *** | *** | 23-28% |
| Heytex Technical Textiles (Zhangjiagang) Co. Ltd. | Heytex Technical Textiles (Zhangjiagang) Co. Ltd. | *** | *** | *** | *** | 6-11%  |
| Zhejiang Tianchang Plastic Fabric Co., Ltd.       | Zhejiang Tianchang Plastic Fabric Co., Ltd.       | *** | *** | *** | *** | 30-35% |
| Cixi Linyun Plastics Wart CO., LTD                | Cixi Linyun Plastics Wart CO., LTD                | *** | *** | *** | *** | 27-32% |
| Zhejiang Yuli Plastic Co., Ltd                    | Zhejiang Yuli Plastic Co., Ltd                    | *** | *** | *** | *** | 38-43% |

**Price underselling ( based on export data reported by IBIS)**

(Rs./MT)

| Sn. | Particulars               | Unit    | POI    |
|-----|---------------------------|---------|--------|
| 1   | Imports-Quantity          | Mt      | 48,680 |
| 2   | Imports- Value            | Rs.Lacs | 29,497 |
| 3   | CIF import price          | Rs./ MT | 60,594 |
| 4   | Landing Charges           | Rs./ MT | 605.94 |
| 5   | Assesable Value           | Rs./ MT | 61,200 |
| 6   | Basic Customs Duty (Rate) | %       | 10     |

|    |                    |         |        |
|----|--------------------|---------|--------|
| 7  | Custom duty        | Rs./ MT | 6,120  |
| 8  | Custom Cess        | Rs./ MT | 184    |
| 9  | Landed Price       | Rs./ MT | 67,503 |
| 10 | Net Selling Price  | Rs./ MT | ***    |
| 11 | Price underselling | Rs./ MT | ***    |
| 12 | Price underselling | %       | 22-27% |

### **Price suppression and depression effects of the dumped imports:**

56. Price depression exists when the industry's prices are lower than the level of the previous period. Price suppression occurs when dumping prevents price increases that would otherwise take place due to increase in costs.

| Sn. | Particulars                         | Units   | Q1    | Q2    | Q3    | Q4    | Q5    | Q6    |
|-----|-------------------------------------|---------|-------|-------|-------|-------|-------|-------|
| 1   | Domestic Cost Of sales              | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 416   | 847   | 1,207 | 791   | 547   |
| 2   | Domestic Sales Value                | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 811   | 1,708 | 2,458 | 1,611 | 967   |
| 3   | Profit / loss before Tax            | Rs lacs | (***) | (***) | (***) | (***) | (***) | (***) |
|     |                                     | Index   | 100   | 91    | 141   | 181   | 119   | 203   |
| 4   | Interest                            | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 180   | 188   | 148   | 193   | 221   |
| 5   | Capital employed for Domestic Sales | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 111   | 111   | 108   | 118   | 125   |
| 6   | Return on Capital employed          | %       | (***) | (***) | (***) | (***) | (***) | (***) |
|     |                                     | Index   | 100   | 14    | 91    | 194   | 47    | 151   |

57. From the above table, it is evident that there is significant price suppression as the domestic industry is unable to increase its prices in proportion with the increase in cost.

58. The above provisional analysis shows that the dumped imports have adverse volume and price effect on the domestic industry in terms of increase in volume of dumped imports both in absolute and relative terms, and by suppressing the prices of the domestic market while eroding its market share.

### **Examination of other injury factors**

59. After examining the volume and price effect in the previous section, the Authority has examined the other mandatory injury parameters as follows:

#### **Profits/Loss and Return on investments**

60. Profits earned by the domestic industry from the sales of the subject goods in the domestic market were as follows: -

| Sn. | Particulars                         | Units   | Q1    | Q2    | Q3    | Q4    | Q5    | Q6    |
|-----|-------------------------------------|---------|-------|-------|-------|-------|-------|-------|
| 1   | Domestic Cost Of sales              | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 416   | 847   | 1,207 | 791   | 547   |
| 2   | Domestic Sales Value                | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 811   | 1,708 | 2,458 | 1,611 | 967   |
| 3   | Profit / loss before Tax            | Rs lacs | (***) | (***) | (***) | (***) | (***) | (***) |
|     |                                     | Index   | (100) | (91)  | (141) | (181) | (119) | (203) |
| 4   | Interest                            | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 180   | 188   | 148   | 193   | 221   |
| 5   | Capital employed for Domestic Sales | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                     | Index   | 100   | 111   | 111   | 108   | 118   | 125   |
| 6   | Return on Capital employed          | %       | (***) | (***) | (***) | (***) | (***) | (***) |
|     |                                     | Index   | (100) | (14)  | (91)  | (194) | (47)  | (151) |

61. The Authority notes that the domestic sales realization of the domestic industry has not increased in line with the increase in the cost of production. The profitability of the domestic industry has declined and resulted in net loss on the domestic sales in the POI. The return on the Capital Employed for the domestic sales of the domestic industry has been negative during the POI.

### **Cash Profit**

62. Cash profits of the domestic industry over the injury period are provided in the table below:

| Sn. | Particulars                     | Units   | Q1    | Q2    | Q3    | Q4    | Q5    | Q6    |
|-----|---------------------------------|---------|-------|-------|-------|-------|-------|-------|
| 1   | Profit before Tax               | Rs lacs | (***) | (***) | (***) | (***) | (***) | (***) |
|     |                                 | Index   | (100) | (91)  | (141) | (181) | (119) | (203) |
| 2   | Depreciation on Domestic sales  | Rs lacs | ***   | ***   | ***   | ***   | ***   | ***   |
|     |                                 | Index   | 100   | 84    | 84    | 87    | 101   | 106   |
| 3   | Cash Profits for domestic sales | Rs lacs | (***) | (***) | (***) | (***) | (***) | (***) |
|     |                                 | Index   | (100) | (96)  | (177) | (240) | (130) | (264) |

63. It is seen from the above that the cash profits of the domestic industry has significantly deteriorated over the injury period and actually resulting in cash losses in the POI.

### **Employment and Wages**

64. Authority notes that there has been an increase in the level of employment. The wages have also increased in comparison with the base year.

| Sn. | Particulars          | Units   | Q1  | Q2  | Q3  | Q4  | Q5  | Q6  |
|-----|----------------------|---------|-----|-----|-----|-----|-----|-----|
| 1   | Employment           | No.     | *** | *** | *** | *** | *** | *** |
|     |                      | Index   | 100 | 243 | 407 | 455 | 465 | 465 |
| 2.  | Wages and salaries   | Rs lacs | *** | *** | *** | *** | *** | *** |
|     |                      | Index   | 100 | 338 | 518 | 692 | 927 | 617 |
| 3   | Average per employee | Rs      | *** | *** | *** | *** | *** | *** |
|     |                      | Index   | 100 | 139 | 127 | 152 | 199 | 133 |

### **Inventories**

65. Authority notes that the level of inventory with the domestic industry has gone up over the injury period as shown in the following table:

| Sn. | Particulars   | Units | Q1  | Q2  | Q3  | Q4  | Q5    | Q6    |
|-----|---------------|-------|-----|-----|-----|-----|-------|-------|
| 1   | Opening stock | Mt    | -   | *** | *** | *** | ***   | ***   |
| 2   | Closing stock | Mt    | *** | *** | *** | *** | ***   | ***   |
| 3   | Average Stock | Mt    | *** | *** | *** | *** | ***   | ***   |
|     | Trend         | Index | 100 | 773 | 902 | 706 | 2,372 | 3,643 |

### **Productivity**

66. The productivity of the domestic industry has been examined with reference to production per day and per employee as follows:

| Sn. | Particulars                                       | Units  | Q1  | Q2  | Q3    | Q4    | Q5    | Q6    |
|-----|---|--------|-----|-----|-------|-------|-------|-------|
| 1   | Total Production                                  | Mt     | *** | *** | ***   | ***   | ***   | ***   |
|     |   | Index  | 100 | 779 | 1,309 | 2,057 | 1,822 | 1,011 |
| 2   | Production per Day (considering year of 330 days) | MT/Day | *** | *** | ***   | ***   | ***   | ***   |
|     |   | Index  | 100 | 779 | 1,309 | 2,057 | 1,822 | 1,011 |
| 3   | No Of employees                                   | No.    | *** | *** | ***   | ***   | ***   | ***   |
|     |   | Index  | 100 | 243 | 407   | 455   | 465   | 465   |
| 4   | Productivity per employee                         | Mt/No. | *** | *** | ***   | ***   | ***   | ***   |
|     |   | Index  | 100 | 321 | 321   | 452   | 392   | 218   |

67. The above data indicates that the productivity of the domestic industry that was improving till Q4, however, has deteriorated significantly in subsequent quarters.

### **Growth**

68. The growth in production and capacity utilization was positive till fourth quarter of 2008-09 and the same trend was seen in domestic sales till the fourth quarter. However, this

deteriorated significantly in the fifth and sixth quarters during the period of investigation. The domestic industry has shown a negative growth in production and domestic sales in spite of positive growth in demand in the POI for the product under consideration. The profitability of domestic industry has significantly declined during the POI. The performance of the domestic industry has also deteriorated during the period of investigation in terms of return on investment and cash profit. It is also seen that the selling price have declined more than the decline in the cost of sales during POI, thereby causing significant price depression. Besides, the imports of subject goods are significantly undercutting the prices of the domestic industry. The price underselling was also significant.

### **Ability to raise fresh Investment**

69. The Authority notes that there is a healthy growth in domestic demand for the subject goods but still the domestic industry could not make fresh capital investments for expansion due to significant growth in dumped imports from subject country.

### **Magnitude of Dumping**

70. Magnitude of dumping as an indicator of the extent to which the imports can cause injury to the domestic industry shows that the dumping margins determined against the subject country, for the POI, are significant.

### **Factors affecting prices**

71. It has already been seen in the foregoing paragraphs that imports are undercutting the domestic prices. Comparison of cost of production and selling price of the domestic industry shows that the imports are also depressing prices of the domestic industry. It was found that the landed value per MT in POI was lower than both the net selling price and non-injurious price of the subject goods causing price undercutting and price underselling in the Indian market. As a result of price difference between the imported products' price and domestic industry' price, the imports have taken a major share in the growth in Indian demand for the subject goods.

### **Conclusion on injury**

72. The examination of above injury parameters indicates that despite of overall growth in demand, both the production and sale of domestic industry declined during POI as compared to the projections made during the commencement of the plant. The demand of subject goods has increased by six (6) times in POI as compared to 2005-06. The domestic sales of the domestic industry have decreased during the same period. The Authority notes that the domestic industry could not take advantage of increase in demand in the market due to presence of imports from subject country.

73. The examination of the imports of the subject product and performance of domestic industry clearly shows that the imports of the product under consideration have increased in absolute terms and as also in relation to production and consumption in India. The imports are significantly undercutting the prices of the domestic industry in the market and the effect of the dumped imports was to depress the prices of the domestic industry in the market. The domestic

selling prices have declined more than the decline in cost of sales. Further, there has been a significant price under cutting by the dumped imports as compared with the price of like product in India and the effect of such imports is to prevent price increase which otherwise would have occurred to a significant degree. With regard to consequent impact of the dumped imports on the domestic industry, performance of the domestic industry deteriorated from the base year in terms of sales, production, capacity utilization, market share, profits, cash profits & return on investments. Imports are affecting the domestic prices. It is also noted that the production, sales, profits and return on capital employed should have improved as a result of increase in demand. However, the same have instead declined significantly without giving an opportunity to the nascent domestic industry to find a place for itself in its own domestic market causing material retardation to the domestic industry as can be seen from the trend from the base year.

74. On the basis of above analysis, the Authority provisionally concludes that the performance of the domestic industry deteriorated in terms of production, sales volumes, capacity utilization, market share, factors effecting prices, profits, return on investment, cash profits, thus collectively and cumulatively showing that the domestic industry has suffered material injury leading to retardation of the newly established industry.

#### **Causal Link and other factors**

75. Having examined the existence of material injury and volume and price effects of dumped imports on the prices of the domestic industry, in terms of its price undercutting, price underselling and price suppression, and depression effects, other indicative parameters listed under the Indian Rules and Agreement on Anti Dumping have been examined to see whether any other factor, other than the dumped imports could have contributed to injury to the domestic industry. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry. It was examined whether these other parameters listed under the AD Rules could have contributed to injury to the domestic industry. It was noted that:

#### **Volume and Prices of imports not sold at the dumped prices**

76. It is noted from import data that about 93% imports are from subject country during POI and the 7% from other countries. The imports from other countries, in comparison to the imports from the subject country are just 7%. Therefore, the imports from other countries do not affect the prices in the domestic market. In fact the imports from other countries, primarily Korea RP are at a much higher price, which do not undercut the prices of the DI and therefore have no impact on prices of DI.

#### **Contraction in demand and / or change in pattern of consumption**

77. Demand for the subject goods shows a healthy growth during the entire injury investigation period and therefore, the injury to the domestic industry has nothing to do with the lack of demand in the country. The data on consumption and demand does not show any change

in the pattern of consumption of the product and has not been a factor causing injury to the domestic industry.

### **Trade restrictive practice and competition between the foreign and domestic producers**

78. No evidence of conditions of competition or trade restrictive practices has come to the knowledge of the Authority. The Authority notes that there is a single market for the subject goods where dumped imports from subject country compete directly with the subject goods produced by domestic industry. The Authority also notes that the imported subject goods and domestically produced goods are like articles and the imported product is sold to meet the similar applications/ end uses as domestically produced subject goods.

### **Development of technology**

79. On the basis of examination of the records of the petitioner, the Authority provisionally holds that development in technology has not been a relevant factor for the injury to the domestic industry.

### **Export performance**

80. The Authority notes that there are negligible exports of the domestic industry during the POI. The performance with respect to various Economic indicators has therefore been determined with respect to domestic sales only. Hence, the Authority provisionally holds that material injury suffered by the domestic industry may not be as a result of the export performance of the domestic industry.

### **Productivity of the Domestic Industry**

81. Productivity of the domestic industry in terms of production per employee has shown decline during Q5 and Q6 of POI as compared to preceding quarters because of the decline in total production during the same period.

82. No other factor, which could have possibly caused injury to the domestic industry, has been brought to the knowledge of Authority.

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

- a. The landed prices of imports were lower than the selling price of the domestic industry, barring on exporter. As a result of price undercutting, the consumers have resorted to higher volume of imports, thus leading 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.

- c. Landed price of imports were undercutting the prices of the domestic industry. The imports from subject country have caused price underselling in the Indian market. Resultantly, lower import prices appear to have prevented the domestic industry from increasing their prices.
- d. Price depression effect of the imports has directly resulted in deterioration in profitability of the domestic industry and consequently the return on investment and cash profits. Thus, the decline in profits, return on investments and cash profits is apparently due to presence of dumped imports in the market.
- e. Significant deterioration in performance of the domestic industry in the period of investigation is apparently due to presence of dumped imports in the market.

84. The Authority has therefore, provisionally concluded that the dumped imports originating in the subject country have caused material injury to the domestic industry within the meaning of Rule 11 of Anti-dumping Rules and article 3.5 of Agreement of Anti- dumping thereby causing material retardation to the newly established domestic industry.

### **Magnitude of Injury Margin**

85. The Authority has determined non-injurious prices of the subject goods for the domestic industry taking into account cost of production of the domestic industry. The non-injurious price of the domestic industry has been compared with the landed values of the subject imports to determine injury margin. The injury margins have been worked out as follows:

| Producer                                   | Exporter                                     | Qty. Exported (MT) | NIP | Landed Value | Injury Margin | IM %   |
|--|--|--------------------|-----|--------------|---------------|--------|
| Zhejiang Hailide New Material Co., Ltd.    | Zhejiang Hailide New Material Co., Ltd.      | ***                | *** | ***          | ***           | 15-20% |
| M/s Shanghai Nar Industrial Co. Ltd (NAR)  | M/s Shanghai Nar Industrial Co. Ltd (NAR)    | ***                | *** | ***          | ***           | 20-25% |
| M/s Shanghai Nar Industrial Co. Ltd (NAR)  | M/s Shanghai Inflex Signage Co. Ltd.         | ***                | *** | ***          | ***           | 20-25% |
| Zhejiang Minglong Plastic Cement Co., Ltd. | Zhejiang Minglong Plastic Cement Co., Ltd.   | ***                | *** | ***          | ***           | 1-5%   |
| Jiangyin Nanwei Plastic Co.,Ltd            | Jiangyin Nanwei International Trade Co. Ltd. | ***                | *** | ***          | ***           | 22-27% |
| Zhejiang Botai Plastic Co. Ltd.            | Zhejiang Botai Plastic Co. Ltd.              | ***                | *** | ***          | ***           | 25-30% |

|  |  |     |     |     |     |        |
|--|--|-----|-----|-----|-----|--------|
| Zhejiang Ganglong<br>New Material<br>Co.,Ltd.              | Zhejiang Ganglong<br>New Material<br>Co.,Ltd.              | *** | *** | *** | *** | 23-28% |
| Heytex Technical<br>Textiles<br>(Zhangjiagang) Co.<br>Ltd. | Heytex Technical<br>Textiles<br>(Zhangjiagang) Co.<br>Ltd. | *** | *** | *** | *** | 6-11%  |
| Zhejiang Tianchang<br>Plastic Fabric Co.,<br>Ltd.          | Zhejiang Tianchang<br>Plastic Fabric Co.,<br>Ltd.          | *** | *** | *** | *** | 30-35% |
| Cixi Linyun Plastics<br>Wart CO., LTD                      | Cixi Linyun Plastics<br>Wart CO., LTD                      | *** | *** | *** | *** | 27-32% |
| Zhejiang Yuli Plastic<br>Co., Ltd                          | Zhejiang Yuli Plastic<br>Co., Ltd                          | *** | *** | *** | *** | 38-43% |
| Others (Non-<br>Cooperating)                               | Others (Non-<br>Cooperating)                               | *** | *** | *** | *** | 38-43% |

### **Conclusions**

86. The Authority has provisionally, after considering the foregoing, come to the conclusion that:
- a. The subject goods have been exported to India from the subject country below its normal value;
  - b. The domestic industry has suffered material injury;
  - c. The injury has been caused by the dumped imports from subject country.
  - d. Domestic industry is materially retarded due to the increased imports from the subject country in the domestic market.

### **Indian industry's interest & other issues**

87. 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. Consumers could still maintain two or even more sources of supply.

88. 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.

### **Recommendations**

89. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal links. Having initiated and conducted a preliminary investigation into dumping, injury and causal links between dumping and injury to the domestic industry in terms of the Rules laid down and having provisionally established positive dumping margin against the subject country, as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of provisional duty is required to offset dumping and injury pending completion of the investigation.

90. Therefore, Authority considers it necessary and recommends provisional anti-dumping duty on imports of subject goods from the subject country in the form and manner described hereunder.

91. Having regard to the lesser duty rule followed by the authority, the Authority recommends imposition of provisional 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. Accordingly, provisional antidumping duty equal to the amount indicated in Col 8 of the table below is recommended to be imposed from the date of notification to be issued in this regard by the Central Government, on all imports of subject goods originating in or exported from the subject country.

**Table**

| S.No. | Sub. Heading   | Description      | Country Of origin | Country of Export | Producer                                  | Exporter                                  | Amount | Unit of Measurement | Currency |
|-------|--|------------------|-------------------|-------------------|---|---|--------|---------------------|----------|
| -1    | -2   | -3               | -5                | -6                | -7  | -8  | -9     | -10                 | -11      |
| 1     | 39201019,<br>39201012,<br>39204900,<br>39219026,<br>39219029,<br>39269099,<br>39199090,<br>39181090,<br>39189090,<br>and<br>39269080 | 'PVC Flex Film'* | China PR          | China PR          | Zhejiang Hailide New Material Co., Ltd.   | Zhejiang Hailide New Material Co., Ltd.   | 0.152  | Kg                  | US\$     |
| 2     | -DO-   | -DO-             | -DO-              | -DO-              | M/s Shanghai Nar Industrial Co. Ltd (NAR) | M/s Shanghai Nar Industrial Co. Ltd (NAR) | 0.346  | Kg                  | US\$     |

|     |      |      |                         |                         |   |   |       |    |      |
|-----|------|------|-------------------------|-------------------------|---|---|-------|----|------|
| 3   | -DO- | -DO- | -DO-                    | -DO-                    | M/s Shanghai Nar Industrial Co. Ltd (NAR)           | M/s Shanghai Inflex Signage Co. Ltd.                | 0.346 | Kg | US\$ |
| 4.  | -DO- | -DO- | -DO-                    | -DO-                    | Zhejiang Minglong Plastic Cement Co., Ltd.          | Zhejiang Minglong Plastic Cement Co., Ltd.          | 0.012 | Kg | US\$ |
| 5.  | -DO- | -DO- | -DO-                    | -DO-                    | Jiangyin Nanwei Plastic Co.,Ltd                     | Jiangyin Nanwei International Trade Co. Ltd.        | 0.370 | Kg | US\$ |
| 6.  | -DO- | -DO- | -DO-                    | -DO-                    | Zhejiang Botai Plastic Co. Ltd.                     | Zhejiang Botai Plastic Co. Ltd.                     | 0.365 | Kg | US\$ |
| 7.  | -DO- | -DO- | -DO-                    | -DO-                    | Zhejiang Ganglong New Material Co.,Ltd.             | Zhejiang Ganglong New Material Co.,Ltd.             | 0.374 | Kg | US\$ |
| 8.  | -DO- | -DO- | -DO-                    | -DO-                    | Heytex Technical Textiles (Zhangjiagang) Co. Ltd.   | Heytex Technical Textiles (Zhangjiagang) Co. Ltd.   | 0.143 | Kg | US\$ |
| 9.  | -DO- | -DO- | -DO-                    | -DO-                    | Zhejiang Tianchang Plastic Fabric Co., Ltd.         | Zhejiang Tianchang Plastic Fabric Co., Ltd.         | 0.450 | Kg | US\$ |
| 10. | -DO- | -DO- | -DO-                    | -DO-                    | Cixi Linyun Plastics Wart CO., LTD                  | Cixi Linyun Plastics Wart CO., LTD                  | 0.340 | Kg | US\$ |
| 11. | -DO- | -DO- | -DO-                    | -DO-                    | Zhejiang Yuli Plastic Co., Ltd                      | Zhejiang Yuli Plastic Co., Ltd                      | 0.545 | Kg | US\$ |
| 12. | -DO- | -DO- | -DO-                    | -DO-                    | Any combinations other than at Serial No.1-13 above | Any combinations other than at Serial No.1-13 above | 0.545 | Kg | US\$ |
| 13. | -DO- | -DO- | -DO-                    | Any other than China PR | Any   | Any   | 0.545 | Kg | US\$ |
| 14. | -DO- | -DO- | Any other than China PR | China PR                | Any   | Any   | 0.545 | Kg | US\$ |

\* PVC Rigid Films and Cotton / Canvas Tarpaulins are outside the purview of this investigation

**Further Procedures**

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

- (a) The Authority invites comments on these findings from all interested parties and the same would be considered in the final finding;
- (b) Exporters, importers, applicants and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the dispatch of the letter. Any other interested party may also make known its views within forty days from the date of publication of these findings;
- (c) The Authority would conduct further verification to the extent deemed necessary;
- (d) The Authority would disclose essential facts before announcing final findings.

P.K.Chaudhery  
The Designated Authority