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F. No. 7/43/2020-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Trade Remedies  
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001**

Dated: 30<sup>th</sup> July, 2021

**Final Findings  
Notification  
(Case No. ADD-SSR-24/2020)**

**Subject: Sunset Review of anti-dumping investigation concerning imports of “Seamless Tubes, Pipes & Hollow Profile of Iron, Alloy or Non-Alloy Steel” originating in or exported from China PR-reg.**

**F. No. 7/43/2020- DGTR:** Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as “the Act”) and the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as “the Rules”) thereof.

**A. BACKGROUND OF THE CASE**

2. The Designated Authority (hereinafter also referred to as the “Authority”) received an application from M/s ISMT Limited and M/s Jindal Saw Limited (hereinafter also referred to as the ‘Applicants’) requesting initiation of sunset review investigation of anti-dumping duty levied earlier on the imports of ‘Seamless Tubes, Pipes & Hollow Profile of Iron, Alloy or Non-Alloy Steel’, (hereinafter also referred to as the ‘subject goods’ or the ‘product under consideration’) originating in or exported from China PR (hereinafter referred to as the ‘subject country’).
3. The original investigation in respect of imports of Seamless Tubes, Pipes & Hollow Profiles of Iron, Alloy or Non-Alloy Steel (other than cast iron and stainless steel), whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14” OD”, originating in or exported from China PR was initiated on 8<sup>th</sup> July, 2015 to examine the nature and the extent of dumping and its injurious effect on the domestic industry. The Authority vide its Preliminary Findings No. 14/2/2015- DGAD dated 31<sup>st</sup> March, 2016 recommended imposition of provisional duties against the dumped imports of the subject goods from the subject country, which were imposed vide Customs Notification No. 18/2016-Customs (ADD) dated 17<sup>th</sup> May, 2016. Thereafter, the Authority, vide its Final Findings No. 14/2/2015-DGAD dated 9<sup>th</sup> December, 2016, recommended imposition of anti-dumping duties, which were given effect vide Customs Notification No.

07/2017-Customs (ADD) dated 17<sup>th</sup> February, 2017. The duty is going to expire on 31<sup>st</sup> October, 2021.

4. In terms of Section 9A (5) of the Act, anti-dumping duties imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review, whether the expiry of anti-dumping duties is likely to lead to continuation or recurrence of dumping and injury. Further, Rule 23 (1B) of the Rules provides as follows:

*“any definitive antidumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the designated authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.”*

5. In accordance with the above, the Authority is required to review on the basis of a duly substantiated request made by or on behalf of the domestic industry as to whether the expiry of anti-dumping duties is likely to lead to continuation or recurrence of dumping and injury.
6. The Applicants filed an application requesting initiation of sunset review of anti-dumping duties imposed earlier and seeking continuation of anti-dumping duties against imports of Seamless Tubes, Pipes & Hollow Profiles of Iron, Alloy or Non-Alloy Steel (other than cast iron and stainless steel), whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14’’ OD originating in or exported from China PR. The request was based on the grounds that the expiry of the measure was likely to result in continuation of dumping of the subject goods and consequent injury to the domestic industry.
7. In view of the duly substantiated application with prima facie evidence of likelihood of dumping and injury filed on behalf of the domestic industry and in accordance with Section 9A(5) of the Act, read with Rule 23 of the Rules, the Authority initiated the sunset review investigation vide Notification No. 7/43/2020- DGTR dated 19<sup>th</sup> February, 2021 to review the need for continued imposition of anti-dumping duties in respect of the subject goods, originating in or exported from the subject country, and to examine whether the expiry of the said duties is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
8. Pending conclusion of the investigation, the anti-dumping duties imposed were extended vide Notification No. 29/2021-Customs (ADD) dated 7<sup>th</sup> May, 2021, till 31<sup>st</sup> October, 2021.

## **B. PROCEDURE**

9. The procedure described herein below has been followed in this investigation:
- i. The Authority vide Notification No. 7/43/2020 dated 19<sup>th</sup> February 2021 published a Public Notice in the Gazette of India, Extraordinary, initiating sunset review investigation against imports of the subject goods originating in or exported from the subject country.
  - ii. A copy of the Public Notice was forwarded by the Authority to the Embassy of the subject country in India, known producers and exporters from the subject country, known importers and other interested parties, to inform them of the initiation of the subject investigation in accordance with Rule 6(2) of the Rules.
  - iii. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters, and to the Government of the subject country through its Embassy, and to other interested parties who made a request therefor in writing in accordance with Rule 6(3) of the Rules supra. A copy of the non-confidential version of the application was also made available in the public file and provided to other interested parties, wherever requested.
  - iv. The Authority forwarded a copy of the Public Notice initiating sunset review investigation to the known producers / exporters in the subject country and other interested parties and provided them an opportunity to file response to the questionnaire in the form and manner prescribed within time limit as prescribed in the Initiation Notification or extended time limit, and make their views known in writing in accordance with the Rule 6(4) of the Rules.
  - v. The Authority forwarded copies of the Notification to the following known producers/ exporters:
    - a. Anhui Tianda Oil Pipe Co Limited
    - b. Baoshan Iron & Steel Co. Limited
    - c. Jiangsu Changbao Steel Tube Limited Co
    - d. China National Petroleum Corporation
    - e. Dalipal Pipe Company
    - f. HebeiHongling Seamless Steel Pipes Co. Limited
    - g. Heilongjiang Jianlong Iron & Steel Co. Limited
    - h. Inner Mongolia Baotou Steel Union Co. Limited
    - i. Jiangsu Changbao Precision Steel Tube Co. Limited
    - j. Jiangsu Chengde Steel Tube Share Co Limited
    - k. Jiangsu Huacheng Industry Group Co. Limited
    - l. Kirtanlal International
    - m. Mertex UK Limited
    - n. North China Petroleum Steel Pipe Co. Limited
    - o. Pangang Group Chengdu Iron and Steel Co. Limited
    - p. Pangang Group Chengdu Steel & Vanadium Company Limited
    - q. Shandong Molong Petroleum Machinery Co., Limited
    - r. Shengli Oil Field Freet Petroleum Steel Pipe Co Limited

- s. Suzhou Seamless Steel Tube Works
  - t. TaicangXinbaoyi Steel Pipe Manufacture Co. Limited
  - u. Tianjin Pipe (Group) Corporation
  - v. Wuxi Dexin Steel Tube Co. Limited
  - w. Wuxi Dongwu Pipe Industry Co. Limited
  - x. Xigang Seamless Steel Pipe Company Limited
  - y. Yangzhou Lontrin Steel Tube Co Limited
  - z. YantaiLubao Steel Pipe Co.
  - aa. ZhangjiagangYiyang Pipe Producing Co. Limited
- vi. The Government of the subject country, through their Embassy in India, was also requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the known producers/exporters was also sent to the Embassy of the subject country along with the names and addresses of the known producers/exporters from the subject country.
- vii. The following producers/exporters from China PR filed a response to the exporter questionnaire:
- a. Changzhou Changbao Precision and Special Steel Tube Co. Limited
  - b. Hengyang Steel Tube Group International Trading Inc.
  - c. Hengyang Valin MPM Co. Limited
  - d. Hengyang Valin Steel Tube Co. Limited
  - e. Jiangsu Changbao Precision Steel Tube Co. Limited
  - f. Jiangsu Changbao Steel Tube Limited Co.
  - g. Jiangsu Changbao Steel Tubulars Corporation
  - h. Jiangsu Chengde Steel Tube Share Co. Limited
  - i. Taizhou Chengde Steel Tube Co. Limited
- viii. The Authority forwarded a copy of the Notification to the following known importers/ users of the subject goods in India, calling for necessary information in accordance with Rule 6(4) of the Rules:
- a. Bharat Earth Movers Limited
  - b. Bharat Enterprises
  - c. Bharat Petroleum Corporation Limited
  - d. Endurance Technologies Private Limited
  - e. Fag Bearings India Limited
  - f. G.B. Engineering enterprises Private Limited
  - g. Gajanan Tubes
  - h. Gandhi Special Tubes Limited.
  - i. Hi-tech Engg. Corporation India Private Limited
  - j. HMEL
  - k. Indian Oil Corporation limited
  - l. Industrial Metal Corporation
  - m. JR Seamless Private Limited

- n. Kishore Vadilal Private Limited
  - o. Madras Steels & Tubes
  - p. Maha Fitting Private Limited
  - q. Marathwada Auto Compo Pvt. Limited
  - r. Metallica Metal India.
  - s. Murugan Steels & Tubes
  - t. Northern Steel Traders Private Limited
  - u. Parveen Industries Private Limited
  - v. Raigad Plastics Private Limited
  - w. Rane (Madras) Limited
  - x. Reliance Industries Limited
  - y. RSB Transmission (I) Limited
  - z. S.S. Engineers
  - aa. Samir Metals & Tubes
  - bb. Shree Shyam Trading Company
  - cc. Sitson India Private Limited
  - dd. Technotrack
  - ee. Tubes India
  - ff. Vibhor Steel Tubes Private Limited
  - gg. Vinayak Tubes
  - hh. Wipro Limited
- ix. None of the importers/users have filed questionnaire response in the present investigation.
- x. Following interested parties have filed submissions in response to the initiation notification:
- a. Everest Kanto Cylinder Limited
  - b. Rama Cylinders Pvt. Limited
- xi. The period of investigation (POI) for the purpose of the present investigation is 1<sup>st</sup>April, 2019 to 30<sup>th</sup>September, 2020 (18 months). The injury analysis period covers April 2016-March 2017, April 2017- March 2018, April 2018- March 2019 and the period of investigation.
- xii. Transaction-wise imports data for the period of investigation and the preceding three years was procured from the Directorate General of Commercial Intelligence and Statistics (DGCI&S). The Authority has relied upon data of DGCI&S for calculating the volume and value of imports of the subject goods in India.
- xiii. Further information was sought from the Applicants to the extent deemed necessary. Verification of the data provided by the domestic industry was conducted to the extent considered necessary for the purpose of the present investigation.
- xiv. The domestic industry has submitted financial data duly certified by their Chartered/Cost Accountant. The non-injurious price (NIP) has been determined based on the optimum cost of production and selling the subject goods in India as

per information furnished by the domestic industry and in accordance with Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules. Such non-injurious price has been considered to ascertain whether anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.

- xv. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to the interested parties to present their views orally in an oral hearing held on 22<sup>nd</sup> June, 2021 through video conferencing. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by the rejoinder submissions.
- xvi. A Disclosure Statement containing the essential facts in this investigation which would have been formed the basis of the Final Findings was issued to the interested parties on 22.07.2021 and the interested parties were allowed time upto 28.07.2021 to comment on the same. The comments on Disclosure Statement received from the interested parties have been considered, to the extent found relevant, in this Final Findings Notification.
- xvii. The submissions made by the interested parties, arguments raised and information provided by various interested parties during the course of investigation, to the extent the same are supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority in this Final Findings.
- xviii. The Authority during the course of investigation satisfied itself as to the accuracy of the information supplied by the interested parties which forms the basis of this Final Findings to the extent possible and verified the data/documents submitted by the domestic industry to the extent considered relevant and necessary.
- xix. The information provided by the 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 as confidential and not disclosed to other interested parties.
- xx. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non- confidential version of the information filed on confidential basis
- xxi. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of investigation or has significantly impeded the investigation, the Authority considered such interested parties as non-cooperative and recorded this Final Findings on the basis of the facts available
- xxii. \*\*\*\* in this Final Findings represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xxiii. The exchange rate adopted by the Authority for the subject investigation is US\$1= 73.17.

### **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

10. The present investigation being a sunset review investigation, the scope of the product under consideration remains the same as that in the original investigation. The Product Control Numbers (PCNs) adopted by the Authority in the original investigation are in the table below and these remain the same in the present investigation as well.

<b>PCN</b>	<b>Description of PUC</b>
A-1-1	Seamless Tubing, of a kind used in drilling for oil or gas, Carbon/Non-Alloy/ Alloy, hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD
A-1-2	Seamless Casing, of a kind used in drilling for oil or gas, Carbon/Non-Alloy/ Alloy, hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD
A-1-3	Seamless Mother Hollows, coupling stock, blanks/ Pup Joints, Carbon/Non-Alloy/ Alloy, hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD
A-1-4	Seamless Drill Pipes, of a kind used in drilling for oil or gas, Carbon/Non-Alloy, hot finished of an external diameter not exceeding 355.6 mm or 14" OD
A-1-5	Seamless Tubes, Pipes and hollow profiles including Line pipes of Carbon/Non alloy steel, hot finished of an external diameter not exceeding 355.6 mm or 14" OD
A-1-6	Seamless Tubes, Pipes and hollow profiles of circular cross section including Line pipes of Carbon/Non alloy steel, cold drawn or cold rolled or cold reduced of an external diameter not exceeding 355.6 mm or 14" OD
A-1-7	Seamless Tubes, Pipes and hollow profiles of circular cross section including Line pipes and Bearing tubes of Alloy steel, hot finished, of an external diameter not exceeding 355.6 mm or 14" OD
A-1-8	Seamless Tubes, Pipes and hollow profiles of circular cross section including Line pipes and Bearing tubes of Alloy steel, cold drawn or cold rolled or cold reduced, of an external diameter not exceeding 355.6 mm or 14" OD

**C.1. Submissions of the domestic industry**

11. The following submission have been made by the domestic industry with regard to the scope of product under consideration or like article.
- a. Since the present investigation is a sunset review investigation for continued imposition of anti-dumping duty, the product under consideration is the same as in the original investigation.
  - b. The goods produced by the domestic industry and that imported into India are like article. There is no known difference in the product under consideration manufactured by the applicants and those imported from the subject country.

## **C.2. Submissions of other interested parties**

12. The following submissions have been made by the other interested parties with regard to the scope of product under consideration or like article:
  - a. Products excluded in the original investigation should continue and the scope should not be enlarged.

## **C.3. Examination by the Authority**

13. The product under consideration in the present investigation is Seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel (other than cast iron and stainless steel), whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14'' OD'. It includes boiler pipes or line pipes used in hydrocarbon industry and casing and tubing of a kind used in drilling for oil and gas exploration.
14. The present investigation being a sunset review investigation, the scope of the product under consideration remains the same as that in the original investigation. In the original investigation, the product under consideration was defined as follows:

*“The product under consideration in the present investigation is “Seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel (other than cast iron and stainless steel), whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14'' OD'. It includes boiler pipes or line pipes used in hydrocarbon industry and casing and tubing of a kind used in drilling for oil and gas exploration.*

*The following products have been excluded from the scope of product under consideration:*

- i. *Seamless pipes & tubes made of cast iron and stainless steel.*
  - ii. *Seamless alloy-steel pipes, tubes and hollow profiles of specifications of ASTM A213/ASME SA 213 and ASTM A335/ ASME SA 335 or equivalent BIS/DIN/BS/EN or any other equivalent specifications.*
  - iii. *Non - API and Premium Joints / Premium Connections / Premium Threaded Tubes & Pipes as prescribed under customs notification no. 12/12012 dated 17th March 2012 at serial number 356.*
  - iv. *All 13 Chromium (13CR) Grade Tubes and Pipes.*
  - v. *Drill Collars.*
  - vi. *High pressure seamless steel pipe/tube used for manufacturing gas cylinders by producers approved by the Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Government of India.*
15. The product under consideration is classified under chapter heading 7304 under the tariff codes 73041910, 73041990, 73042990, 73043119, 73043129, 73043139, 73043919,

73043931, 73043939, 73044900, 73045110, 73045910, 73045930, 73041920, 73043111, 73043131, 73043929, 73045920 and 73049000. The customs classification is indicative only and is not binding on the scope of product under consideration.

16. On the basis of the information on record with the Authority, the Authority holds that there is no known difference in the subject goods produced by the domestic industry and imported from the subject country. The two are comparable in terms of physical characteristics, manufacturing process, functions and uses, product specifications, distribution and marketing, and tariff classification of the goods. The two are technically and commercially substitutable. The consumers have used and are using the two interchangeably. The Authority holds that the product manufactured by the Applicants constitutes like article to the subject goods being imported into India from the subject country in terms of Rule 2(d) of the Rules.

#### **D. DOMESTIC INDUSTRY & STANDING**

##### **D.1. Submissions of the domestic industry**

17. The following submissions have been made by the applicants with regard to the domestic industry and its standing:
  - a. The application has been filed by ISMT Limited and Jindal Saw Limited which constitute a major proportion of the total domestic production.
  - b. The applicants have not imported the subject goods from the subject country and are not related to any producers / exporters and importers of the subject goods from the subject country.
  - c. The lack of participation by Maharashtra Seamless Limited (MSL) in the present investigation is irrelevant as it is already established that ISMT Limited and Jindal Saw Limited constitute a major proportion of the total production in the country.
  - d. The applicants cannot compel specific producer to participate in the investigation.
  - e. In various previous investigations as well, such as Caustic Soda from China PR and Korea RP, Fully Drawn Yarn from China PR and Thailand and PVC Suspension Grade from Taiwan, China PR, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA, the composition of the domestic industry has changed in sunset review.
  - f. MSL is performing well and thus, it could be reason for its non-participation. However, that has no bearing on the domestic industry who constitutes a major proportion and satisfy the requirements of Rules 2 (b). The Authority is required to examine the injury caused to the defined domestic industry and is not obligated to examine the performance of each domestic producer, as held by the WTO Panel in EC – Bed Linen, Appellate Body in US – Hot-Rolled Steel and by the Authority in the case of Cable Ties from China PR and Chinese Taipei.
  - g. Contrary to the contention of the respondents, MSL cannot account for 75% of the total Indian production since the applicants accounts for almost half of the total

Indian production, thereby comprising a major proportion. Further, Jindal Saw Limited accounts for higher share of total Indian production compared to ISMT and thus, the trends for the domestic industry are not distorted by data of ISMT.

- h. Trade Notice No. 13/2018 only requires supporting producers to provide their economic parameters and since MSL is not a supporter in the present case, they are not required to submit their financial data. In a previous investigation, MSL and Jindal Saw Limited were supporters and MSL had submitted partial data, but the investigation was terminated as the data showed no injury.

## **D.2. Submissions of other interested parties**

18. The following submission have been made by other interested parties with regards to the domestic industry and standing:
  - a. The domestic industry has failed to disclose the combined share of the applicants in the total production of subject goods in India. Absence of combined share in actual percentage figure or a range has prevented the interested parties from making reasoned comments on the representativeness of the domestic industry.
  - b. The petitioners, ISMT Limited and Jindal Saw Limited, have been seeking undue protection from the Authority since 2010. ISMT Limited filed their first application on 12<sup>th</sup> January, 2010 which was supported by Maharashtra Seamless Limited (MSL) and Jindal Saw Ltd. (JSL). Thereafter, the same petitioners, JSL and ISMT Limited, filed application for safeguard investigation before the Authority on 22<sup>nd</sup> April, 2013 and the application was supported by MSL. Just before the expiration of the safeguard duty, the applicants, ISMT Limited and MSL, once again applied for fresh anti-dumping investigation on 8<sup>th</sup> July, 2015. Presently, the same petitioners, ISMT Limited and Jindal Saw, applied for sunset review investigation on the same imports. Selective participation has been made by the domestic industry to show fabricated injury before the Authority.
  - c. Maharashtra Seamless Limited has refrained from participating in the present investigation and has not filed support to the application.
  - d. Exclusion of any entity, which was a constituent of domestic industry in the original investigation, from the review petition with the sole intent of presenting decline in performance of the domestic industry must not be allowed by the Authority.
  - e. The Annual Report of Maharashtra Seamless Limited for the Financial Year ending 2018-19 notes that it has benefitted from the imposition of anti-dumping duty on the subject goods and the company has recorded all-time highest sales of subject goods. In 2019, Maharashtra Seamless Limited has also acquired the United Seamless Tubular Private Limited (“USTPL”). Therefore, it is clear that Maharashtra Seamless Limited has recovered from injury suffered during the injury investigation period in the original investigation and has not supported the present application for continuation of duty.
  - f. The Authority must call Maharashtra Seamless Limited to submit economic parameter data so to conduct a fair examination on the need for continuation of

duty on subject goods from the subject country. Failure to do so, the Authority must terminate the present petition, as was done in the past case concerning imports of subject goods from China PR.

- g. ISMT Limited is a permanent applicant and its profitability is always negative. Besides, ISMT Limited, holds only about 27% of the share of the domestic production whereas JSL constitutes a tiny portion of the total Indian production. On the contrary, MSL holds 75% of the total Indian production but surprisingly, they were not impacted due to the alleged injury and Jindal and MSL were making huge profits throughout the year.

### **D.3. Examination by the Authority**

19. Rule 2(b) of the Anti-Dumping 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”.*

20. The present sunset review application has been filed by ISMT Limited and Jindal Saw Limited. The applicants have submitted that they are not related to exporters of the subject goods in the subject country or importers of the goods, and have not imported the subject goods from the subject country.
21. With regards to the claims of the other interested parties that Maharashtra Seamless Limited should be included within the scope of the domestic industry since it was part of the previous investigation, the Authority notes that there exists no legal obligation on the Authority or the applicants to maintain the same scope of the domestic industry. The Authority is only required to ascertain whether the applicants’ production meets the requirement of the domestic industry under the law. The Authority notes that ISMT Limited and Jindal Saw Limited together produce \*\*\*\* % of the total Indian production, and, therefore, produce “a major proportion” in the Indian market and thus, constitute domestic industry under the law. Further, the Authority or the domestic industry cannot compel a party to participate in the investigation.
22. The applicants collectively account for a major proportion of the total domestic production. It is also noted that the applicants are not related to any exporter or importer of the subject goods and have not imported the product under consideration. The Authority, therefore, holds that the applicants constitute domestic industry under Rules 2(b) of the Rules.

## **E. CONFIDENTIALITY**

### **E.1. Submissions of the domestic industry**

23. The following submissions have been made by the applicants with regards to confidentiality:
- a. The exporters/ producers have claimed excessive confidentiality including information which is available in the public domain.
  - b. The producers / exporters have violated Trade Notice No. 10/2018 by claiming confidentiality regarding broad stage-wise manufacturing process, depreciation and amortization expenses, interest costs, total profit before taxes, etc.
  - c. The producers / exporters have also violated Trade Notice No. 01/2013 by failing to provide any justification for claiming confidentiality in their questionnaire responses.
  - d. The domestic industry has not disclosed the share in total production, since there are only two producers participating as domestic industry and disclosure of such information would provide estimates of production figures to other producers. However, the domestic industry has provided best available information on aggregate basis as per Trade Notice No. 10/2018.

### **E.2. Submissions by other interested parties**

24. The following submissions have been made by the other interested parties with regards to confidentiality:
- a. The domestic industry has not provided information regarding its share in total domestic production or even the range of percentage share of domestic industry in total production. Absence of such information precludes interested parties from providing comments regarding major proportion share of domestic industry in total production.
  - b. The petitioners have claimed excessive confidentiality with regards to Annexure 6.2 (Costing Information) of the petition and non-confidential version of the petition fails to meet the standards laid down in Rule-7 of the Rules and the guidelines provided by the Trade Notice.
  - c. Jiangsu Chengde Steel Tube Share Co. Limited's questionnaire response contains information on the manufacturing process of both the companies. This information is business sensitive and is not amenable to summarization. The domestic industry has itself disclosed only trend information regarding employees and productivity even when Trade Notice No. 10 of 2018 provides for disclosure of aggregate data of employees and productivity in case of two domestic producers.
  - d. The trend for PBIT on domestic sales is entirely irrelevant when the Chinese producers are not claiming market economy treatment and normal value will not be determined based on their domestic sales. Domestic industry has not indicated what prejudice is caused due to the absence of this information.

### **E.3. Examination by the Authority**

25. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties as per Rule 6(7).
26. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provide as follows:

*“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule(2) of rule 12, sub-rule(4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.*

*(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.*

*(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”*

27. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted, and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non confidential version of the information filed on confidential basis. The Authority made available the non-confidential version of the evidence submitted by various interested parties in the form of public file. The information related to imports, performance parameters and injury parameters of domestic industry has been made available in the public file. Business sensitive information has been kept confidential as per practice. The Authority notes that any information which is available in the public domain cannot be treated as confidential.
28. The Authority has considered the claims of confidentiality made by the applicants and the opposing interested parties and on being satisfied about the same, the Authority has

allowed the claim on confidentiality basis. The Authority made available to all interested parties the non-confidential version of evidences submitted by various interested parties for inspection, as per Rule 6(7).

29. With regard to the claim of the other interested parties that the domestic industry has failed to disclose the combine share of the domestic industry in the total production, the Authority notes that though MSL is another major producer of the subject goods, yet there being only two companies comprising applicant domestic industry in this investigation, disclosure of the share of these two applicant companies would result in the disclosure of the total production volume of both the producers. Further, the domestic industry has already disclosed the best available information on aggregate basis regarding total volume of production by all Indian producers including the domestic industry

## **F. MISCELLANEOUS ISSUES**

### **F.1. Submissions by the domestic industry**

30. The following submissions have been made by the domestic industry:
- a. Continuation of the present anti-dumping measures would be in the interest of the domestic producers, the consumers and the public at large.
  - b. There is no demand-supply gap supply in the country as the domestic industry has sufficient capacity to cater to the entire demand in the country.
  - c. The demand for the subject goods has increased at a healthy rate throughout the duration of the present duties.
  - d. There exists a healthy market situation in the country with significant inter-se competition between the domestic producers, offering the consumers ample choices.
  - e. Even if the continuation of duties may affect the prices of the end-goods, fair competition in the Indian market is not likely to be impacted particularly where the measures are restricted to an amount necessary to redress the injury caused to the domestic industry.
  - f. The domestic industry employs more than 3000 employees in the country and allowing the injury to continue would impact the livelihood of such employees.
  - g. The domestic industry is competing with Chinese producers whose costs and prices are severely distorted by government intervention, evident from the fact that none of the responding exporters have claimed market economy treatment and thus, imposition of duties will offset such trade distortion.
  - h. The subject imports being completely unnecessary owing to the sufficient domestic capacities, imposition of duties would help in conservation of outgoing foreign exchange.
  - i. The present anti-dumping duties should be extended in the form of benchmark duties, duly adjusted for any increase or decrease in raw material prices, which are subject to frequent fluctuations.

- j. The domestic industry has furnished evidence substantiating the need for initiation of the review investigation, and based on such prima facie evidence, the Authority initiated the present investigation.
- k. Post-POI data may be relevant in the situations where the dumping or injury margin are negative in the period of investigation or where there is change in circumstances post-POI, both of which are not applicable to the present investigation. Further, the interested parties have themselves not provided post-POI data.
- l. The domestic industry submitted data in the original petition considering 2016-17, 2017-18, April 2018 to September 2019 and October 2019 to June 2020 as injury period and period of investigation, wherein third period comprised 18 months, while in the revised petition, the data was provided for 2016-17, 2017-18, 2018-19 and April 2019 to September 2020, wherein the third period comprised of 12 months, resulting in difference in data. Further, changes in data post correction of errors were filed pre-initiation, based on which the investigation was initiated after scrutiny by the Authority.

## **F.2. Submissions by other interested parties**

- 31. The following submissions have been made by the other interested parties:
  - a. Continuation of duties under Section 9A(5) is not a rule, but an exception to be applied only when further protection to the domestic industry is required after applying likelihood test, which is not the case in present investigation. This principle has been accepted by the Appellate body in US – OCTG and by the Authority in case of Dry cell batteries from China PR.
  - b. The domestic industry is misusing the trade mechanism by way of seeking repeatedly unfair protection from the Authority. They are using such trade remedies to attack the producers and exporters of other countries with the object of having monopolistic attitude in the domestic market.
  - c. The continuation of anti-dumping duty would adversely impact the downstream industry which is dependent on internationally competition raw material to manufacture value-added products that can compete with other South-East Asian countries. Anti-dumping duty would have an adverse impact due to downstream industry and end user's tremendous loss of livelihood, demand-supply gap, and reduction in exports of finished goods of MSME industries, market asymmetry between the manufacturers.
  - d. The domestic industry has failed to produce positive evidence substantiating initiation of the present review investigation and rather, it has already recovered due to imposition of duties for past 5 years.
  - e. The Authority is not required to compulsorily initiate every review investigation, and must satisfy itself of the two-stage process, as held by Delhi High Court in Kesoram Rayon vs DA.
  - f. The initiation notification dated 19<sup>th</sup> February, 2021 noted that the Authority will examine the post POI data of 6 months of the applicants and other interested parties to determine whether the expiry of existing anti-dumping duties is likely to lead to

continuation or recurrence of dumping and injury to the domestic industry. However, the domestic industry has not submitted post-POI data in the subject investigation and has prevented the interested parties from presenting their comments on the likelihood of continuation or recurrence of injury due to import of subject goods from China PR.

- g. Assessment of present injury based on the period of investigation of 18 months is unrepresentative of likelihood of injury as out of these 18 months, the last six months period was affected by full or partial lockdown in India due to Covid-19.
- h. Significant changes in the injury parameters by the applicants in the revised petition in respect of demand, market share of China PR, cash profit, interest costs, working capital and PBIT as % of average capital employed clearly demonstrate the domestic industry's manipulative behaviour to show artificial injury to the Authority.

### **F.3. Examination by Authority**

- 32. With regards to the contention of the other interested parties regarding the initiation of investigation and continuation of duties only after satisfying the likelihood requirements, the Authority notes that at the time of initiation of investigation, the Authority prima facie satisfied itself of the need for initiation of sunset review investigation concerning present anti-dumping duties based on the evidence furnished by the domestic industry establishing likelihood of continuation or recurrence of dumping and injury if the present duties are allowed to expire. However, the Authority will examine in detail the submissions made by the domestic industry regarding likelihood of continuation of dumping and injury. Should the Authority find that dumping and injure are likely to continue or recur, in the absence of duties, the anti-dumping duties shall be extended.
- 33. With regards to the contention of the other interested parties that the domestic industry is misusing the trade protection mechanism and the adverse impact of duties on the downstream industries, it is noted that the purpose of anti-dumping duties is only to create a level playing field and to provide relief to domestic industry against injurious dumping. The objective of the duties is not to provide any unfair protection to the domestic industry, rather to create a fair market situation by removing any trade distortion effects, allowing a healthy competition in the market.
- 34. With regards to the contentions concerning the data provided by the interested parties, the Authority has duly verified the data provided by the domestic industry. Only such verified data has been used for the present purpose.
- 35. With regard to impact on downstream industry, it is noted that the demand for the subject goods has increased over the period, which indicates growth of the downstream industry. Further, there are a number of producers in the domestic market, with capacities in excess of the demand. Therefore, there exists a healthy competition in the market which would ensure that the users have access to goods at competitive prices.

36. With regard to the consideration of post POI data, the Authority notes that the dumping margin and injury margin for the period of investigation is positive. Further, the domestic industry has suffered injury during the present period of investigation itself. Accordingly, the Authority does not find consideration of post POI data necessary.

**G. NORMAL VALUE, EXPORT PRICE AND DETERMINATION OF DUMPING MARGIN**

**G.1. Submissions of the domestic industry**

37. The following submissions have been made by the domestic industry with regards to the normal value, export price and dumping margin:
- a. The Authority treated China PR as non-market economy at the time of initiation of the current investigation and since none of the producers/exporters from China PR have demonstrated that they are operating under market economy conditions, their costs and prices cannot be used for determining the dumping and injury margins. Accordingly, the normal value should be determined on the basis of the provisions of Para 7 of Annexure - I.
  - b. The normal value for the producers /exporters in China PR should be determined based on the price payable in India after adjusting a reasonable profit margin. However, such constructed normal value should be based on actual cost of production since it is unreasonable to assume that foreign producers are operating on optimum cost of production.
  - c. Export price has been determined on the basis of CIF price reported in the DGCI&S data and adjustments have been made for ocean freight, marine insurance, port expenses, bank charges, inland freight, commission and VAT refund to arrive at the net export price.
  - d. The questionnaire responses filed by the exporters are incomplete in as much as Changzhou Changbao Precision and Special Steel Tube Co. Limited and Jiangsu Changbao Steel Tubulars Corporation have not disclosed the name of related / unrelated exporter forming part of the channel of distribution.
  - e. Jiangsu Changbao Precision Steel Tube Co. Limited has made contradictory statements regarding its channel of distribution. The company initially claimed that all exports are made through a related exporter but have later claimed that they have exported to India from 2019. Accordingly, they have failed to file Appendix-3A for calculation of export price.

**G.2. Views of other interested parties**

38. The following submissions have been made by other interested parties with regards to determination of normal value, export price or dumping margin:

- a. The dumping margin and injury margin should be determined based on the information submitted by exporters in the exporter's questionnaire response.
- b. Frivolous claim has been made by domestic industry that Jiangsu Changbao Precision Steel Tube Co. Limited has been directly exporting product under consideration to India when in fact they have not directly exported goods to India during the entire injury and investigation period.

### **G.3. Examination by the Authority**

39. As per section 9A(1)(c) of the Act, the normal value in relation to an article means:

- (i) *the comparable price, in the ordinary course of trade, for the like article when destined 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 to 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.*

40. The Authority sent exporter questionnaire to the known exporters/producers from the subject country, advising them to provide information in the form and manner prescribed. The following producers/exports from the subject country have filed the exporter's questionnaire response:
- a. Hengyang Valin Steel Tube Co. Limited
  - b. Hengyang Valin MPM Co. Limited
  - c. Hengyang Steel Tube Group International Trading Inc.
  - d. Changzhou Changbao Precision and Special Steel Tube Co. Limited
  - e. Jiangsu Changbao Precision Steel Tube Co. Limited
  - f. Jiangsu Changbao Steel Tubulars Corporation
  - g. Jiangsu Changbao Steel Tube Limited Co.

- h. Jiangsu Chengde Steel Tube Share Co. Limited
- i. Taizhou Chengde Steel Tube Co. Limited

### **G.3.1. Determination of Normal Value**

#### **Market Economy Status for China PR**

41. Article 15 of China's Accession Protocol provides as follows:

*"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:*

- (i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*
- (ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*

*(b) In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*

*(c) The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*

*(d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market*

*economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector."*

42. It is noted that while the provision contained in Article 15 (a)(ii) have expired on 11<sup>th</sup> December, 2016, the provision under Article 2.2.1.1 of WTO read with obligation under 15(a)(i) of the Accession Protocol require the criterion stipulated in para 8 of the Annexure I of the Rules to be satisfied through information/data to be provided in the supplementary questionnaire on claiming the market economy status. It is noted that no producer/exporter from China PR has claimed market economy status in the preset sunset review investigation. Accordingly, the normal value computation is required to be determined as per provisions of para 7 of Annexure I of the Rules.

#### **Normal value for producers/exporters from China PR**

43. As none of the producers from China PR have claimed determination of normal value on the basis of their own data/information, the normal value has been determined in accordance with para 7 of Annexure I of the Rules which reads as under:
44. 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.
45. The Authority notes that the prices or constructed value of the product in an appropriate market economy third country or the prices from such third country to other countries, including India, have neither been made available by the Applicant nor by any interested party. It is also not available from any public source. The Authority notes that the Authority is required to select an appropriate country on the basis of information and evidence brought on record by interested parties or from public source. It is also noted that the interested parties have not provided any verifiable information which could have

been adopted by the Authority. Thus, the Authority is of the opinion that the only option available is to determine normal value considering price actually paid or payable in India for the like product, duly adjusted, to include a reasonable profit margin. The normal value so determined is given below in dumping margin table.

### **G.3.2. Determination of Export Price**

#### **Export price for producers/exporters from China PR**

##### **(i) Export price for Jiangsu Chengde Steel Tube Share Co. Limited and Taizhou Chengde Steel Tube Co. Limited**

46. M/s Jiangsu Chengde Steel Tube Share Co., Ltd. ("JSC") and M/s Taizhou Chengde Steel Tube Co., Ltd. ("TZC") are limited liability companies by shares under the Company Law of China. M/s JSC is the parent company of the M/s TZC. Both the companies are producers of the subject goods in China. M/s JSC has exported the subject goods directly to unrelated Indian customers and M/s TZC has exported the subject goods to unrelated Indian customers through M/s JSC. M/s JSC exported goods under PCN A-1-5 & A-1-6 and has given PCN wise details of the exports of subject goods to India in Appendix 3A of the exporter's questionnaire response. M/s TZC has also provided all the relevant information in requisite formats.
47. It is noted that during the POI, M/s JSC has exported \*\*\*\* MT of self-produced subject goods and \*\*\*\* MT of subject goods produced by M/s TZC to unrelated customers in India. M/s JSC has claimed adjustments on accounts of ocean freight, insurance, inland transportation, port and other related expenses, bank charges and credit cost which have been allowed by the Authority. M/s TZC has invoiced subject goods to M/s JSC at ex-works basis. The Authority has verified the PCN wise details of the exports given in the questionnaire response filed by producers/exporters. The weighted average PCN wise ex-factory export price as determined is given in the dumping margin table.

##### **(ii) Export price for M/s Jiangsu Changbao Steel Tube Limited Co., (Producer/ Exporter) China PR**

48. Jiangsu Changbao Steel Tube Limited Co., established on July 31, 1989, is a joint-stock limited company and publicly listed in Shenzhen Stock Exchange, incorporated in accordance with the Company Law of China. During the POI, Jiangsu Changbao Steel Tube Limited Co., has exported \*\*\*\* MT of PUC (under PCN A-1-1 & A-1-3) directly and \*\*\*\* MT, through a related trader, namely, Jiangsu Changbao Steel Tubulars Corporation, China PR. It is noted that Jiangsu Changbao Steel Tubulars Corporation, China PR has exported the PUC through two different unrelated traders, namely, Hunting Energy Services Pte Ltd., Singapore and Maco International Fze. It is further noted that Hunting Energy Services Pte Ltd., Singapore and Maco International Fze, have not participated in the present investigation and hence these have not been considered to

workout ex-factory export price. Jiangsu Changbao Steel Tube Limited Co., China PR has claimed adjustment on account of ocean freight, inland transportation, port and other related expense, credit expenses, bank charges and the same have been allowed. Accordingly, export price at ex-factory level for Jiangsu Changbao Steel Tube Limited Co., China PR has been determined and the same is shown in the Dumping Margin Table below.

**(iii) Export price for M/s Jiangsu Changbao Precision Steel Tube Co., Ltd., China PR**

49. Jiangsu Changbao Precision Steel Tube Co., Ltd., established on August 14, 2006, is a limited liability company, incorporated in accordance with the Company Law of China. During the POI, Jiangsu Changbao Precision Steel Tube Co., Ltd. has exported \*\*\*\* MT of PUC through a related trader, namely, Jiangsu Changbao Steel Tubulars Corporation, China PR, out of which Jiangsu Changbao Steel Tubulars Corporation, China PR has exported \*\*\*\* MT of PUC (under PCN A-1-5) to India through another unrelated trader, namely, Hunting Energy Services Pte Ltd., Singapore. It is further noted that Hunting Energy Services Pte Ltd., Singapore has not participated in the present investigation, and hence the same has not been considered to work-out ex-factory export price. Jiangsu Changbao Precision Steel Tube Co., Ltd. has claimed adjustment on account of inland transportation, port and other related expense and the same have been allowed. Accordingly, export price at ex-factory level for Jiangsu Changbao Precision Steel Tube Co., Ltd., has been determined and the same is shown in the Dumping Margin Table below.

**(iv) Export price for M/s Changzhou Changbao Precision and Special Steel Tube Co., Ltd. (Producer/ Exporter) China PR**

50. Changzhou Changbao Precision and Special Steel Tube Co., Ltd., established on 26 April, 2005, is a limited liability company, incorporated in accordance with the Company Law of China. During the POI, Changzhou Changbao Precision and Special Steel Tube Co., Ltd., has exported \*\*\*\* MT of PUC (under PCN A-1-5 & A-1-6) directly and \*\*\*\* MT through a related trader, namely, Jiangsu Changbao Steel Tubulars Corporation, China PR. Changzhou Changbao Precision and Special Steel Tube Co., Ltd., has claimed adjustment on account of ocean freight, insurance, inland transportation, port and other related expense, credit expenses, bank charges and the same have been allowed. Accordingly, export price at ex-factory level for Jiangsu Changbao Steel Tube Limited Co., China PR, has been determined and the same is shown in the Dumping Margin Table below.

**(v) Export price for Hengyang Valin Steel Tube Co. Limited, Hengyang Valin MPM Co. Limited and Hengyang Steel Tube Group International Trading Inc.– Hengyang Group**

51. Hengyang Valin Steel Tube Co., Ltd. (“HY Valin”) as well as Hengyang Valin MPM Co., Ltd. (“HY MPM”) and Hengyang Steel Tube Group International Trading Inc. (“HY

Intl”) – Hengyang Group: HY Valin as well as HY MPM are the producers of subject goods and HY Intl is a related sales agent of HY Valin. During the POI, HY MPM sold subject goods only in domestic market to its related entity HY Valin. HY Valin has reported \*\*\*\* MT export of subject goods to India during the POI which includes export of \*\*\*\* MT of subject goods purchased from HY MPM and remaining \*\*\*\* MT of subject goods produced by the company itself. During the POI, HY Valin exports of subject goods through its sales agent HY Intl fall under two PCNs, i.e., A-1-5 and A-1-7. In the questionnaire response, HY Valin reported export sales of the subject goods and corresponding post sales expense for inland transportation, ocean freight, insurance, credit cost and port and other related expense which were allowed. The weighted average ex-factory export price as determined is given in the dumping margin table.

### Other producers and exporters from China PR

52. The export price for non-cooperating producers/exporters from China PR has been determined as per best facts available, taking into account the DGCI&S data and questionnaire response of the co-operating producers/exporters and the same is mentioned in the dumping margin table below.

### G.3.3. Dumping Margin

53. Based on the normal value and the export price determined as above, the dumping margin for producers/exporters from China PR has been determined by the Authority and the same is mentioned the dumping margin table below:

**Dumping Margin Table**

S.No.	Name of Producer	Constructed Normal Value	Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range
		(USD/MT)	(USD/MT)	(USD/MT)		
1	<b>Jiangsu Chengde Steel Tube Share Co. Limited, China PR</b>					
	A-1-5	****	****	****	****	
	A-1-6	****	****	(****)	(****)	
	<b>Taizhou Chengde Steel Tube Co. Limited, China PR</b>					
	A-1-6	****	****	****	****	
	Weighted average	****	****	****	****	0-10
2	<b>Changzhou Changbao Precision and Special Steel Tube Co. Limited, China PR</b>					
	A-1-5	****	****	****	****	

	A-1-6	****	****	****	****	
<b>Jiangsu Changbao Precision Steel Tube Co. Limited, China PR</b>						
	A-1-5	****	****	****	****	
<b>Jiangsu Changbao Steel Tube Limited Co., China PR</b>						
	A-1-1	****	****	(****)	(****)	
	A-1-3	****	****	(****)	(****)	
	<b>Weighted average</b>	****	****	****	****	<b>0-10</b>
3	<b>Hengyang Valin Steel Tube Co. Limited, China PR</b>					
	A-1-5	****	****	****	****	
	A-1-7	****	****	(****)	(****)	
<b>Hengyang Valin MPM Co. Limited, China PR</b>						
	A-1-5	****	****	****	****	
	<b>Weighted average</b>	****	****	****	****	<b>10-20</b>
4	Other Producers and Exporters, China PR	****	****	****	****	<b>25-35</b>

## **H. ASSESSMENT OF INJURY AND CAUSAL LINK**

### **H.1. Submissions of the domestic industry**

54. The following submissions have been made by the domestic industry with regard to the injury and causal link:

- a. The present case is a case of re-occurrence of injury, where the injury to domestic industry reduced over the years with the imposition of duties but re-occurred during period of investigation with significant decline in the volume and profitability parameters of the domestic industry.
- b. Volume of imports declined till 2017-18 and increased slightly in 2018-19, but increased significantly in the period of investigation by 176% compared to the previous year.
- c. The volume of imports in relation to production and consumption also declined till 2018-19 but increased during period of investigation by 256% and 183% respectively when compared to previous year.
- d. The share of subject imports in total imports declined till 2018-19 but increased significantly in the period of investigation while the share of other imports declined.
- e. While the cost of sales continuously increased, domestic industry was forced to reduce its selling price in order to not lose its market share to dumped imports.

Thus, dumped imports prevented price increase and also and depressed the prices of the domestic industry.

- f. The capacity of the domestic industry increased over the injury period. However, the production and capacity utilization only increased initially and declined during the period of investigation.
- g. The sales of the domestic industry also increased till 2018-19 but declined during the period of investigation and such decline was at a much higher rate than decline in demand.
- h. The market share of the domestic industry increased till 2017-18 but declined thereafter and in the period of investigation, whereas the market share of the subject imports increased.
- i. The inventories of the domestic industry have piled up and the inventory holding period of the domestic industry was the highest during the period of the investigation.
- j. The profitability of the domestic industry also improved till 2018-19 but its losses, cash losses increased again during the period of investigation.
- k. The domestic industry has been unable to earn reasonable returns on its investments, and while its returns improved till 2018-19, they again declined in the period of investigation.
- l. The dumped imports have impacted the domestic industry's ability to raise capital investment.
- m. The domestic industry's volume and profitability parameters improved till 2018-19 but witnessed a decline in the period of investigation.
- n. The producers / exporters in the subject country have continuously dumped the subject goods in India despite current anti-dumping duties and in the event of cessation of duties, such dumping is likely to continue and aggravate.
- o. The procedures / exporters in the subject country are also dumping subject goods in third countries, with 29% of total exports being at dumped prices and 17% of total exports being at injurious prices.
- p. Contrary to the contention of the respondents, for calculation of exports to third countries at dumped prices, the normal value for China PR would remain the same irrespective of the country of export. Further, the adjustments to export price for such purpose is consistent with the practice of the Authority.
- q. That the producers are dumping in only 50 out of 175 countries to which exports are made is irrelevant and the fact that 29% of total exports are dumped prices is to be considered, which is equal to half the demand in India.
- r. The dumping margin and injury margin claimed by the domestic industry are based on PCN-wise information while the third country data is provided on an average basis, due to lack of information, thereby causing variation in the margins.
- s. The exports from the subject country are already subject to trade remedial measures imposed by many third countries, making India an attractive market.
- t. There is a significant increase in the volume of imports despite present anti-dumping duties, with one of the responding exporters also anticipating further increase in the event of cessation of duties.

- u. The volume of imports increased at a much higher rate than increase in demand, despite imposition of duties.
- v. The volume of exports by the responding producers / exporters has also increased over the injury period despite imposition of duties.
- w. Producers in China have large production capacities of the subject goods accounting for almost 60% of the total global output, which is 40 times more than the demand in India, with one of the largest Chinese producers TPCO alone having a production capacity of 4 million MT.
- x. Two responding producers have enhanced their capacities during the period of investigation and with more production units under construction, the present capacities are likely to increase further.
- y. The producers in China PR have set up capacities only for export purposes and with India being a lucrative market, expiry of duties is likely to result in increase in the volume of imports.
- z. The producers in China PR have large underutilized capacities which is 19 times of the total demand in India since such produces are operating at only 68% utilization.
- aa. The producers in China PR are highly export oriented and account for 15% of all steel and steel products exported globally.
- bb. The Global Steel Trade Monitor report provides details of steel and particular steel products exported by China PR during 2019 which includes the product under consideration.
- cc. The producers in the subject country hold significant inventories implying that they were unable to sell products due to present duties and if the present duties are discontinued, the producers are likely to resort to dumping in India.
- dd. India is the third largest export market for the Chinese producers despite imposition of anti-dumping duties.
- ee. India is a price attractive market for the exporters in China PR, evident from the fact that 28% of all exports from China PR are at prices lower than prices to India which amounts to 48% of total demand in the country.
- ff. The subject imports have entered the Indian market at injurious prices and in the event of cessation of duties, the injury to the domestic industry is likely to aggravate further.
- gg. Price competition in the market is an indicator of a healthy market but the present price competition is due to dumped imports forcing the domestic industry to compete with low prices creating an unfavourable market situation.
- hh. The reliance of the respondents on the findings of the Authority in Digital Offset Printing Plates regarding discontinuation of duties due to negative undercutting is misplaced as the duties were discontinued due to various reasons such as no injury or decline in economic parameters and lack of relationship between the factors establishing the likelihood of dumping and injury with the price trends.
- ii. The price of exports of the responding producers continued to decline over injury period and was the lowest during the period of investigation, despite imposition of anti-dumping duties.

- jj. Contrary to the contention of the respondents, the domestic industry has substantiated each of the factors provided under para (vii) of Annexure – II.
- kk. The fact that the domestic producers control 70% of the market cannot indicate absence of likelihood since the data indicates that subject imports have injured the domestic industry.
- ll. The present investigation being a sunset review, there is no requirement to establish a causal link between the likely dumping and likely injury as observed by the Appellate Body in United States – Anti-dumping measures on OCTG from Mexico.
- mm. The domestic industry is not likely to suffer injury due to any other factor.
- nn. While the demand has declined in the period of investigation due to impact of Covid-19, the decline in the economic parameters of the domestic industry was at a much higher rate.
- oo. The Authority is required to examine “a causal link” between the subject imports and injury to the domestic industry, rather than “the causal link” as per the WTO Anti-dumping agreement and the Appellate Body in US – Hot-Rolled Steel.
- pp. The present injury can only be attributed to subject country since the price of other imports was low throughout the injury period and the domestic industry was able to maintain its market share and improve its profits. Further, the price of such other imports has increased by 49% during the period of investigation while the price of subject imports increased by only 3%.
- qq. The volume of imports from non-subject countries like USA, Ukraine and UAE largely comprises imports of defectives or secondary grade or stock lot which are naturally priced lower than the subject goods due to their inferior quality. Further, while the domestic industry claims that imports from these countries are of defectives, it has not classified the import data of subject goods into Prime grade and Non-prime Grade. Domestic Industry claims that non-prime grade goods are also within the scope of Product Under Consideration. Further, while the domestic industry acknowledges the adverse impact of other imports, i.e., defectives and non-prime grade subject goods on its operations, it has also submitted that the injury during the POI is nevertheless attributable to the subject imports because the defective imports from other sources had been priced lower throughout the injury period and despite the lower prices of such imports, the domestic industry had been able to maintain its market share and improve its profitability. However, the performance of the domestic industry has declined significantly during the period of investigation when the subject imports increased. Domestic Industry argues that while the price of other imports increased by 49% during the period of investigation, the price of subject imports increased by only 3%.
- rr. The Authority is required to examine injury based on information submitted by the domestic industry for the period of investigation and the injury period and the situation of the domestic industry in the previous investigation is not relevant. In any case, the domestic industry was suffering injury in the previous investigation and its performance improved due to imposition of duties.
- ss. Re-occurrence of injury to ISMT Limited in the period of investigation coinciding with the increase in dumped imports, after its performance improved till 2018-19,

clearly shows that such injury is due to dumped imports and not due to any inherent inefficiencies.

- tt. The Authority is not required to conduct non-attribution analysis regarding features inherent to the domestic industry that have remained unchanged, as held by the Appellate Body in EU – Biodiesel. Further, injury to the domestic industry must be seen as it exists as held by the CESTAT in Nippon Zeon Co. Limited vs DA and accepted by the Authority in the investigations concerning Aniline from USA and Japan, Cable Ties from China PR and Chinese Taipei, Caustic Soda from China PR and Korea RP, Melamine from EU, Iran, Indonesia and Japan and Phthalic Anhydride from Japan and Russia.
- uu. Contrary to the contention of the respondents, Jindal Saw Limited has also suffered injury and its economic parameters have declined.
- vv. While petition for insolvency proceedings was filed against ISMT before the National Company Law Tribunal, Mumbai, the same was withdrawn before admission. Further, performance of ISMT has improved post-imposition of duties but significant losses over some time led to their inability to discharge dues, resulting in such proceedings.
- ww. Contrary to the contention of the respondents, the volume of imports declined in the period impacted by Covid-19. If such period is excluded, the volume of imports in 2019-10 has increased by 210% as compared to decline in sales of domestic industry by 16% compared to previous year.
- xx. Segregating the impact of Covid-19 on the performance of the domestic industry would show that the domestic industry was injured due to dumped imports.

## **H.2. Submissions of other interested parties**

55. The following submissions have been made by the other interested parties with regard to the injury and causal link:

- a. The domestic industry has itself noted a negative dumping and injury margin for exports of subject goods from China PR to India for the period of investigation. The price undercutting due to imports from China PR is also negative during the period of investigation of the present sunset review. Therefore, it is clear that the subject goods from China PR are being imported at a fair price.
- b. Positive and healthy economic parameters rule out unsubstantiated allegation of the petitioners suffering material injury due to the imports.
- c. There has been an absolute decline in the volume of imports of subject goods from China PR since the original investigation. The imports from China PR have reduced from 2,30,850 MT in the POI of the original investigation to 73,628 MT in the POI (A) of present investigation. Imports from China PR during the injury investigation period of the present sunset review has not been more than imports during the investigation period in the original investigation during any given year.
- d. The volume of subject goods exported by Jiangsu Chengde and Taizhou Chengde have remained low and holds insignificant share in the total exports from China

PR. The total import volumes from Jiangsu Chengde and Taizhou Chengde combined is less than 10% of total imports from China PR during the period of investigation. Additionally, the imports from Jiangsu Chengde and Taizhou Chengde have been stable since 2018 and there has not been any sharp rise in the imports of subject goods.

- e. The import volumes of subject goods from China PR are significantly lower in comparison to imports of subject goods from non-subject countries. Similarly, the import price from non-subject countries is also significantly lower than import price from China PR.
- f. Critical volume parameters of the domestic industry like total capacity, total sales and total production have increased in the POI(A) as compared to base year indicating visible improvement in the volume parameters of the domestic industry.
- g. Sales of other producers improved during injury period. However, there is sharp decline of sales of the domestic industry in the period of investigation.
- h. The domestic industry has been able to significantly improve its market share in the domestic demand since the original investigation. The market share of Indian producers as a whole has risen to 72.05% in the present sunset review investigation while it was only at 48% in the original investigation. Similarly, market share of non-subject countries has increased from 8% in the original investigation to 17% in present period of investigation. At the same time, market share of imports from China PR has reduced from 43% in the original investigation to 10.95% in the present period of investigation.
- i. The profit of domestic industry increased during period of investigation. The decline in the profit as compared to preceding year is due to lockdown of Covid-19.
- j. The applicants have made irrational and misleading statement claiming reduction in their selling price whereas their selling price and PBIT per unit have substantially increased to \*\*\*\* MT and \*\*\*\* MT respectively in the investigation period.
- k. Decline in cash profits of the domestic industry was due to Covid 19.
- l. The domestic industry has claimed that it is suffering due to “re-occurrence” of injury. “Re-occurrence” of injury is said to be a case where injury has already re-occurred during the period of investigation and the cessation of duty would lead to intensified injury. In terms of Section 9A(5) of the Customs Tariff Act, 1975, a sunset review investigation is limited to evaluating a likelihood of the continuation or recurrence of material injury to the domestic industry if anti-dumping duty is revoked. There is no legal standard requiring analysis of re-occurrence of injury during the period of investigation. The Authority cannot be burdened with requirements of conducting such additional analysis when the information on record shows that there is no likelihood of continuation of dumping and injury.
- m. There is no likelihood of injury as domestic industry’s performance improved and further continuation of investigation will violate the spirit of Article 11.1 of Anti-Dumping Agreement and Rule 23(1) of Custom Tariff Rules, 1995.
- n. The applicants have made mere allegations regarding likelihood of injury and have also failed to prove any of the four factors mentioned in Para (vii) of Annexure II.

Further, there is no evidence of likelihood of continuation or recurrence of dumping or injury as can be seen below.

- i. Surplus capacities cannot imply any capacity above the domestic demand but rather mean the idle capacities left over after meeting domestic and global demand.
- ii. The claim that China has 24 million MT of production capacity cannot be accepted since such data is only upto 2017 and is not updated. Further, the report relied on by the petitioners does not mention the units used to determine such figure.
- iii. The claim that TPCO has 4 million MT capacity is irrelevant since it is not clear if TPCO has a history of exports to India and has exported to India during the injury period. The capacities available with the producers must be verified with the information submitted and baseless claims of mere existence of surplus capacities must not be accepted as held by the CESTAT in Indian Spinners Association vs Designated Authority.
- iv. In the case of Plain gypsum plaster boards from China PR, Indonesia, Thailand and UAE, the Authority held that mere surplus capacities cannot be sufficient to conclude likelihood of recurrence of dumping or injury.
- v. With imposition of duties for five years, producers in China PR have found strong foothold in alternative markets and thus, have no incentive to shift exports to India. Further, the petitioners have made unsubstantiated claim that 77% of total from China PR are at price lower than exports to India, with no basis of such calculations.
- vi. The capacity with the producers in China PR has been continuously reducing since 2014.
- vii. India is not a major export market for producers in China PR as exports to India are below 7% while exports from other countries are much higher.
- viii. Petitioners have claimed that the China PR has capacity of 24 million MT while as per the statement of third country dumping and injury margin, the volume of exports is only 16,58,947 MT with only 7% exports being to India, implying that the product is mostly consumed domestically and producers are not export oriented.
- ix. The petitioners have relied on the Global Steel Trade Monitor's reports with highlights the total steel exports from China PR, which is irrelevant since the product under investigation is not steel.
- x. The data furnished by the domestic industry itself clearly notes that at least 71% of exports from China PR to third countries are at non-dumped exports and 83% of exports from China PR are at a non-injurious price. Since overwhelming majority of exports from China PR to third countries are at un-dumped and non-injurious fair price, there cannot be likelihood of dumping or injury due to exports from China PR.
- xi. The petitioners have erroneously calculated exports to third countries at dumped prices using normal value for India and without disclosing adjustments made to calculate the net export prices. Further, out of 175

countries to which China PR exports, the dumping margin is positive only for 50 countries.

- xii. Existence of stiff price competition, as claimed by the petitioners, is the essence of a healthy market which provides more options to consumers and avoidance of competition is equivalent of indulging in anti-competitive practices. This cannot be grounds for continuation of duties.
- xiii. 70% of the market share is controlled by the Indian producers. Thus, there is no likelihood of injury.
- o. The domestic industry has identified trade remedial measures imposed by various third countries on subject goods from China PR. However, several measures identified by the domestic industry have been imposed in or prior to the year 2017. Any impact from these remedial measures imposed in 2017 or earlier should have been visible during injury investigation period. Therefore, the apprehension of diversion of exports from third countries due to remedial measures imposed in or before 2017 is untenable.
- p. Allegation of the domestic industry regarding the producers in China retaining excess underutilized production capacity and operating at 68% is irrational and inconsequential as the producers are operating at 90-95% of their capacity. Thus, there is no scope for utilizing unused capacity to increase exports of subject goods to India.
- q. Decreased volume of exports of Changbao Group to India during the investigation period clearly indicates that it is not causing injury to the domestic industry in any way.
- r. In the initial petition, price undercutting was in range of 1-10% but in the updated petition, the undercutting was negative implying that the situation of the domestic industry improved over time and there is no likelihood of further injury.
- s. Even in the event the Authority notes that there is likelihood of injury due to exports from subject country, it is necessary to conduct a separate assessment of likelihood of injury for Jiangsu Chengde and Taizhou Chengde. The Authority is not precluded from making separate likelihood determinations for individual exporters or producers in a sunset review and then continuing or terminating the relevant duty for each company according to the determination for that company. There are no surplus capacities with the exporters which are likely to be diverted to India in the event of cessation of duty. The volume of subject goods exported by the exporters has remained low and the combined share of Jiangsu Chengde and Taizhou Chengde is insignificant in the total exports from China PR.
- t. The volume of imports increased to fulfil the demand-supply gap in the market due to limited capacity and declining production quantity of the domestic industry.
- u. There is no correlation between the volume of imports and sales of domestic industry as they have not moved in tandem and have fluctuated disproportionately. Had the imports impacted the sales and market share of domestic industry, the same would have declined with increase in the volume.
- v. It can be seen that the share of imports in the period of investigation has declined compared to base year; the import price from China PR has continuously increased

while that from the UAE, USA and Ukraine have remained below the import price from China PR; imports from other countries are significantly higher than imports from China PR and thus could be the cause of likelihood of injury to the domestic industry; the market share of other countries was higher than the market share of China PR.

- w. Domestic industry cannot identify imports of non-prime grade from within the imports from third countries to claim that they are not causing injury to domestic industry. The injury caused by imports from other countries and the injury caused due to imports from non-subject countries cannot be attributed to imports from China PR.
- x. While the domestic industry has claimed that imports from USA, Ukraine and UAE are of defectives, it has not classified the import data of subject goods into Prime grade and Non-prime Grade. Non-prime Grade goods are within the scope of the Product Under Consideration. The domestic industry opposed the exclusion of such grades in the original investigation. The Authority must examine that the injury caused by the imports from third countries is not the attribute of imports from China PR.
- y. The negative undercutting clearly establishes that the domestic industry is not suffering from any injury due to the subject imports. In the case of Digital Offset Printing Plates, the Authority recommended discontinuation of duties based on undercutting.
- z. Upon perusal of the Annual Reports of major producers (i) Jindal Saw Limited; (ii) ISMT Limited and (iii) Maharashtra Seamless Limited, it is clear that ISMT Limited has recorded significant losses while other Indian producers have gained healthy profits.
- aa. MSL is the major producers of product under consideration and hold 75% of total Indian production. If the imports from subject countries are causing injury to the domestic industry, it should affect all the producers, but only ISMT is impacted. Since Jindal Saw constitutes a very small share in total production. The average of the two is showing a decline.
- bb. ISMT's annual report of 2019-20 stated that it suffered losses due to huge investment in captive power plants and in ports & power projects. Further, it also invested in expanding the capacity of Baramati plant, which remains underutilized. However, other two producers have gained profits. ISMT is the only industry which is incurring losses due to other reason and not due to imports from China PR.
- cc. ISMT is incurring losses since 2012-13 while other petitioners are making profit. As per annual report of ISMT for 2012-13, the company incurred losses due to increased borrowing and high rate of interest of finance cost, which affected the domestic market situation and market faced with uncertain economic situations.
- dd. Bank Of Maharashtra initiated Corporate Insolvency Resolution Process (CIRP) against ISMT Limited and they were declared as bankrupt. They were still making losses even after the duty was already in place which clearly demonstrates that imports from China PR are not the cause behind the loss sustained by them.

- ee. ISMT's annual report 2019-20 also stated that the loss was incurred due to slow down of auto sector, slowdown in capex cycles, poor market situation and temporary suspension of plants operation due to Covid-19. ISMT is trying to restrict imports from China PR in order to recover losses due to shut down. Also, delay in restructuring of debt of the company contributed to continued losses.
- ff. Jindal Saw Limited also incurred losses due to Covid-19 as per unaudited financial results for the 2<sup>nd</sup> quarter year ending 2020. Due to Covid-19 lockdown, there was downward trend in the performance of the petitioners, which proves that injury to the domestic industry was not due to imports.
- gg. The production of the domestic industry declined due to Covid-19, as was admitted by the domestic industry in the application.
- hh. The low demand and productivity, disruption of operational and supply chain and potentially tightening credit markets and health of the work force due to Covid-19 has affected the domestic industry.
- ii. Domestic industry's sales increased during the period of investigation. Their highest sales were recorded during 2017-18 and exports also increased. However, during the period of investigation, the sales were impacted due to covid 19 not because of imports.
- jj. The Authority must conduct detailed verification to ensure that costs are allocated only to the product under consideration and the non-injurious price is not inflated since the domestic industry produces Non-PUC as well.

### **H.3. Examination by the Authority**

56. The Authority has taken note of the arguments and counter-arguments of the interested parties with regard to injury to the domestic industry. The injury analysis by the Authority hereunder addresses the various submissions made by the interested parties.
57. Rule 11 of the Rules read with its Annexure-II thereto 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."
58. Rule 23 of the Rules provides that the provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, and 20 shall apply mutatis mutandis in case of a review. In case the performance of the domestic industry shows that it has not suffered injury during the current injury period, the Authority shall determine whether cessation of the present duty is likely to lead to recurrence of injury to the domestic industry.
59. Opposing interested parties have argued that the domestic industry has suffered injury due to the effect of other imports which comprise defectives. The opposing parties have said that the Authority must examine that the injury caused to the domestic industry by the

imports of defective and non-prime grade subject goods from third countries cannot be attributed to the imports of the subject goods from China PR. In this regard, the Authority notes that while the domestic industry acknowledges the adverse impact of other imports on its operations, it has also submitted that the injury during the POI is nevertheless attributable to the subject imports from the subject country because the defective imports from other sources had been priced lower throughout the injury period and despite the lower prices of such imports, the domestic industry had been able to maintain its market share and improve its profitability. On the other hand, the performance of the domestic industry has declined significantly during the POI when the subject imports from the subject country increased. The Authority has examined these aspects and is of the view that since the domestic industry has suffered adverse effects of import during the POI, it follows that the same cannot be attributed to import of defectives and non-prime grades, which showed such a significant increase in prices.

60. The Authority has examined current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject country. It has been examined as to whether there is an increase in imports, in absolute terms or in relation to production or consumption. 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 Rules. The Authority has taken note of various submissions of the domestic industry and other interested parties and has 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 parties.

**I. Assessment of demand / apparent consumption**

61. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product under consideration in India as the sum of domestic sales of the domestic industry and other Indian producers and imports from all sources. The demand so assessed is given in the table below.

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annualised
Domestic industry	MT	****	****	****	****	****
Trend	Indexed	100	157	155	119	119

Other Indian producers	MT	****	****	****	****	****
Trend	Indexed	100	140	171	150	150
Subject imports	MT	36,065	24,458	26,722	1,10,442	73,628
Other imports	MT	42,902	85,806	78,156	1,71,483	1,14,322
Demand	MT	****	****	****	****	****
Trend	Indexed	100	147	158	154	154

62. It is seen that the demand for the subject goods had been steadily increasing throughout the injury period and has declined marginally during the period of investigation. The applicants have submitted that such declined is due to the impact of Covid-19 pandemic and is temporary.

## II. Volume effect of the dumped imports

63. 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 procured from DGCI&S. The import volumes of the subject goods from the subject country and share of the dumped imports during the injury investigation period are as follows:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annl.
Subject imports	MT	36,065	24,458	26,722	1,10,442	73,628
Other imports	MT	42,902	85,806	78,156	1,71,483	1,14,322
Total	MT	78,967	1,10,264	1,04,878	2,81,924	1,87,950
Imports in relation to						
Domestic production	%	****	****	****	****	****
Consumption	%	****	****	****	****	****
Total Imports	%	45.67	22.18	25.48	39.17	39.17

64. It is seen that:

- The volume of subject imports declined in 2017-18 but increased marginally in 2018-19. However, the imports have increased significantly in the period of investigation.
- The subject imports have in relation to domestic production and consumption also declined in 2017-18, increased slightly in the 2018-19 and then increased substantially in the period of investigation.
- The share of subject imports in total imports declined in 2017-18 but increased thereafter and in the period of investigation.

### III. Price effect of the dumped imports

65. In terms of Annexure II (ii) of the Rules, 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. In this regard, a comparison has been made between the landed price of imports from the subject country with the net sales realization of domestic industry for the subject goods.

#### a. Price undercutting

66. To determine price undercutting, a comparison has been made between the landed value of the product and average selling price of the domestic industry, net of all rebates and taxes, at the same level of trade. The prices of the domestic industry were determined at the ex-factory level. In order to ensure a fair comparison, the Authority has calculated the PCN-wise price undercutting.

Particulars	Unit	POI
Net sales realization	Rs./MT	****
Landed price of imports	Rs./MT	79,557
Price undercutting	Rs./MT	****
Price undercutting	%	****
Price undercutting	Range	0-10

67. It is noted that price undercutting is marginally positive for the subject country in the period of investigation.

#### b. Price suppression/depression

68. In order to determine whether the effect of imports depress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the information given by the domestic industry for the changes in the costs and prices over the injury period has been compared with the landed value to see the desired effect.

Particulars	Unit	2016-17	2017-18	2018-19	POI
Cost of sales	Rs./MT	****	****	****	****
Trend	Indexed	100	91	108	110
Selling price	Rs./MT	****	****	****	****
Trend	Indexed	100	107	129	122
Landed price	Rs./MT	51,013	65,592	78,296	79,557
Trend	Indexed	100	129	153	156

69. It is noted that both the cost of sales and the selling price have increased during the injury period, and the increase in selling price is comparable to the increase in cost. However, it is seen that the cost of sales declined in 2017-18, but has been increasing thereafter. By comparison, the selling price has increased till 2018-19, but declined in period of investigation. Further, the landed price of imports remains below the cost of sales of the domestic industry. Thus, the imports have depressed the prices of the domestic industry.

#### **IV. Economic parameters of the domestic industry**

70. Annexure II to the Anti-Dumping Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on the domestic producers of such products. With regard to consequent impact of dumped imports on the domestic producers of such products, the Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on capital employed 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. The various injury parameters relating to the domestic industry are discussed hereinbelow.

##### **a. Production, capacity, capacity utilization and sales volumes**

71. The performance of the domestic industry with regard to capacity, production, sales and capacity utilization over the injury period was as below:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annl.
Capacity	MT	****	****	****	****	****
Trend	Indexed	100	104	115	115	115
Production - Plant	MT	****	****	****	****	****
Trend	Indexed	100	167	170	129	129
Production - PUC	MT	****	****	****	****	****
Trend	Indexed	100	167	170	127	127
Capacity utilization	%	****	****	****	****	****
Trend	Indexed	100	161	148	112	112
Domestic sales	MT	****	****	****	****	****
Trend	Indexed	100	157	155	119	119

72. The Authority notes that:

- i. The capacity of the domestic industry has increased over the injury period.
- ii. The production and sales of the domestic industry increased till 2018-19 but declined during the period of investigation.
- iii. The capacity utilization of the domestic industry has declined.
- iv. While the demand for the subject goods has declined by only 3%, the domestic sales of the domestic industry have declined by 23%.

**b. Market share**

73. Market share of the dumped imports and domestic industry have been examined as below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Domestic industry	%	****	****	****	****
Other producers	%	****	****	****	****
Subject imports	%	8.25	3.81	3.87	10.95
Other imports	%	9.81	13.36	11.31	17.00

74. It is seen that the market share of the subject imports declined in 2017-18 but has increased thereafter, and the increase during the period of investigation is significant. Further, the market share of the domestic industry increased in 2017-18 but has declined significantly thereafter. The market share of the Indian industry as a whole has also declined during the period of investigation. However, the market share of other imports has also increased during this period.

**c. Inventories**

75. Inventory position of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI
Opening stock	MT	****	****	****	****
Closing stock	MT	****	****	****	****
Average stock	MT	****	****	****	****
Trend	Indexed	100	108	124	132

76. It is noted that the inventories of the domestic industry have increased over the injury period, indicating that the domestic industry is suffering accumulation of inventories.

**d. Profitability, cash profits and return on capital employed**

77. Profits, return on capital employed and cash profits of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annl.
Cost of sales	Rs./MT	****	****	****	****	****
Trend	Indexed	100	91	108	110	110
Selling price	Rs./MT	****	****	****	****	****
Trend	Indexed	100	107	129	122	122
Profit / (loss)	Rs./MT	(****)	(****)	(****)	(****)	(****)
Trend	Indexed	(100)	(14)	(4)	(46)	(46)
Profit / (loss)	Rs. Lacs	(****)	(****)	(****)	(****)	(****)
Trend	Indexed	(100)	(22)	(7)	(55)	(55)
Cash profits	Rs. Lacs	(****)	****	****	(****)	(****)
Trend	Indexed	(100)	36	62	(17)	(17)
Return on capital employed	%	(****)	****	****	****	****
Trend	Indexed	(100)	270	358	167	167

78. The Authority notes that the domestic industry was suffering losses throughout the injury period. Though the losses declined till 2018-19, they have increased significantly during the period of investigation. The domestic industry has also suffered deterioration in cash profits and return on capital employed in the period of investigation. The domestic industry has suffered cash losses during the period of investigation and has been able to earn only a negligible return on capital employed.

**b. Employment, wages and productivity**

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

Particulars	Unit	2016-17	2017-18	2018-19	POI	
					Actual	Annl.
No of employees	Nos	****	****	****	****	****
Trend	Indexed	100	106	113	111	111
Productivity per day	MT/Day	****	****	****	****	****
Trend	Indexed	100	167	170	129	129
Productivity per employee	MT/Nos	****	****	****	****	****
Trend	Indexed	100	158	100	115	115
Wages	Rs. Lacs	****	****	****	****	****
Trend	Indexed	100	122	149	162	162

80. It is seen that number of employees of the domestic industry increased till 2018-19, but have declined in the period of investigation whereas total wages have increased over the

injury period. While productivity per day increased till 2018-19, it has declined during the period of investigation due to decline in production.

**c. Growth**

Particulars	Unit	2016-17	2017-18	2018-19	POI
Capacity	%	-	4%	11%	0%
Production	%	-	67%	1%	-25%
Domestic sales	%	-	57%	-1%	-23%
Profit/(loss) per unit	%	-	86%	68%	-945%
Cash profits	%	-	136%	71%	-128%
Return on capital employed	%	-	370%	33%	-53%

81. It is noted that the volume parameters of the domestic industry increased initially but have significantly declined in the period of investigation. The profitability parameters of the domestic industry have also witnessed a significant decline during the period of investigation after witnessing improvement till preceding year. Further, the domestic industry has remained in losses throughout the period.

**d. Ability to raise capital investment**

82. It is noted that although the capacity of the domestic industry has increased, it has suffered significant losses and recorded a decline in return on capital employed. The domestic industry has earned a very meagre return on capital employed. This shows that imports have impacted the ability of the domestic industry to raise capital investment.

**e. Factors affecting prices**

83. The Authority notes that the subject imports are priced below the cost of sales and selling price of the domestic industry and the domestic industry has sold the subject goods at a loss. The subject imports have depressed the prices of the domestic industry. It can, thus, be concluded that the subject imports are affecting the prices of the domestic industry.

**f. Magnitude of dumping**

84. It is seen that there is continued dumping of subject goods in India despite the anti-dumping duties in force.

**V. Overall assessment of injury**

85. The examination of the imports from the subject country and performance of the domestic industry clearly show that:

- i. The volume of imports from the subject country has increased both in absolute terms and in relation to production and consumption.
- ii. The price undercutting is marginally positive, and the domestic industry is competing with the price of imports.
- iii. The imports depressed the prices of the domestic industry.
- iv. The production, capacity utilization and sales of the domestic industry increased till 2018-19 but have declined during the period of investigation.
- v. The market share of the Indian industry increased till 2017-18 but has declined significantly in the period of investigation, while the market share of the subject imports has increased.
- vi. Volume of inventories with the domestic industry has increased over the injury period.
- vii. The number of employees and productivity of the domestic industry have declined in the period of investigation whereas total wages have increased over the injury period.
- viii. The profitability of the domestic industry has deteriorated, and the domestic industry is suffering losses and cash losses.
- ix. The domestic industry is earning a negligible return on capital employed.
- x. The growth of the domestic industry in terms of volume and profitability parameters is negative.
- xi. The imports have impacted the ability of the domestic industry to raise capital investment.
- xii. The imports are affecting the prices of the domestic industry.
- xiii. The dumping margin is positive and significant.

86. In view of the foregoing, the Authority, has noted that the domestic industry has suffered material injury.

**I. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY**

87. The Authority observes that this is a sunset review investigation, the focus of this investigation is to examine the likely scenario of continued dumping and consequent injury if anti-dumping duties are allowed to expire even if there is no current injury. This also requires a consideration of whether the duty imposed is serving the intended purpose of eliminating injurious dumping.

88. All factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of continuation or recurrence of dumping or injury in the event of cessation of the duty. The Authority has considered various information, as made available by the domestic industry, in order to evaluate the likelihood of continuation or recurrence of dumping or injury.

89. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter-alia, for factors which are required to be taken into consideration, viz.:

- i. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
- ii. Sufficient freely disposable, or an imminent, substantial increase in, capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
- iii. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
- iv. Inventories of the article being investigated.

90. Further, the Authority has also examined other relevant factors having a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry. The examination of the parameters of likelihood is as follows.

**b. Continued dumping**

91. The Authority notes that there is continued and significant dumping of the subject goods from the subject country, in spite of the duties in force. The Applicants claim that dumping during the existence of duties indicates likelihood of continuation of dumping in the event of cessation of anti-dumping duty.

**b. Third country dumping**

92. The Applicants claim that the producers / exporters in the subject country are dumping the subject goods in third countries as well in addition to India. Significant exports to third countries by the subject country are at dumped prices which are to the tune of 29% or 4,79,520 MT out of the total exports from China PR. Further, 17% or 2,82,809 MT of the total exports from China PR to third countries are at injurious prices.

<b>Particulars</b>	<b>Volume (MT)</b>
Total exports from China PR	16,58,947
Exports to third countries at dumped prices	4,79,520
% of exports at dumped prices	29%
Exports to third country at injurious prices	2,82,809
% of exports at injurious prices	17%
Demand in India	10,08,732
Dumped imports as % of total demand	48%
Injurious imports as % of total demand	28%

**c. Price attractiveness of Indian market**

93. The Applicants claim that 4,79,520 MT or 29% of exports from the subject country to other countries are at prices lower than the prices prevailing in the Indian market. This implies that India is lucrative market for the producers in the subject country. Expiry of anti-dumping is likely to result in the producers diverting such exports to the Indian market.

Export to third countries by the participating producer/exporters

The Authority has examined the volume and value of exports from the subject country from the responses filed by the exporters. It is noted that the producers / exporters in the subject country are dumping the subject goods in third countries as well. 98.6 % of exports by the responding exporters are at dumped prices, totaling to 519917 MT. It is also noted that significant exports have been made at prices lower than the price prevailing in India. In the event of expiry of duty, such exports are likely to be diverted to the price attractive Indian market.

Sl. No.	Name of Producer	Total Export to third countries	Export to third countries on positive Dumping margin	% of Dumped Export
		(MT)	(MT)	(%)
1.	Jiangsu Chengde Steel Tube Share Co. Limited, China PR	****	****	37%
	Taizhou Chengde Steel Tube Co. Limited, China PR			
2.	Changzhou Changbao Precision and Special Steel Tube Co. Limited, China PR	****	****	26%
	Jiangsu Changbao Precision Steel Tube Co. Limited, China PR			
	Jiangsu Changbao Steel Tube Limited Co., China PR			
3.	Hengyang Valin Steel Tube Co. Limited, China PR	****	****	100%
	Hengyang Valin MPM Co. Limited, China PR			

	<b>Total</b>	****	****	<b>98.6%</b>
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**d. Increase in volume of imports despite anti-dumping duty**

94. The Applicants claim that the volume of imports from the subject country have increased despite duties which suggests that the imports are likely to increase further in the event of cessation of duty. Further, the rate of increase of subject imports is much higher than the rate of increase in demand during the same period.

Particulars	2016-17	2017-18	2018-19	POI (A)
Subject imports	36,065	24,458	26,722	73,628
Change (year on year)	-	-32%	9%	176%
Over the period	-	-	-	104%
Demand	4,37,324	6,42,288	6,91,122	6,72,488
Change (year on year)	-	47%	8%	-3%
Over the period	-	-	-	54%

**e. Significant idle capacities with producers in China PR**

95. The Applicants have submitted that the producers in China PR account for 24 million MT of production of subject goods, which comprises 60% of total global production. It is also noted that the producers in the subject country have significantly underutilized capacities, and such idle capacities are much higher than the total demand in India. In the event of the cessation of present duties, such idle capacities are likely to be diverted to India since India is a prominent market for such exporters.

*Figures in '000 MT*

Particulars	2016	2017	2018	2019
Capacity	45,370	44,240	43,100	41,150
Production	25,270	26,100	24,828	27,984
Idle capacity	20,100	18,140	18,272	13,166
Idle capacity (%)	44%	41%	42%	32%
Idle capacity in relation to demand in India (%)	-	-	-	1305%

**f. Capacities set up for the purpose of exports**

96. The Applicants claim that the producers in the subject country have set up capacities with the intention of exporting the subject goods since such capacities extend beyond the total consumption in the country.

*Figures in '000 MT*

Particulars	2016	2017	2018	2019
Capacity	45,370	44,240	43,100	41,150
Consumption	19,687	21,138	20,141	22,373
Capacity intended for exports	25,690	23,110	22,960	18,780
Capacity intended for exports (%)	57%	52%	53%	46%
Exportable capacity in relation to Indian demand (%)	-	-	-	2793%

**g. Increase in inventories with the producers in China PR**

97. The Applicants claim that based on the information submitted by the responding producers / exporters, notes that such producers / exporters have accumulated significant inventories over the injury period.

Name of the company	Unit	2016-17	2017-18	2018-19	POI
Jiangsu Chengde Steel Tube Share Co. Limited	Indexed	100	460	537	548
Taizhou Chengde Steel Tube Co. Limited	Indexed	100	301	889	806
Changzhou Changbao Precision and Special Steel Tube Co. Limited	Indexed	93	76	99	100

**h. Imposition of trade remedial measures by third countries**

98. The Applicants have submitted that the producers from China PR are subject to anti-dumping duties in various third countries including European Union, Canada, Brazil, Columbia, Mexico, Ukraine, Russia and USA, as specified in the table below. Therefore, producers from subject country are not only dumping in India but are also exporting to third countries at dumped prices. This highlights the tendency of the producers from the subject country to dump the subject goods.

S. No.	Country	Product	Date of imposition of measure
1.	European Union	Seamless pipes and tubes (other than cast iron or stainless steel)	22-5-2017
2.	Canada	Oil country tubular goods, including casing and tubing, welded or seamless	3-7-2020
3.	Brazil	Certain types of carbon steel pipes and tubes	21-7-2016
4.	Columbia	Iron or steel tubes and pipes	22-6-2017
5.	Mexico	Seamless pipes and tubes	13-12-2019

6.	Ukraine	Steel seamless hot-deformed pipes	22-5-2020
7.	Eurasian Economic Corporation	Seamless steel pipes	18-8-2015
8.	USA (CVD)	Seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in outside diameter	3-6-2016 (continued in 2021)

**i. Prominence of India as a market**

99. The Applicants claim that India is the third largest export market for producers in China PR, despite existing anti-dumping duties, showing that India continues to be an important market for the producers in the subject country and in the event of cessation of duty, the volume of imports is likely to increase further.

Country	Volume of exports (MT)	Share
Kuwait	1,68,950	10%
Korea RP	1,45,880	9%
India	1,32,661	8%
Thailand	87,381	5%
Oman	69,379	4%
Others	10,54,696	64%
Total	16,58,947	100%

**j. Imports at injurious prices**

100. It is seen that the subject imports have entered the Indian market at injurious prices and below the cost of production, which indicates that imports are likely to adversely impact the domestic industry in the event of expiry of duty.

**J. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS**

101. As per the Rules, the Authority, inter alia, is required to examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, so that the injury caused by these other factors may not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at 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 has been examined below whether factors other than dumped imports could have contributed to the injury to the domestic industry.

**a. Volume and prices of imports from third countries**

102. The Applicants have claimed other than the subject imports, there are significant imports at low prices from USA, Ukraine and UAE. However, the applicants submit that such imports are of defectives, secondary-grade or stock lots and while they have impacted the domestic industry, the current injury to the domestic is only due to the dumped imports. The Authority notes that the imports from other countries may also be simultaneously causing injury to the domestic industry. However, the evidence on record clearly shows a causal link between dumping of goods from the subject country and injury to the domestic industry. Further, the information on record also shows that the subject imports are likely to cause further injury to the domestic industry if the duties are allowed to expire.

**b. Contraction in demand**

103. The Authority notes that the demand for the subject goods increased consistently through the injury period but has declined marginally due to the impact of Covid-19 which is temporary, as claimed by the applicants.

**c. Pattern of consumption**

104. It is noted that there is no change in the pattern consumption of the subject goods, which could have caused injury to the domestic industry.

**d. Conditions of competition and trade restrictive practices**

105. The Authority notes that the investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.

**e. Developments in technology**

106. It is noted that the technology for producing subject goods has not undergone any change and, therefore, is not likely to cause injury to the domestic industry.

**f. Productivity**

107. The Authority notes that the productivity of the domestic industry has increased over the injury period but has declined during the period of investigation. The applicants have claimed that such decline is due to the decline in the production.

**g. Export performance of the domestic industry**

108. The Authority notes that the injury information examined hereinabove relates only to the performance of the domestic industry in terms of its domestic market. Thus, the injury

suffered cannot be attributed to the export performance of the domestic industry.

#### **h. Performance of other products**

109. The Authority has only considered data relating to the performance of the subject goods. Therefore, performance of other products produced and sold is not a possible cause of the injury to the domestic industry.

#### **K.1. Conclusions on causal link**

110. While other known factors listed under the Rules have not caused injury to the domestic industry, the Authority notes that the following parameters show that injury to the domestic industry is caused by the dumped imports.

- a. Despite duties, there is continued dumping of the subject goods, which has increased the demand for the subject imports.
- b. Imports have increased in both absolute and relative terms.
- c. As a result, domestic sales and market share of the domestic industry have declined in the period of investigation.
- d. The production, sales and capacity utilisation of the domestic industry have also declined.
- e. The imports have depressed the prices of the domestic industry.
- f. As a result, the profitability of the domestic industry has deteriorated and it is incurring losses, cash losses and recorded a declining return on capital employed.

111. The Authority, thus, concludes that there exists a causal link between the dumping of the subject goods and injury to the domestic industry.

#### **K. MAGNITUDE OF INJURY MARGIN**

112. The Authority has determined the non-injurious price for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The non-injurious price of the product under consideration has been determined by adopting the verified information/data relating to the cost of production for the period of investigation. The non-injurious price has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the non-injurious price, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilisation of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and being followed.

113. Based on the landed price and non-injurious price determined as above, the injury margin for producers/exporters has been determined by the Authority and the same is provided in the table below.

**Injury Margin Table**

S.No.	Name of Producer	NIP	Landed Value	Injury Margin	Injury Margin %	Injury Margin Range
		(USD/MT)	(USD/MT)	(USD/MT)		
1	<b>Jiangsu Chengde Steel Tube Share Co. Limited, China PR</b>					
	A-1-5	****	****	****	****	
	A-1-6	****	****	****	****	
	<b>Taizhou Chengde Steel Tube Co. Limited, China PR</b>					
	A-1-6	****	****	****	****	
	<b>Weighted average</b>	****	****	****	****	0-10
2	<b>Changzhou Changbao Precision and Special Steel Tube Co. Limited, China PR</b>					
	A-1-5	****	****	(****)	(****)	
	A-1-6	****	****	****	****	
	<b>Jiangsu Changbao Precision Steel Tube Co. Limited, China PR</b>					
	A-1-5	****	****	****	****	
	<b>Weighted average</b>	****	****	****	****	
	<b>Jiangsu Changbao Steel Tube Limited Co., China PR</b>					
	A-1-1	****	****	(****)	(****)	
	A-1-3	****	****	(****)	(****)	
	<b>Weighted average</b>	****	****	****	****	0-10
	3	<b>Hengyang Valin Steel Tube Co. Limited, China PR</b>				
A-1-5		****	****	****	****	
A-1-7		****	****	(****)	(****)	
<b>Hengyang Valin MPM Co. Limited, China PR</b>						
A-1-5		****	****	****	****	
	<b>Weighted average</b>	****	****	****	****	
4	<b>Other Producers and Exporters, China PR</b>	****	****	****	****	20-30

**L. POST-DISCLOSURE COMMENTS**

114. The Authority issued a disclosure statement on 22.07.2021 disclosing essential facts of the case and inviting comments from all the interested parties. The post-disclosure submissions have been received from the interested parties. Majority of the issues raised have already been raised earlier and also addressed appropriately. Additional submissions to the extent deemed relevant have been examined as under.

## L.1 Submissions of the Domestic Industry

115. It is not appropriate to assume that the producers in China PR are operating their plants at optimum levels, and at the lowest cost. Such an assumption is unreasonable and unfair to the domestic industry, and undermines the domestic producers. Therefore, it would be more realistic and reasonable to determine the normal value on the basis of the actual weighted average cost of production of the domestic industry.
116. Normal value has not been constructed for PCN A-1-4, presumably for the reason that the domestic industry did not produce it during the period of investigation. The normal value and non-injurious price can be constructed based on the cost of the closest PCN.
117. It is not necessary that the Authority determines price undercutting and injury margin for all the PCNs. The domestic industry refers to the established practice of the DGTR and EU in this regard.
118. In this regard, the domestic industry relies upon the practice codified in the Manual of Operating Procedures, which provides as under.

*“9.6.40. In a situation where export quantities include some of the PCNs, which have not been produced by the DI during the POI, then a Notional or Estimated NIP is to be computed for those PCNs. This notional NIP of PCN is computed based on the cost of the most similar PCN produced by the DI duly adjusted for the differences on merit. This notional NIP is subsequently used for determination of injury margin for that PCN.”*

119. Therefore, the Manual clearly provides that if the domestic industry has not produced a PCN, the non-injurious price for that PCN should be based on the cost of the most similar PCN produced by the domestic industry, duly adjusted. Same principle would apply to constructed normal value as well. Therefore the normal value and non-injurious price for A-1-4 may kindly be determined based on the cost of the nearest PCN.
120. The disclosure has no comments with regards to the analysis of likelihood of continuation of dumping or injury to the domestic industry by the Designated Authority.
121. Since due PCNs being involved in the present investigation, there cannot be normation of raw materials and utilities for the purpose of calculation of non-injurious price of the domestic industry. Therefore, the normation of formats cannot be applied in the present investigation.
122. The domestic industry requests the Authority to impose anti-dumping duty as a benchmark form of duty, after suitably increasing the same for the increase in raw material costs. The domestic industry accepts if the DGTR wishes to consider indexation of benchmark both for upward and downward revisions, depending on the movement in the input prices. However, under present benchmarks, when the raw material prices have already increased so significantly, the domestic industry would continue to suffer and the benchmarks would become inadequate. At the same time, when raw material prices decline, users would suffer.
123. The final findings in Antidumping investigation concerning imports of All Fully Drawn or Fully Oriented Yarn/Spin Draw Yarn/Flat Yarn from Indonesia, Korea, Malaysia and

Taiwan [NO.14/3/2005-DGAD], the Authority noted that the price undertaking was required to be revised for every +/- 5% increase in price of raw material. Evidently, the Authority considered that the price undercutting is required to be indexed to raw material prices.

124. The effect of anti-dumping measures on public interest must be studied from the perspective of interests of different set of parties – (a) the domestic producer of the product under consideration, (b) the domestic consumers of the product under consideration, (c) the upstream and downstream industries in both the producing and consuming industry, (d) the general public and (e) purpose/ objective of imposition of anti-dumping duties. When considered in this context, imposition of anti-dumping measure in the present case shall be in national interest.
125. The producers in China PR receive significant benefits directly as well as indirectly. The government of China PR is willing to extend significant support to the production of subject goods in the country. Therefore, duties may kindly be imposed on the subject goods, to offset the trade distortion caused.
126. If the duties are extended the outgoing foreign exchange would be conserved and would be a step towards a favourable balance of payment account of the country and reduction of dependence on imports.

## **L.2 Submissions of other interested parties**

127. There is no price effect due to imports from subject country during the injury investigation period.
128. The apprehension pertaining to accumulation of inventories with JSC and TZC is only due to examination of data in trend. Furthermore, comparison of inventory data to total sales quantity clarifies that the stock of inventory with the Respondent is miniscule.
129. The Authority has not considered post-POI data in conducting likelihood of injury analysis despite noting that it would examine the same in its Initiation Notification.
130. The Annual Report of ISMT Limited indicates unprofitable capital investments that were affected by government policies and slowdown in auto sector as the reason for loss or inadequate profits. Therefore, it is evident that the poor performance of the company is on account of its own intrinsic factors and due to reasons non-attributable to the subject imports from China PR.
131. The stark difference in the performance of ISMT Limited when compared to Jindal Saw and Maharashtra Seamless Limited clarifies that only ISMT Limited has been suffering significant losses due to factors non-attributable to the import of subject goods from China PR. Therefore, the Authority must examine the standalone performances of the domestic industry producers and supporters in the subject sunset review investigation.
132. Reference price based duty should be different for the participating producers/exporters and other producers/exporters from residual category.
133. The Authority should clearly and categorically record that the Authority for the present investigation has considered sales price between Hengyang Valin MPM Co., Ltd and Hengyang Valin Steel Tube Co. Ltd (not resale price to unrelated customer) for arriving at ex-factory export price. As per the questionnaire response, Hengyang Valin MPM Co.,

Ltd and Hengyang Valin Steel Tube Co. Ltd. are affiliated companies, and the sales price between the companies is not determined by the market but by the internal profit. Therefore, the Ex-Factory export price should be computed based on Hengyang Valin Steel Tube Co. Ltd's resale price to Indian customers (not considering the internal transactions).

### **L.3 Examination by the Authority**

134. With regard to the submission of Hengyang Valin MPM Co., Ltd and Hengyang Valin Steel Tube Co. Ltd that the ex-factory export price should be computed based on Hengyang Valin Steel Tube Co. Ltd resale price to Indian customers, it should be noted that as Authority is required to compute the net export price at the ex-factory level for the each producer. Accordingly, Authority has adopted the net export price at ex-factory level of each producer as per its consistent practice. Further, Hengyang Valin Steel Tube Co. Ltd is also a producer of subject goods and exporting the subject goods manufactured by itself. It has not been established that Hengyang Valin Steel Tube Co. Ltd is solely acting as a sales department for Hengyang Valin MPM Co., Ltd. In such case, profit & indirect SGA expenses of the related exporter/trader are additionally required to be reduced in addition to direct selling expenses while arriving at the net export price.
135. The submissions by the interested parties were mostly repetitive in nature, and have already been addressed at the relevant place in the finding. The Authority has examined the remaining submissions herein below.
136. Since the Authority has confirmed the margins disclosed vide the Disclosure Statement, no fresh disclosure is required.
137. The interested parties have claimed that there is no adverse price effect of imports. However, the Authority notes that the price undercutting is marginally positive. Further, while the cost of sales and selling price have improved compared to the base year, the cost of sales has increased compared to the preceding year, while the selling price has declined. The Authority notes that in the present case, the injury to the domestic industry has recurred. In view of the same, comparison cannot be made simply with the performance in the base year. Instead, performance in the period of investigation would have to be compared to the performance in the years when the performance of the domestic industry improved. Further, the imports are priced below the selling price and cost of sales of the domestic industry. Therefore, it is concluded that the imports are adversely affecting the prices of the domestic industry.
138. With regard to the contention that performance of ISMT Limited on a standalone basis should be considered, it is noted that the injury examination is carried out for domestic industry as a whole. As noted by the Appellate Body in United States – Anti-Dumping Measures on Certain Hot-Rolled Steel Products from Japan. *“investigating authorities are directed to investigate and examine imports in relation to the "domestic industry", the "domestic market for like products" and "domestic producers of [like] products". The investigation and examination must focus on the totality of the "domestic industry" and not simply on one part, sector or segment of the domestic industry.”* Therefore, the

performance of ISMT Limited alone would not be relevant. In any case, the data on record shows that the performance of both the producers improved initially but declined during the period of investigation,

139. With regard to non-participation of Maharashtra Seamless Limited (MSL), it is noted that in the present situation, the petitioners account for a major proportion, thereby constituting domestic industry under Rule 2(b). Therefore, the Designated Authority is not precluded from examining injury to the domestic industry due to non-participation of MSL.
140. The Authority further observes that even if MSL has not participated, it does not negate the finding that a major proportion of the total domestic production, represented by Jindal Saw Limited and ISMT Limited has suffered injury. As noted by the Panel in Argentina – Definitive Anti-Dumping Duties on Poultry from Brazil, “the reference to a major proportion suggests that there may be more than one "major proportion" for the purpose of defining "domestic industry".” Therefore, MSL may also constitute a major proportion, in addition to Jindal Saw Limited and ISMT Limited constituting a major proportion. However, Authority is required to examine the performance of the major proportion before it, which constitutes the domestic industry.

#### **M. INDIAN INDUSTRY’S INTEREST & OTHER ISSUES**

141. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The Interested parties have not established that imposition of duties is going to adversely impact the public interest.
142. It is recognized that the imposition of anti-dumping duty 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 measure, 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 measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

#### **PUBLIC INTEREST**

143. The Authority also examined as to whether the extension of the existing duty on imports of the product under investigation originating in or exported from the subject country would be against the larger public interest.
144. The Authority noted that it had issued Gazette Notification initiating the investigation for extension of the existing duty on imports of the product under investigation originating in

or exported from the subject country. This Gazette Notification is in the public domain. Through this Notification, the Authority had invited views from all the interested parties, including importers and users, on all aspects of the application submitted by the Domestic Industry for extension of the existing anti dumping duty. It was specifically mentioned in the Initiation Notification that all the interested parties were advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses and offer their comments to the domestic industry's application within the prescribed limit from the date of publication of the Notification. Further, on the DGTR website, questionnaires for importers and users are also available. Questionnaire for users invites comment from them, inter-alia, on the comparability of the product under investigation imported from the country concerned with that produced in India, identifying any differences (e.g., technical or physical characteristics, prices, uses, etc); whether their company would be in favour of the imposition of antidumping measures or against and are there products that could be easily substituted for the product under investigation.

145. The Authority notes that none of the importers/users have filed any questionnaire response. Therefore, no evidence has been put forward by the importers and consumers in India in the form of questionnaire response showing that the existence of anti dumping duty on the subject goods over the last five years has had any significant adverse effect either on the consumers or on the public at large. However, two users filed only written submissions in opposition to the request for extension of the duty. They have contended and put forward their point of view that there is no current dumping and injury to the domestic industry and also that there is no likelihood of dumping and injury to the domestic industry. In the light of the legal submissions of these two users, the Authority has also addressed the public interest issue and examined appropriately their submissions regarding current and likely dumping and injury to arrive at its final findings.

## **N. CONCLUSION**

146. Having regard to the contentions raised, information provided, submissions made and facts available before the Authority as recorded in the above findings and on the basis of the above analysis of the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority concludes that:

- i. There is continued and significant dumping of the subject goods from the subject country in spite of the duties in force. The dumping margin and injury margin are positive and significant.
- ii. The imports have depressed the prices of the domestic industry.
- iii. The production, capacity utilization and sales of the domestic industry have declined during the period of investigation.
- iv. The profitability of the domestic industry has deteriorated, and the domestic industry is suffering losses and cash losses.
- v. The domestic industry is earning a negligible return on capital employed.

- vi. The growth of the domestic industry in terms of volume and profitability parameters is negative.
- vii. The imports have impacted the ability of the domestic industry to raise capital investment.
- viii. Significant exports to third countries by the subject country are at dumped prices which are to the tune of 29% out of the total exports from China PR. Further, 17% of the total exports from China PR to third countries are at injurious prices.
- ix. More than 90% of the exports by the responding exporters to third countries are at dumped prices.
- x. There are significant idle capacities with producers in China.
- xi. The information on record also shows there is strong likelihood of continuation/recurrence of dumping and injury in case the anti-dumping duty in force is allowed to cease at this stage.

## O. RECOMMENDATIONS

147. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers/users and other interested parties to provide information on the aspects of dumping, injury and the causal link and likelihood of continuation or recurrence of dumping and injury. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Rules, the Authority is of the view that continued imposition of Anti-Dumping Duty is required on the imports of the subject goods originating in or exported from the subject country.

148. Under these circumstances, the Designated Authority considers it appropriate to recommend continuation of existing anti-dumping duty on the imports of the subject goods originating in or exported from the subject country. The Authority, recommends continuation of existing anti-dumping duty imposed vide Notification No. 7/2017-Customs (ADD) dated 17th February, 2017. Therefore, the anti-dumping duty as per the duty table given 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, as detailed in column 3 of the duty table, originating in or exported from subject country for a further period of five years.

### DUTY TABLE

Sr. No.	Heading	Product Description	Country of Origin	Country of Export	Producer	PCN	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	7304	Seamless tubes, pipes & hollow profiles of	People's Republic of China	People's Republic of China	Jiangsu Chengde Steel Tube	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar

Sr. No.	Heading	Product Description	Country of Origin	Country of Export	Producer	PCN	Amount	Unit	Currency
		iron, alloy or non-alloy steel (other than cast iron and stainless steel), whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14'' OD*			Share Co. Limited, China PR	A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
2	-do-	-do-	People's Republic of China	People's Republic of China	Taizhou Chengde Steel Tube Co. Limited, China PR	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
3	-do-	-do-	People's Republic of China	People's Republic of China	Changzhou Changba Precision and Special Steel Tube Co. Limited, China PR	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
4	-do-	-do-	People's Republic of China	People's Republic of China	Jiangsu Changba Precision Steel Tube Co. Limited, China PR	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
5	-do-	-do-	People's Republic of China	People's Republic of China	Jiangsu Changba Steel Tube	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar

Sr. No.	Heading	Product Description	Country of Origin	Country of Export	Producer	PCN	Amount	Unit	Currency
					Limited Co., China PR	A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
6	-do-	-do-	People's Republic of China	People's Republic of China	Hengyan g Valin Steel Tube Co. Limited, China PR	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
7	-do-	-do-	People's Republic of China	People's Republic of China	Hengyan g Valin MPM Co. Limited, China PR	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
8	-do-	-do-	People's Republic of China	People's Republic of China	Any other combination other than SI . No. 1 to 7	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
9	-do-	-do-	Any country other than People's Republic of China	People's Republic of China	Any other combination other than SI . No. 1 to 7	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar
10	-do-	-do-	People's Republic of China	Any country other than People's Republic of China	Any other combination other than SI . No. 1 to 7	A-1-1	1,194.60	MT	US Dollar
						A-1-2	1,075.28	MT	US Dollar
						A-1-3	1,383.44	MT	US Dollar
						A-1-4	1,178.73	MT	US Dollar
						A-1-5	961.33	MT	US Dollar
						A-1-6	1,193.77	MT	US Dollar
						A-1-7	1,462.00	MT	US Dollar
						A-1-8	1,610.67	MT	US Dollar

\* The description of goods does not include the imports of the following :-

- i. Seamless Pipes and Tubes made of cast iron and stainless steel.
- ii. Seamless alloy-steel pipes, tubes and hollow profiles of specifications of ASTM A213/ASME SA 213 and ASTM A335/ ASME SA 335 or equivalent BIS/DIN/BS/EN or any other equivalent specifications.
- iii. Non - API and Premium Joints / Premium Connections / Premium Threaded Tubes and Pipes.
- iv. All 13 Chromium (13CR) Grade Tubes and Pipes.
- v. Drill Collars.
- vi. High pressure seamless steel pipe/tube used for manufacturing gas cylinders by producers approved by the Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Government of India.

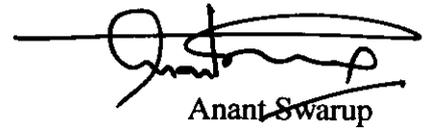
PCN	Description of PUC
A-1-1	Seamless Tubing, of a kind used in drilling for oil or gas, Carbon/Non-Alloy/ Alloy, hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD
A-1-2	Seamless Casing, of a kind used in drilling for oil or gas, Carbon/Non-Alloy/ Alloy, hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD
A-1-3	Seamless Mother Hollows, coupling stock, blanks/ Pup Joints, Carbon/ Non-Alloy/ Alloy, hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD
A-1-4	Seamless Drill Pipes, of a kind used in drilling for oil or gas, Carbon/Non-Alloy, hot finished of an external diameter not exceeding 355.6 mm or 14" OD
A-1-5	Seamless Tubes, Pipes and hollow profiles including Line pipes of Carbon/Non alloy steel, hot finished of an external diameter not exceeding 355.6 mm or 14" OD
A-1-6	Seamless Tubes, Pipes and hollow profiles of circular cross section including Line pipes of Carbon/Non alloy steel, cold drawn or cold rolled or cold reduced of an external diameter not exceeding 355.6 mm or 14" OD
A-1-7	Seamless Tubes, Pipes and hollow profiles of circular cross section including Line pipes and Bearing tubes of Alloy steel, hot finished, of an external diameter not exceeding 355.6 mm or 14" OD
A-1-8	Seamless Tubes, Pipes and hollow profiles of circular cross section including Line pipes and Bearing tubes of Alloy steel, cold drawn or cold rolled or cold reduced, of an external diameter not exceeding 355.6 mm or 14" OD

149. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the customs under the customs Act, 1962 (52 of 1962) and includes all

duties of customs except duties under sections 3, 8B, 9 and 9A of the Customs Tariff Act, 1975 as amended from time to time.

**P. FURTHER PROCEDURE**

150. An appeal against these findings after its acceptance by the Central Government shall lie before the customs Excise and Service tax Appellate Tribunal in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff Rules, 1995.



Anant Swarup

Joint Secretary & Designated Authority