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F. NO. 6/3/2019-DGTR
Government of India
Ministry of Commerce & Industry
Directorate General of Trade Remedies
Department of Commerce
Jeevan Tara Building, New Delhi

NOTIFICATION

Date- 12 July, 2019

Subject: Preliminary Findings in Anti-dumping investigation concerning imports of "Chlorinated Polyvinyl Chloride (CPVC) Resin- whether or not further processed into compound" from China PR and Korea RP

No. 6/3/2019-DGTR: - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the AD Rules);

A. BACKGROUND OF THE CASE

1. M/s. DCW Limited and M/s Kem One Chemplast Pvt. Ltd (hereinafter referred to as the "applicants" or "domestic industry") has filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Act and the Rules, for initiation of anti-dumping investigation and imposition of anti-dumping duty on imports of "Chlorinated Polyvinyl Chloride resin- whether or not further processed into compound" (hereinafter also referred to as the subject goods) from China PR and Korea RP (hereinafter also referred to as the subject countries).
2. Whereas, the Authority, on the basis of sufficient evidence submitted by the applicants, issued a Notification No. 6/3/2019-DGTR dated 28th March, 2019, published in the Gazette of India, initiating the subject investigation in accordance with the Rule 5 of the above Rules to determine existence, degree and effect of the alleged dumping of the subject goods, originating in or exported from subject countries and to recommend an amount of antidumping duty, which, if levied, would be adequate to remove the alleged injury to the domestic industry.

B. JUSTIFICATION FOR PRELIMINARY FINDINGS

3. The applicant domestic industry has requested for recommendation for imposition of interim ADD in view of steep increase in import volumes and reduction in import price (without proportionate reduction in cost of production) particularly during the 3rd and 4th quarter of 2018-19. There is continued financial losses and significant accumulated losses since commencement of commercial production. The producer /exporters from the subject countries have become more aggressive in dumping the subject goods in India.

4. Rule 12, pertaining to preliminary findings, provides that:

"The designated authority shall proceed expeditiously with the conduct of the investigation and shall, in appropriate cases, record a preliminary finding regarding export price, normal value and margin of dumping, and in respect of imports from specified countries, it shall also record a further finding regarding injury to the domestic industry and such finding shall contain sufficiently detailed information for the preliminary determinations on dumping and injury and shall refer to the matters of fact and law which have led to arguments being accepted or rejected."

5. The Authority examined the request and the information furnished by the domestic industry for seeking immediate relief by way of provisional duties. In view of the above provision, and the facts put forward by the applicants, the Authority, considers it an appropriate case for consideration of the preliminary findings. The detailed examination of all the data/documents/submissions made available to the Authority is given hereunder-

C. PROCEDURE

6. The procedure described herein below has been followed with regard to the subject investigation:
 - i. The Authority notified the Embassy of the subject countries in India about the receipt of the anti-dumping application before proceeding to initiate the investigations in accordance with sub-rule (5) of Rule 5 supra and bilateral commitments.
 - ii. The Authority issued a notification dated 28th March, 2019 published in the Gazette of India Extraordinary, initiating anti-dumping investigation concerning import of subject goods.
 - iii. The Embassy of China and Korea in India were informed about the initiation of the investigations in accordance with Rule 6(2) of the Rules with a request to advise the exporters/producers from China PR and Korea RP to respond to the questionnaire within prescribed time limit.
 - iv. The Authority sent communication to the following known producers/exporters in the subject countries to elicit relevant information in accordance with Rule 6(4) of the Rules-

SN	Name of Producers/Exporters
1.	Shandong Gaoxin Chemical Co., Ltd., China
2.	Hangzhou Electrochemical Group Co.,Ltd., China
3.	Shandong Yada New Material Co Ltd, China
4.	Novista, China
5.	Shandong Xuye New Materials Co., Ltd, China
6.	Sundow Polymers Co. LTD. , China
7.	Shandong Xian sheng New Materials Technology Co.Ltd, China
8.	Hanwha Chemical Corporation, Korea

- v. In response to the above notification, following exporters/producers have responded by filing exporter questionnaire response:

SN	Name of Producers/Exporters
1.	Shandong Gaoxin Chemical Co Ltd, China PR
2.	Shandong Pujie Rubber and Plastic Co. ltd, China PR
3.	Hangzhou Electrochemical New Material Co. Ltd, China PR
4.	Weifang Sundow Chemical Co. Ltd, China PR
5.	Shandong Xuye New Materials Co. Ltd, China PR
6.	Shandong Xiangsheng New Materials Technology Co., Ltd, China PR
7.	Hanwha Chemical Corporation, Korea RP
8.	Hanwha Corporation, Korea RP

- vi. The Authority sent communication to the following known importers/ users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Rules.

SN	Name of Importers/Traders/Users
1.	Ala Chemicals Limited
2.	Apollo Pipes Ltd
3.	Ajay Industrial Corporation Limited
4.	Ajay Polymers
5.	Bothara Agro Equipment Pvt Ltd
6.	Desana Poly Plastic Industries
7.	Lubrizol Advanced Materials India Pvt.Ltd.
8.	Basil Prompt Vinyl Private Limited
9.	Flowkem Poly Plast Private Limited. Plot
10.	Kankai Pipes & Fittings Pvt. Ltd.,
11.	Hil Limited
12.	HP International
13.	Karan Polymers Pvt.Ltd.
14.	Kelvin Plastic Pvt. Ltd.

15.	Kisan Mouldings Limited
16.	Krishi Polymers Pvt.Ltd,
17.	Neoseal Adhesive Pvt. Ltd.
18.	Pidilite Industries Limited
19.	Precision Plastic Industries Pvt. Ltd.
20.	Param Polymers Private Limited
21.	Prince Pipes & Fittings Pvt Ltd
22.	Prince Swr Systems Pvt. Ltd.
23.	Pushp Global Company
24.	R C Plasto Tanks & Pipes Pvt. Ltd.,
25.	Reva Poly Plast
26.	Sagar Polytechnik Ltd
27.	Spectra Pipes Pvt Ltd
28.	Star Industries
29.	Star Pvc Pipes And Fittings Pvt Ltd
30.	Subray Catal Chem Pvt.Ltd.,
31.	Sudhakar Irrigation Systems Private Limited
32.	Sumo Polyplast Pvt. Ltd.
33.	The Supreme Industries Limited
34.	Surya Roshni Limited
35.	Vectus Industries Limited
36.	Waterflo Piping System
37.	Watertec (India) P Ltd
38.	Abk Industries
39.	Ace Poly Plast Pvt Ltd.
40.	Champion Commercial Co.Ltd.
41.	Gourishanker Polymers
42.	H Saleix & Company
43.	Mas Additives Pvt. Ltd.
44.	Mayur Dyes & Chemical Corporation
45.	Meet Marketing (India) Pvt. Ltd.
46.	Navyug Chemicals Pvt. Ltd.
47.	Osho Polymers
48.	Overseas Polymers Pvt Ltd
49.	Polmann India Ltd.
50.	Prayag Polymers (P) Ltd.
51.	Prince Marketing
52.	Sai Exim
53.	Salasar Impex Pvt. Ltd

54.	Shreeji Impex
55.	Sushila Parmar International Pvt. Ltd.
56.	Synergy Industriez
57.	Astral Polytechnik Ltd

vii. In response to the initiation notification, following Importer and users have submitted questionnaire responses:

- 1 Sushila Parmar International Private Limited
- 2 HIL Limited
- 3 Vectus Industries Limited
- 4 Prince Pipes and Fittings Ltd
- 5 Basil Prompt Vinyl Private Limited

viii. Following interested party have also filed submission in response to the initiation notification:

1. HP International
2. Precision Plastic Industry Private Limited
3. Mas Additives Private Limited
4. Astral Polytechnik Ltd

ix. Authority also sent initiation notification to the following Associations asking them to intimate all their members regarding the initiation of investigation and submit response/comments, if any:

SN	Name of Association
1.	All India Plastic Industries Association
2.	Organization of Paper Processor of India (OPPI)
3.	Maharashtra PVC Pipe Manufacturers Association.
4.	All India Plastic Manufacturers Association
5.	Andhra Pradesh Plastics Manufacturers Association
6.	TN PVC Manufacturers Association

x. None of the associations responded to the above notification. However, a letter was received from Alkali Manufacturers Association with a request for an urgent help for safeguarding the investments already made by the Indian Producers and for reinstating the industry's confidence so that the further investments could be made.

xi. Information provided by the petitioners and other interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to the

petitioners or the other interested parties. 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.

- xii. The Non-Injurious Price (hereinafter referred to as 'NIP') based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Anti-Dumping Rules has been worked out so as to ascertain injury margin.
- xiii. The Period of Investigation for the purpose of the present investigation is from 1st April, 2017 to 30th September, 2018 (18 Months). The injury investigation period has however, been considered as the period from 2014-15, 2015-16, 2016-17 and the POI. The period of investigation has been divided into quarters for the purpose of injury analysis in view of shorter length of data of domestic industry.
- xiv. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and Directorate General of Systems (DG Systems) to arrange details of transaction-wise imports of subject goods for the past three years, including the POI. The Authority has examined import data procured from DGCI&S and Director General Systems and relied upon DG Systems data in the present investigation.
- xv. The Authority has considered the arguments raised and information provided by all the interested parties till this stage, to the extent the same are supported with evidence and considered relevant to the present investigation. The Authority will further examine the evidentiary documents submitted by the interested parties subsequent to the preliminary findings which will form the basis for conclusions at the time of final finding determination.
- xvi. *** in this notification represents information furnished by an interested party on confidential basis and accepted by the Authority.
- xvii. The exchange rate adopted by the Authority for the subject investigation is 1 US \$= Rs. 66.61

D. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

- 7. The product under consideration (PUC) in the present investigation is "**Chlorinated Polyvinyl Chloride Resin (CPVC) - whether or not further processed into compound**".
- 8. CPVC is produced by chlorination via free radical chlorination reaction of Polyvinyl Chloride resin (Suspension PVC/ Mass PVC) and is significantly more flexible and can withstand higher temperatures than standard PVC. The chlorine content may vary from manufacturer to manufacturer. Various additives are introduced into the resin (CPVC compounding) in order to make the material processable. These additives may consist of stabilizers, lubricants, impact modifiers, processing aids, pigments.
- 9. The petitioners have stated that CPVC is ideally suited for self-supporting constructions where temperatures go up to 200 °F (90 °C). CPVC exhibits fire-retardant properties. It

is very difficult to ignite and tends to self-extinguish when not in direct contact of flame. It is used as a material for water piping systems in residential as well as commercial construction because it can withstand corrosive water at temperatures of 40 °C to 50 °C (104 °F to 122 °F) or higher. It is used in hot and cold-water plumbing distribution both at residential and commercial areas, fire protection, reclaimed water piping (purple pipe), chilled water piping, Hydronic piping and distribution (radiators, fan coils, etc.) and is used in many industrial and process piping application.

10. PUC is significantly ductile, allowing greater flexure and crush resistance. Additionally, the mechanical strength of CPVC makes it a viable product to replace many types of metal pipe in conditions where metal's susceptibility to corrosion limits its use. CPVC is broadly classified into two grades, namely (a) Pipe grade and (b) Fitting grade on the basis of end use applications. Further, the petitioner has claimed that PUC can be produced through two processes, namely dry process and wet process. However, the petitioner has claimed that there is no difference in these forms of products on account of different processes or different grades.
11. The product under consideration is classified under Chapter 39 of Customs Tariff and the import data received from DGCIS and DG Systems shows that the product has been imported under 39042110, 39042190, 39042210, 39042290, 39041090 and 39049000. The Customs classification, however, is indicative only and not binding on the scope of the proposed investigation.
12. The petitioners have argued that all forms of CPVC essentially employ the same technology & follow essentially the same production process, are produced using the same basic raw materials and follow the same pricing. It has been stated that the difference between CPVC resin and compound is only on the basis of the fact that additional ingredients are added to CPVC resin to form a compound. They have further submitted that cost difference between CPVC resin and compound arises primarily out of additional raw materials used for making compound and not any serious manufacturing. The petitioners have insisted that CPVC resin and compound are one article.
13. The responding foreign producers/exporters from China and Korea have not disputed the scope of PUC. However, one importer and user has argued that resin and compound should not be considered as one product within the scope of one investigation on the grounds that CPVC compound is the next step after the production of CPVC resin and that production process for compound is highly technical. This is the reason that many exporters/producers of CPVC resin are outsourcing the compounding activities. The production process of CPVC compound is different from CPVC resin and the two have cost & price difference in the range of 30-100%. They have also referred to the past investigations relating to PVC suspension & PVC Paste, Pencillin-G & 6-APA where these products were treated as different articles though they were part of one line of manufacturing. They have argued that resin and compound cannot be considered as one article.

14. Rule 2 (d) provides that-

"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 an article, another article which although not alike in all respects, has characteristics closely resembling those of the articles under investigation;

15. The Authority has examined the submissions of interested parties. It is noted that different forms of CPVC are produced using the same basic raw materials. It is also noted that different forms have broadly similar manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification. While it is true that the CPVC compound requires additional ingredients to be added to resin to make the compound, the same are only incremental and do not alter the basic properties of the product. It is also noted that the sole purpose of making CPVC resin is to make the CPVC compound before eventual use in making pipes & fittings. As regards reference to past cases, the Authority has in earlier investigations pertaining to Jute products and Glass fiber & article thereof had held the different variants as one PUC. Therefore, the Authority notes that facts of each case are required to be considered in the context of that case. The Authority holds that difference in physical characteristics or prices of different forms cannot make these forms as altogether different products and they are at best relevant for the purpose of ensuring fair comparison only. The Authority holds that the subject goods produced by the domestic industry are the like article to the product imported from subject countries for the purpose of present investigations in terms of the AD Rules.

16. Further, with a view to have a fair comparison of different forms of PUC, the Authority has determined injury margin, dumping margin and injury analysis separately for CPVC Resin and Compound.

E. SCOPE OF DOMESTIC INDUSTRY & STANDING

17. Rule 2 (b) of the AD rules defines domestic industry as under:

"(b) 'domestic industry' means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term 'domestic industry' may be construed as referring to the rest of the producers"

18. The petition had been filed by M/s DCW Limited. The petition was subsequently supported by M/s Kem One Chemplast Pvt Ltd and M/s. Meghmani FineChem Ltd. Out of three entities, M/s DCW Ltd. is the only existing producer of CPVC resin and Compound whereas the two supporters viz. M/s Kem One Chemplast Pvt Ltd and M/s. Meghmani FineChem Ltd have not yet commenced production. M/s. Meghmani, is only at the concept stage and setting up of the project at conceptual stage that too depending on the conditions of the market, though they

expressed willingness to be part of the petition. As for M/s Kem One, they have finalized the project and have done lot of ground work in setting up of the plant including technology transfer. They have submitted project reports showing cost of production etc. Therefore, the Authority considered M/s DCW Limited and M/s Kem One Chemplast Pvt Ltd as the domestic industry for the purposes of the present investigation.

19. There are some other producers of CPVC compound who are either buying CPVC resin from DCW or importing the resin and processing the same to manufacture CPVC compound largely for captive consumption for making pipes. Companies who do not have manufacturing facilities for CPVC resin but are only compounders making compounds from purchased CPVC resin (indigenously and/or imported) have not been considered as "domestic industry" within the meaning of Rule 2 (b).
20. The petitioner companies are not related to any importer or exporter of subject goods in the subject country, nor have they imported subject goods from subject countries. The petitioners are importing MPVC for manufacturing of CPVC, from countries other than subject countries. The petitioners, M/s DCW Limited and M/s Kem One Chemplast Pvt Ltd, satisfy the eligibility criteria of domestic industry under Rule 2 (b) of the Rules and meets the criteria of standing under Rule 5 (3) of the Rules.

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

NORMAL VALUE

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

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

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there

is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

22. After the initiation, the Authority advised the producers/exporters in China to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/ exporters for rebutting presumption of nonmarket economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China to advise the producers/exporters in China to provide the relevant information.
23. The Authority notes that the known Chinese producers/exporters and the Government of China have been adequately notified about the requirement of submission of information in the form and manner prescribed and adequate opportunity was also granted to them to make their submissions in this regard. A number of producers/exporters have responded to the present investigation. However, none of them filed supplementary QR to enable the Authority to examine the prevailing market conditions in China. Further, barring claim of domestic industry, none of the interested parties have provided any other alternative basis, as defined in the Rules, on which normal value can be determined.
24. Following producer exporters from China have filed the exporter questionnaire response-
 - a. Shandong Gaoxin Chemical Co Ltd
 - b. Shandong Pujie Rubber and Plastic Co. ltd
 - c. Hangzhou Electrochemical New Material Co. Ltd
 - d. Weifang Sundow Chemical Co. Ltd
 - e. Shandong Xuye New Materials Co. Ltd
 - f. Shandong Xiangsheng New Materials Technology Co., Ltd
25. In view of the above position and in the absence of rebuttal of non-market economy claim by any Chinese exporting company, the Authority considers it appropriate to proceed with para-7 of Annexure-I to the Rules for determination of normal value. Para 7 lays down hierarchy for determination of normal value and provides that *normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other countries, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin.* Thus, the Authority notes that the normal value is required to be determined having regard to the various sequential alternatives provided under Annexure 7. The domestic industry has also argued that the normal value should be considered on the basis of import prices in India from any of the other countries having major share of imports which are not subject matter of alleged dumping.
26. The Authority has relied upon information on import volume and prices of subject goods from all the countries during the POI as available from transaction wise data from DGCI&S and DG Systems. It is noted that while China accounts for 60,918 MT, 26% of

total imports of subject goods during POI, the similar level of imports are from Thailand at around 62,282 MT constituting a share of 26.16% of total imports into India. Thailand being a non-subject country with no investigation of AD underway or AD measure in force and with import volume being quite significant, the CIF price is thus representative of price payable in India. The Authority notes that this option of para 7 to construct the normal value of subject goods is appropriate and is representative of normal value of the subject goods. To evaluate the normal value, the Authority has made appropriate adjustments on various elements like ocean freight, port expenses, inland freight, credit cost and marine insurance and bank charges as per its consistent practice adopting norms as is done consistently in similar/analogous situations for arriving at an ex-factory price. The normal value so constructed for preliminary finding at this stage is as mentioned in the dumping margin table below.

KOREA RP

27. Only one producer, namely M/s Hanwha Chemical Corporation, Korea has filed the Exporter questionnaire response along with its related entity, namely M/s Hanwa Corporation. The questionnaire response filed by the producer and exporter has been examined. It is found that the questionnaire response is not in the form and manner prescribed. For example, Appendix 7 & 8 does not conform to prescribed format, complete details of cost of production of captively produced raw material has not been submitted, uncertified formats, etc. The information submitted by producer exporter is incomplete and not sufficient to enable the Authority to compute the cost of production and thereafter the normal value. Therefore, at this stage, the Authority has decided not to consider the claimed domestic selling prices of the producer.
28. The domestic industry has claimed normal value in Korea to be considered on the basis of the import prices of subject goods in to Korea as the capacities in Korea are recent and large portion of the demand in Korea for the subject goods is still met by the imports. In support of their claim, the petitioners have furnished the sales invoices of M/s Kaneka Corporation, Japan evidencing the export of the subject goods from Japan to Korea.
29. The Authority notes that the approximate demand in Korea is 9000 MT/ annum as per the information available in the public domain. Therefore, Korea imports a large quantity of subject goods to fulfill its domestic demand, as the responding producer/exporter sells only a limited quantity against the domestic demand. Several invoices have been submitted as evidence of the prices towards the domestic selling prices of subject goods in Korea. The Authority has decided to rely upon the said invoices for determination of normal value at this stage. The provisional normal value so calculated is given below in dumping margin table.

EXPORT PRICE

China PR

- i. Export Price for (i) Shandong Gaoxin Chemical Co Ltd, (ii) Shandong Pujie Rubber and Plastic Co. Ltd, (iii) Weifang Sundow Chemical Co. Ltd, (iv)

Shandong Xuye New Materials Co. Ltd and (v) Shandong Xiangsheng New Materials Technology Co., Ltd.

30. The examination of the responses revealed that the information submitted by these producers is largely complete in terms of their export price to India. Therefore, the Authority has relied upon the details of exports as given in Appendix 3. The Adjustments towards inland freight, ocean freight, handling and customs charges, insurance, credit cost, bank charges and packing cost have been accepted as claimed by the producer exporters for the purpose of the present preliminary finding by the Authority. Accordingly, the provisional export price for PUC (for resin and compound) determined at ex-factory level is shown in the dumping margin table below.

ii. Export Price for (vi) Hangzhou Electrochemical New Material Co. Ltd

31. M/s Hangzhou Electrochemical New Material Co. Ltd has filed response for HENM and HEC (Hangzhou Electrochemical Group Co. Ltd). The examination of the response revealed that the producer has exported directly to India and also through unrelated exporter who has not filed the response. As the major share of the exports to India is through the non-responding exporter, the Authority decided to reject the response in view of incomplete information relating to exports to India.

Korea RP

i.Export Price for Hanwha Chemical Corporation & Hanwha Corporation, Korea RP

32. The examination of the response revealed that the producer M/s Hanwha Chemical Corporation has exported mainly directly to India and a small volume is through related entity M/s Hanwha Corporation. It has been submitted by the domestic industry that response of producer exporter from Korea should be rejected as they have not furnished the complete information regarding their operations in India, whereas information in public domain clearly shows that Hanwha Chemical India Pvt. Ltd. exists in India but the same information has not been disclosed in the response.
33. The Authority examined the information submitted by the domestic industry and the exporter and noted that the exporter has not disclosed about its India operations and have not claimed any adjustments (expenses) towards these operations. Further, there is wide variation in the adjustments, in different transactions, sought for computation of ex-factory export price without any reasonable explanation therein. The Authority may consider further additional information from the exporter, subsequent to preliminary finding, which would be considered after appropriate verification before issue of final findings. Therefore, at this stage, the Authority decided not to consider ex-factory export price claimed by the producer exporter from Korea.

34. The NEP for all the subject exports from Korea RP has been computed from the transaction-wise import data of DG System after making necessary adjustments in the CIF price. The provisional NEP so calculated is as mentioned in the dumping margin table below.

DUMPING MARGIN TABLE

SN	Producer/Exporter	NEP	CNV	DM	DM	DM
		USD/MT	USD/MT	USD/MT	%	Range
	China PR					
		Resin				
1	Shandong Gaoxin Chemical Co Ltd	***	1,908	***	***	50-60
2	Shandong Pujie rubber and plastic Co. Ltd	***	1,908	***	***	60-70
3	Shandong Xiangsheng New Materials Technology Co., Ltd.,	***	1,908	***	***	55-65
4	Weifang Sundow Chemical Co. Ltd	***	1,908	***	***	50-60
5	Shandong Xuye Materials Co. Ltd	***	1,908	***	***	60-70
		Compound				
1	Shandong Gaoxin Chemical Co Ltd	***	2,365	***	***	0-10
2	Shandong Pujie rubber and plastic Co. Ltd	***	-	***	***	-
3	Shandong Xiangsheng New Materials Technology Co., Ltd.,	***	-	***	***	-
4	Weifang Sundow Chemical Co. Ltd	***	-	***	***	
5	Shandong Xuye Materials Co. Ltd	***	2,365	***	***	20-30
	Korea RP					
		Resin				
	Producer/Exporter	NEP	CNV	DM	DM	DM
		USD/MT	USD/MT	USD/MT	%	Range
1	All producers exporters	1,201	1,823	622	52%	45-55
		Compound				
2	All producers exporters	1,908	2,663	755	40%	35-45

35. It is seen that the dumping margin for all the producers-exporters from China and for the exports from Korea is above de minimis and significantly positive.

G. EXAMINATION OF INJURY AND CAUSAL LINK

36. The Authority has taken note of various submissions of the Domestic Industry and the exporters/importers/traders/users on injury to the domestic industry and analyzed the same considering the facts available on record and applicable laws. The injury analysis made by the Authority hereunder ipso facto addresses the various submissions made by the interested parties.

Cumulative Assessment

37. Article 3.3 of WTO agreement and Annexure II para (iii) of the Anti-dumping Rules provides that in case where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Authority will cumulatively assess the effect of such imports, in case it determines that:

- a) The margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent (or more) of the import of like article or where the export of individual countries is less than three percent, the imports collectively account for more than seven percent of the import of like article, and
- b) Cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

38. The Authority notes that:

- a) The subject goods are being dumped into India from the subject countries. The margins of dumping from each of the subject countries are more than the de minimis limits prescribed under the Rules.
- b) The volume of imports from each of the subject countries is individually more than 3% of the total volume of imports.
- c) Cumulative assessment of the effects of import is appropriate as the exports from the subject countries not only directly compete with the like articles offered by each of them but also the like articles offered by the domestic industry in the Indian market. It is noted that the consumers who are buying from the domestic industry are also importing from amongst subject countries.

39. In view of the above, the Authority considers it appropriate to assess injury to the domestic industry cumulatively from exports of the subject goods from the subject countries.

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

to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the AD Rules.

I. Volume Effect of Dumped Imports and Impact on Domestic Industry

i. Assessment of Demand

41. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of domestic sales of the applicant and imports from all sources. The demand so assessed is given in the table below:

SN	Demand	Unit	2014-15	2015-16	2016-17	POI-A
1	Sales of DI	MT	-	-	-	3,898
2	Imports from Subject Countries	MT	10,656	21,866	47,702	48,907
3	Import from Other Countries	MT	99,486	1,06,292	1,00,030	1,09,643
4	Total Demand	MT	1,10,142	1,28,158	1,47,731	1,62,448
Market share in demand						
5	Share of Domestic Industry	%	0.0	0.0	0.0	2.40
	Share of Subject Countries	%	9.67	17.06	32.29	30.11
6	Imports					
7	Share of Other Countries	%	90.33	82.94	67.71	67.49
8	Total	%	100	100	100	100

42. It is noted that the total demand for the subject goods has steadily increased over the entire injury period. As compared to base year there is 47% increase in the POI. The market share of the domestic industry in total demand is merely 2.4% whereas market share of subject countries is 30% and share of other countries is 67.5%.
43. The opposing interested parties have argued that the production and sale of DI is very less and there is significant demand-supply gap in the product.
44. The petitioner has stated that against a total demand of subject goods during the POI, a large portion is from other than subject countries. M/s DCW Limited has started commercial production in POI with an installed capacity of 12,000 MT while M/s Kem One Chemplast project is for production of 27,000 MT of PUC. Further, M/s DCW has plans for enhancing capacities by 6,000 MT. They have stated that India is the largest market in the world for CPVC. They have further claimed that other countries are not indulging in dumping and therefore, 67.5% imports are at fair price and these imports are not the subject matter of imposition of antidumping duty. It is submitted by the domestic industry that if there was no dumping and the market operated in fair conditions then the domestic industry would have been able to meet much larger share of the demand.

45. The Authority notes that against a total demand of 1,62,448 MT in the POI (on annualized basis), import of 1,09,643 MT is from other than subject countries. The demand excluding these imports in the POI is 52,806 MT only. Presently, installed capacity in India is 12,000MT with another 27,000MT in the pipeline. There is a huge demand for the PUC which is steadily increasing and improvement of market conditions will definitely induce the Indian producers to add on to the capacities.

ii. Import Volumes, Values and Market Share

46. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. For the purpose of injury analysis, the Authority has relied on the transaction wise import data of DG Systems.

SN	Particulars	Unit	2014-15	2015-16	2016-17	POI-A
(A)	Import Volume					
1	Subject Countries	MT	10,656	21,866	47,702	48,907
2	Other Countries	MT	99,486	1,06,292	1,00,030	1,09,643
3	Total import volume	MT	1,10,142	1,28,158	1,47,731	1,58,550
B	CIF Import Price					
1	China PR	Rs./Kg	128.20	118.11	67.24	87.25
2	Korea RP	Rs./Kg	-	-	68.98	88.99
3	Other Countries	Rs./Kg	166.53	179.76	122.74	136.26
(C)	Market Share in Imports					
1	Subject Countries	%	10%	17%	32%	31%
2	Other Countries	%	90%	83%	68%	69%
3	Total Share	%	100%	100%	100%	100%
(D)	Subject Country Imports in relation to					
1	Petitioner Production	%	-	-	-	1294%
2	Demand/Consumption	%	10%	17%	32%	30%

47. It is seen that

- Imports from subject countries have increased during the entire injury period and POI in absolute terms.
- The imports from subject countries have increased significantly in relation to total imports and demand/ consumption in India.
- Imports from other countries have also increased in absolute terms but the rate of increase is not as significant when compared over the entire injury period.
- Imports from other countries in terms of share in total imports in India have declined over the entire period.
- The imports from other countries are at a price much higher than the import prices from subject countries. The gap between import price of subject goods

from subject countries and other countries during the POI has widened significantly as compared to the base year.

II. Price Effect of the Dumped imports on the Domestic Industry

48. With regard to the effect of the dumped imports on prices, the Designated 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 products 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. The impact on the price of the domestic industry on account of the dumped imports is required to be seen by considering price undercutting, price underselling, price suppression and price depression, if any. The Authority considers, for the purpose cost of production, Net Sales Realization (NSR), the Non-Injurious Price (NIP) of the Domestic industry and landed cost of imports from the subject countries. However, in the instant case, where a new producer has recently commenced commercial production for a product which was not being produced before and where the Authority is investigating whether dumped imports are materially retarding establishment of the domestic industry in the market, the Authority considers that the effect of dumped imports on the domestic industry is required to be considered by considering the prices at which the product has been sold by the domestic industry or offered for sale, optimum cost of production, and NIP of the domestic industry and compare the same with the landed price of imports.

i. Price Undercutting

49. The petitioners have provided data for yearly as well as quarterly basis for calculating price undercutting by comparing import price with domestic selling price.

SN	Period	Import Volume	Selling Price	Landed Price	Price Undercutting	Price Undercutting
		MT	Rs./ Kg	Rs./ Kg	Rs./ Kg	%
1	POI (18 months)	73,361	***	95.25	***	(0-10)
2	2017-18 Q1	8,620	***	100.41	***	0-10
3	2017-18 Q2	10,760	***	94.46	***	(0-10)
4	2017-18 Q3	12,982	***	93.95	***	(0-10)
5	2017-18 Q4	13,830	***	92.37	***	(0-10)
6	2018-19 Q1	14,968	***	94.47	***	(0-10)
7	2018-19 Q2	12,199	***	97.89	***	(5-15)

50. It is noted that whereas the price undercutting was positive in the beginning when the domestic industry started selling the product in the market but it has become negative. It has been stated by domestic industry that negative price undercutting is on account of the fact that they are forced to sell the product at price below import prices to capture the home market.
51. The petitioners claimed that the decline in prices from other countries are not declined in the manner as import prices from subject countries. The subject countries import prices are lower than other countries import prices which shows the aggressiveness of subject countries producers to capture the Indian market.

ii. Price suppression/depression

52. In order to determine whether the dumped imports are depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the cost and price during the POI and compared the NIP determined for the domestic industry with the import prices.
53. The petitioners have claimed that cost of production has been computed at optimum cost of production by taking 100% capacity utilization because the actual costs are quite high due to low volume of production. The comparison of cost of sales and with selling prices has been undertaken in light of prevailing landed value of the imports as in the table below:

SN	Description	Unit	Resin	Compound
1	Cost of sales (Actual)	Rs/Kg	***	***
2	Cost of sales (Optimum)	Rs/Kg	***	***
3	Selling price	Rs/Kg	***	***
4	Landed Price	Rs/Kg	94.49	157.30

54. It is noted that
- Selling price of the domestic industry is far below its optimum and actual cost of sales.
 - Landed value of imports is lower than the actual cost of sales and optimum cost of sale.
 - It is seen that the domestic industry is unable to recover the cost and the selling prices are not remunerative on account of low priced imports. Thus, the imports are suppressing the prices of the domestic industry.

iii. Price Underselling

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

determined for the domestic industry has been compared with the landed price of imports as per transaction-wise import data of DG Systems. The NIP has been determined on the basis of table verification of information provided by DI. M/s Kem One Chemplast Pvt. Ltd. has not been considered in NIP calculations as the same has not started production during the POI. The capacity utilization of POI for M/s DCW Limited has been optimized at 100% for computing NIP. All the elements of cost of production were examined and considered in working out the Non-injurious price (NIP) as per Annexure-III of the Anti-Dumping Rules for the PUC produced.

SN	Particulars	Unit	Resin	Compound
China PR				
1	Import Volume	MT	60,274	645
2	Non-Injurious Price	Rs/Kg	***	***
3	Landed Value	Rs/Kg	94.23	160.01
4	Price Underselling	Rs/Kg	***	***
5	Price Underselling	%	***	***
6	Price Underselling	Range	50-60	15-25
Korea RP				
1	Import Volume	MT	12,204	238
2	Non-Injurious Price	Rs/Kg	***	***
3	Landed Value	Rs/Kg	95.79	149.97
4	Price Underselling	Rs/Kg	***	***
5	Price Underselling	%	***	***
6	Price Underselling	Range	45-55	25-35

56. It is seen that the landed price of the subject goods from the subject countries are below the NIP determined for the domestic industry and thus causing underselling effect on the domestic prices.

III. Economic parameters of the domestic industry

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

industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

58. One of the petitioner is a new industry and has started its commercial production in April 2017 and the other petitioner is yet to commence production. For the purpose of present investigation the economic parameters have been analyzed for the POI and trends have been observed for the six quarters of the POI. .

a. Production, Capacity, Capacity utilization and Sale

59. The domestic industry has set up facilities in which they can manufacture CPVC resin and CPVC compound. CPVC resin can either be sold in the market or converted into compound and then sold. For calculating the capacity utilization of the plant, the petitioners have appropriately converted production of compound and arrived at equivalent resin production which has been used for analysis of the performance of the domestic industry. The details are as shown in table below:

SN	Particulars	Capacity MT	Equivalent resin production MT	Capacity Utilization MT	Actual Sales MT
1	2017-18 Q1	2,500	***	***	***
2	2017-18 Q2	2,500	***	***	***
3	2017-18 Q3	2,500	***	***	***
4	2017-18 Q4	2,500	***	***	***
5	2018-19 Q1	2,500	***	***	***
6	2018-19 Q2	2,500	***	***	***
7	POI (April 17 to Sept 18)	15,000	***	***	5848

60. It is observed that

- Domestic industry has recently invested to set up a new capacity. The capacities are separately identifiable for resin and compound. The capacity has remained same during all the quarters of POI.
- In addition, the second petitioner is setting up capacity of 27,000 MT which is yet to start.
- There is increase in production and capacity utilization when seen on quarter by quarter basis. However, there is scope for improvement particularly in view of the increasing demand for the subject goods.

b. Profits, PBIT, return on investment and cash flow

61. Analysis of the performance of the domestic industry with regard to actual profit/loss, cash profits, PBT and return on investment are given in the table below. The plant being a new facility where production commenced during the POI and production volume is less than projections, the profit parameters have been determined considering 100% capacity utilization during the POI as given below-

SN	Period	Cost of sales	Selling Price	Profit/ Loss	Profit/ (Loss)	Cash profits	PBIT	ROI
		Indexed	Indexed	Indexed	Indexed	Indexed	Indexed	Range
		Rs/Kg	Rs/Kg	Rs/Kg	Rs/Lacs	Rs/Lacs	Rs/Lacs	%
1	2017-18 Q1	100	100	(100)	(100)	100	100	0-10%
2	2017-18 Q2	97	88	(164)	(164)	(217)	(289)	(0-10)
3	2017-18 Q3	96	92	(126)	(126)	(27)	(55)	(0-10)
4	2017-18 Q4	97	92	(131)	(131)	(55)	(90)	(0-10)
5	2018-19 Q1	98	93	(142)	(142)	(119)	(284)	(0-10)
6	2018-19 Q2	99	95	(136)	(136)	(93)	(252)	(0-10)

62. It is seen that

- The analysis of POI shows that the cost of sale of both CPVC is more than the selling price. The domestic industry has not been able to fetch a price above cost of production, due to presence of dumped imports. In fact, the selling prices have declined on quarter to quarter basis.
- The domestic industry has been suffering financial losses. PBIT, ROCE, profit before tax and profit per unit are all negative in all the quarters.
- Employment, Wages and Productivity**

63. Authority has examined the information relating to employment, wages and productivity, as given below.

Parameters	Unit	POI-A
No of Employees	Nos.	***
Wages	Rs. Lacs	***
Productivity per day	MT/Day	***
Productivity per Employee	MT/Nos	***

64. It is seen that the productivity per employee improved with the increase in production.

d. Magnitude of Dumping

65. The dumping margin determined in respect of the producers/exporters from the subject countries is significant for the Period of Investigation.

e. Growth

66. The Authority notes that the petitioner has set up new capacities in the face of large existing and increasing future demand but has not been able to reach optimum levels of production, sales and capacity utilization. The imports have prevented the domestic industry from establishing itself.

f. Factors Affecting Domestic Prices

67. Imports from subject countries are at a price materially below the cost of production and NIP of the domestic industry. Since the only competition to the domestic industry is

import and the domestic industry is new producer in the Country, it is the import price that is solely responsible for the prices offered by the domestic industry. The imports from other countries are at much higher prices.

g. Ability to raise capital investment

68. Despite fresh investment in India in a product having sufficient demand in the Country, the performance of the domestic industry is adverse. The negative profitability, cash profit, ROCE, PBIT, and profit along with abysmal market share indicates that the ability of the domestic industry to raise capital investments for the sector is seriously affected due to the dumped imports from the subject countries. The investments in the pipeline, who is the second petitioner, is already feeling the price pressure of dumped imports. Further, another company (M/s Megmani FineChem Ltd.) who was intending to venture into the production of the subject goods have withheld its investments presently in view of low priced imports entering Indian market.

h. Imports impacting fresh investments by the petitioners

69. M/s. Kern One Chemplast Pvt. Ltd. has sought imposition of ADD, contending that dumping of the product is preventing the company from starting investment in the product. The company has provided Certificate of incorporation (dated ***); Memorandum and Articles of Association; and Industrial Entrepreneurship Memorandum to substantiate their intention of setting up of plant. The company has submitted information about its investment, containing inter alia, the following details
- a. Nature of company & Ownership structure – Joint Venture – ***% Chemplast Sanmar Ltd (CSL) and ***% (-----)
 - b. Product Capacity planned
 - i. 22,000 TPA of CPVC Resin or
 - ii. 27,000 TPA of CPVC Compound
 - c. Environment Clearance granted by MOEF & CC in ***
 - d. Gross investment – Approx. Rs. *** crores (Project appraised by ***)
 - e. Original target date for commencement of production – ***, 2020
 - f. Plant location – Karaikal, Puducherry
 - g. Source of raw materials
 - h. Source of machineries – substantially (approximately ***) within India
 - i. Time required for commencement of production – *** months
 - j. Reasons for delay in project implementation – dumping at unfair prices by China
70. The company has contended that the decline in import prices of CPVC is not corresponding to decline in cost of associated raw materials. The company is ready to proceed with setting up of the plant. It has however put on hold the process in view of significant decline in the prices and the dumping in the country, threatening viability of the investment. The imposition of trade remedial measure against subject countries will protect the producers in India against impact of dumping.

i. Overall assessment of Injury

71. The examination of the imports of the subject product and performance of domestic industry clearly shows that the imports of the PUC have increased from subject countries particularly the import prices have severely declined during last 18 months. The imports are at a price materially below cost of production and NIP of the domestic industry, thus resulting in dumping of subject imports evidenced by significant dumping margins and subject imports are having suppressing effect on the prices of the domestic industry. With regard to consequent impact of the dumped imports on the domestic industry, it is seen that the domestic industry could not sell the subject goods in the market at reasonable prices despite significant efforts due to availability of significantly dumped imports in the market. It is seen that domestic industry has been suffering price injury as evidenced by significant injury margins. . The domestic industry suffered significant financial losses, cash losses and negative return on investments. The performance of the domestic industry has suffered adversely during the period of its existence and its performance is far below the targeted/projected levels. The domestic industry suffered material injury in its performance and its establishment is being retarded by dumping of the product in the Country.

H. Other Known Factors & Causal Link

72. Having examined the existence of material injury and retardation to the establishment of nascent injury, volume and price effects of dumped imports on the prices of the domestic industry, other indicative parameters listed under the Indian Rules and Agreement on Anti- Dumping have been examined by the Authority to see whether any other factor, other than the dumped imports could have contributed to injury to the domestic industry.

(a) Volume and price of imports from third countries

73. It is noted that the imports from third countries have increased in absolute terms. However, the increase is at steady rate and import price from third countries are materially higher than import prices from subject countries. While imports from third countries are not the reason for injury being suffered by the domestic industry, the significant price difference between the imports from subject countries and rest of the world, increase in share of subject countries in total imports, significant decline in the prices from subject countries, while the import prices from rest of the world has not shown proportionate decline, not only establishes dumping, but also shows consumers importing from rest of the world at much higher prices and in increased volumes.

(b) Contraction in demand

74. The demand for the product under consideration has increased throughout the injury period. Thus, contraction in demand is not a possible reason for the injury suffered by the domestic industry.

(c) Changes in the pattern of consumption: -

75. The pattern of consumption with regard to the product under consideration has not undergone material change and therefore could not have been the cause for the material

injury suffered by the domestic industry. In fact, rising demand for the product shows pattern of consumption changing in favour of the product.

(d) Trade restrictive practices and competition between the foreign and domestic producers

76. The Authority notes that there is no trade restrictive practice, which could have contributed to the injury to the domestic industry.

(e) Developments in technology: -

77. The Authority also notes that technology for production of the product has not undergone any change. Developments in technology are, therefore, not a factor of injury. Further, the petitioner has set up a new plant for production of the product and the technology used is at par with the rest of the world.

(f) Export performance:

78. The petitioners have not exported the product under consideration. Hence, claimed injury to domestic industry cannot be attributed to exports.

(g) Performance of other products being produced and sold by the domestic industry:

79. The petitioner is a multiproduct company, however, the cost and financials have been segregated and considered only for PUC and analyzed for the present investigation. Claimed injury to the domestic industry is not on account of other products.

I. Magnitude of Injury and injury margin

80. The non-injurious price of the subject goods produced by the domestic industry as determined by the Authority in terms of Annexure III to the AD Rules has been compared with the landed value of the exports from the subject countries for determination of injury margin during the POI and the injury margin so worked out is as under:

SN	Producer/Exporter	Landed Price	NIP	Injury Margin	Injury Margin	Injury Margin
		USD/MT	USD/MT	USD/MT	%	Range
	China PR					
		Resin				
1	Shandong Gaoxin Chemical Co Ltd	***	***	***	***	50-60
2	Shandong Pujie rubber and plastic Co. ltd	***	***	***	***	60-70
3	Shandong Xiangsheng New Materials Technology Co., Ltd.,	***	***	***	***	50-60
4	Weifang Sundow Chemical Co. Ltd	***	***	***	***	55-65
5	Shandong Xuye Materials Co. Ltd	***	***	***	***	60-70
		Compound				
1	Shandong Gaoxin Chemical Co Ltd	***	***	***	***	10-20
2	Shandong Pujie rubber and plastic Co. ltd	-	-	-	-	-

3	Shandong Xiangsheng New Materials Technology Co., Ltd.,	-	-	-	-	-
4	Weifang Sundow Chemical Co. Ltd	-	-	-	-	-
5	Shandong Xuye Materials Co. Ltd	***	***	***	***	30-40
Korea RP						
	Producer/Exporter	Landed Price	NIP	Injury Margin	Injury Margin	Injury Margin
		USD/MT	USD/MT	USD/MT	%	Range
Resin						
1	All producers exporters	1,409	***	***	***	50-60
Compound						
2	All producers exporters	2,207	***	***	***	25-35

J. Indian Industry's Interest & Other issues:

81. 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 reestablish 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 countries/territory in any way, and, therefore, would not affect the availability of the product to the consumers.
82. It is recognized that the imposition of anti-dumping duty measure might affect the price levels of the product manufactured using the subject goods and consequently might have some influence on relative competitiveness of this product. However, fair competition in the Indian market will not be reduced by the anti-dumping measures, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline in the performance of the domestic industry and help them establish themselves. In the long run, a wider choice will be available to the consumers of the subject goods.

K. CONCLUSIONS

83. Having regard to the contentions raised, information provided and submissions made by the interested parties and facts available before the Authority as recorded in this finding and on the basis of the above analysis of the state of dumping and consequent injury, the Authority concludes that:
 - i. The subject goods have been exported to India from the subject countries at prices less than their normal values in the domestic market of the exporting country;
 - ii. The dumping margins of the subject goods imported from the subject countries is above de minimis and substantial;
 - iii. The domestic industry is suffering material retardation and material injury due to the dumped imports of subject goods from the subject countries;
 - iv. Provisional antidumping duties are required to be imposed in order to address injury being suffered by the domestic industry during investigation.

L. RECOMMENDATIONS

84. 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 countries, as well as material retardation to the establishment of the domestic industry caused by such dumped imports, the Authority is of the view that imposition of provisional duty is necessary to prevent injury being caused by the dumping of subject goods pending completion of the investigation.
85. Therefore, Authority considers it necessary and recommends provisional anti-dumping duty on imports of subject goods from the subject countries in the form and manner described hereunder.
86. 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, the Authority recommends imposition of provisional antidumping duty on the imports of the subject goods, originating in or exported from the subject countries from the date of notification to be issued in this regard by the Central Government, as the difference between the landed value of the subject goods and the amount indicated in Col 7 of the duty table appended below, provided the landed value is less than the value indicated in Col 7. The landed value of imports for this purpose shall be the assessable value as determined by the customs under Customs Tariff Act, 1962 and applicable level of custom duties except duties levied under Section 3, 3A, 8B, 9, 9A of the Customs Tariff Act, 1975.

Duty Table

S.No.	HS Code	Description of goods	Country of origin/Export	Producer	Specification	Amount in USD Per MT
1	2	3	4	5	6	7
1	39042110 39042190 39042210 39042290 39041090 39049000	Chlorinated Polyvinyl Chloride Resin (CPVC) - whether or not further processed into compound	China PR	Shandong Gaoxin Chemical Co Ltd	Resin	2,066
					Compound	2,609
2				Shandong Pujie rubber and plastic Co. ltd	Resin	2,072
					Compound	2,849
3				Shandong Xiangsheng New Materials Technology Co., Ltd.,	Resin	2,097
					Compound	2,849
4				Weifang Sundow Chemical Co. Ltd	Resin	2,031
					Compound	2,849

5				Shandong Xuye Materials Co. Ltd	Resin	2,057
					Compound	2,591
6				All other producers exporters	Resin	2,165
					Compound	2,849
7			Korea RP	All producers exporters	Resin	2,031
					Compound	2,849

M. FURTHER PROCEDURE

87. The procedure as below would be followed subsequent to notifying the preliminary findings:

- a. All the interested parties are invited to may make their views, on preliminary findings, known at the time of oral hearing.
- b. The Authority would hold oral hearing in terms of Rule 6(6) to give an opportunity to all the interested parties to present their views relevant to the investigation followed by written submissions.
- c. The Authority would conduct further verification to the extent deemed necessary.
- d. The Authority would disclose the essential facts as per the Anti-Dumping Rules before notifying the final findings.


 12.7.19
 (Sunil Kumar)

Additional Secretary and Director General