

To be published in Part-I Section I of the Gazette of India Extraordinary

F.No.7/28/2019-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001

Dated: 6th August, 2020

NOTIFICATION

FINAL FINDINGS

CASE NO: (SSR) 16/2019

Subject: Sunset Review Investigation of Anti-Dumping duty imposed on imports of “Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)” originating in or exported from Korea RP

A. BACKGROUND OF THE CASE

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 Anti-Dumping 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.

1. The Designated Authority (hereinafter referred to as the “Authority”) received a joint application dated 27th November, 2019 from M/s Gujarat Alkalies & Chemicals Limited and M/s Grasim Industries Limited (hereinafter also referred to as the “Applicants”) requesting initiation of sunset review of anti-dumping duty (ADD) under the Act and the Rules on imports of “Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)”, (hereinafter also referred to as “subject goods” or “product under consideration” or “PUC”) originating in or exported from Korea RP (hereinafter referred to as “subject country”).
2. The original investigation was initiated on 12th November, 2008 to examine the nature and the extent of dumping and its injurious effect on the domestic industry with respect to Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade) originating in or exported from Korea RP. The Authority vide its Preliminary Findings No.14/7/2007-DGAD dated 24th April, 2009 recommended imposition of provisional duty against the dumped imports of the subject goods from the subject

country, which was imposed vide Customs Notification No. 74/2009 – Customs dated 22nd June, 2009. Thereafter, the Authority, vide its Final Findings No. 14/07/2007-DGAD dated 11th November, 2009, found that the subject goods had been exported from the subject country at dumped prices, causing injury to the domestic industry. Therefore, the Authority recommended imposition of ADD, which were given effect vide Customs Notification No. 140/2009 – Customs dated 15th December, 2009 for a period of five years.

3. The Authority initiated a sunset review on 20th June, 2014. Pending the conclusion of the investigation, the duties in force were extended upto 21st June, 2015, vide Notification No. 32/2014 – Customs (ADD) dated 23rd July, 2014. The Authority, vide Notification No.15/7/2014-DGAD dated 19th June, 2015, recommended continued imposition of definitive anti-dumping duties against the imports of subject goods from subject country. The findings of the Authority were given effect vide Customs Notification No. 45/2015 – Customs (ADD) dated 24th August, 2015 and duties were continued till 23rd August 2020.
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 duty 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 duty is likely to lead to continuation or recurrence of dumping and injury.
6. The Applicants filed an application dated 27th November, 2019 requesting initiation of sunset review of anti-dumping duty imposed earlier and seeking continuation of anti-dumping duty against imports of Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade) from Korea RP. 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. 7/28/2019-DGTR dated 27th December, 2019 to review the need for continued imposition of ADD in respect of the subject goods, originating in or exported from the subject country and to examine whether the expiry of the said ADD is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

B. PROCEDURE

8. The scope of the present review covers all aspects of the Final Findings No. 14/07/2007-DGAD dated 11th November, 2009 and Final Findings Notification 15/7/2014-DGAD dated 19th June, 2015, by which imposition and continuation of anti-dumping duty on imports of subject goods originating in or exported from the subject country had been recommended respectively.
9. The procedure described herein below has been followed:
 - i. The Authority vide Notification No. 7/28/2019-DGTR dated 27th December, 2019 published a public notice in the Gazette of India, Extraordinary, initiating sunset review investigation against imports of the subject goods 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 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) Altechkorea Corporation
 - b) Apex Corporation
 - c) All A Trading Corporation
 - d) BR Corporation
 - e) Canko Marketing, Inc.
 - f) DC Chemicals Company Limited
 - g) Entro Corporation
 - h) Metachem Corporation
 - i) Miracle Breakers Company Limited
 - j) OCI Company Limited
 - k) SebitChem Company Limited
 - l) Semyoung Tech Company Limited
- vi. The Government of the subject country, through its 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 subject country along with the names and addresses of the known producers/ exporters from the respective subject country.
- vii. None of the producer/exporter from Korea RP filed a response to the exporter questionnaire.
- viii. The Authority forwarded a copy of the Notification to the following known importers/ users of subject goods in India calling for necessary information, in accordance with Rule 6(4) of the Rules:
- a) Albright & Wilson Chemicals Limited
 - b) Berger Auto & Industrial Coatings Limited
 - c) Betzdearborn India Private Limited
 - d) Bharat Electronics Limited
 - e) Bhavita Chemicals Private Limited
 - f) Carborandum Universal Limited
 - g) C.J. Shah & Company
 - h) Excel Industries Limited
 - i) Fertilizers and Chemicals Travancore Limited
 - j) Hind Lever Chemicals Limited
 - k) ICI India Limited
 - l) Jaydip Agencies
 - m) LG Electronic India Private Limited

- n) Mangalore Chemicals & Fertilizers Limited
 - o) Pharmachem Traders Private Limited
 - p) Reliance Industries Limited
 - q) SudeepPharma Limited
 - r) ToniraPharma Limited
 - s) Torrent Pharmaceuticals Limited
 - t) TosifSilktex
- ix. The following importer/user has filed Questionnaire response in the present investigation:
- a) Sandeep Organics Private Limited
- x. The period of investigation (POI) for the purpose of the present investigation is April 2018-June 2019 (15 months). The injury analysis period covers April 2015-March 2016, April 2016- March 2017, April 2017- March 2018 and the POI.
- xi. Transaction-wise imports data for the POI and the preceding three years was procured from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and Directorate General of Systems (DGS). The Authority has, relied upon data of DGCI&S and DGS for calculating the volume and value of imports of the subject goods in India.
- xii. Further information was sought from the Applicants to the extent deemed necessary. Verification of the data provided by domestic industry was conducted to the extent considered necessary for the purpose of present investigation.
- xiii. The Authority made available the non-confidential version of the submissions made by various interested parties in the form of a public file kept open for inspection by the interested parties.
- xiv. The domestic industry has submitted financial data duly certified by their Chartered/Cost Accountant. The Non-injurious Price (NIP) based on the optimum cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the Rules has been worked out so as 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 a public hearing held on 21st May, 2020 through video conferencing. Further, a second oral hearing was held on 16th July, 2020 in view of change in the Designated Authority, in pursuance of the

decision of the Hon'ble Supreme Court in the matter of *Automotive Tyres Manufacturers' Association vs Designated Authority*. The parties, which presented their views in the oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.

- xvi. 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 these final findings.
- xvii. 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 these final findings to the extent possible and verified the data / documents submitted by the domestic industry to the extent considered relevant, practicable and necessary.
- xviii. 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. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xix. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of investigation, or has significantly impeded the investigation, the Authority considered such interested parties as non-cooperative and recorded the views/observations on the basis of the facts available.
- xx. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide Disclosure Statement dated 29th July, 2020 and comments received thereon, considered relevant by the Authority, have been addressed in these final findings. The domestic industry has submitted their comments to the disclosure statement.
- xxi. The Authority notes that most of the post-disclosure submissions made by the domestic industry are mere reiteration of their earlier submissions and have already been addressed in the disclosure statement issued by the Authority, and also in these final findings. Other post-disclosure submissions, to the extent considered relevant, have additionally been examined in these final findings.
- xxii. *** in these 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= ₹ 70.73.

C. SCOPE OF PRODUCT UNDER CONSIDERATION (PUC) AND LIKE ARTICLE

10. At the stage of initiation, the PUC was defined as

“The product under consideration for the purpose of present investigation is “Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)” (hereinafter also referred to as product under consideration). The present investigation being a Sunset review, the scope of product under consideration is the same as that in the original investigation.

The subject products are classified under Chapter Heading 28 under the code 2809 20 10. The customs classification is indicative only and in no way it is no way binding upon the product scope.”

C.1 Submissions of the domestic industry

11. The following submissions have been made by the domestic industry with regard to the scope of PUC or like article.
- i. The domestic industry has produced like article to the imported product.
 - ii. The claims raised by other interested parties have already been examined by the Authority in its previous findings.
 - iii. The imports from the subject country are predominantly of technical grade, and the domestic industry is also primarily engaged in the production of technical grade phosphoric acid.
 - iv. The websites of various Korean producers show that they produce phosphoric acid with a purity of 85% as well.
 - v. The import data shows that the product imported from the subject country is not recycled or spent phosphoric acid.
 - vi. When the exporters have not contended that the product produced by them is different from that produced by the domestic industry, the issue cannot be raised by the importer.

C.2 Submissionsof other interested parties

12. The following submissions have been made by the other interested parties with regard to the scope of PUC or like article.

- i. While spent phosphoric acid is imported from Korea RP, the domestic industry produces phosphoric acid of higher purity, and thus, the two are not like article. While the imports have a purity of 75%, the domestic industry has produced subject goods having a minimum purity of 85%.
- ii. There is no manufacturer of food or technical grade phosphoric acid in Korea RP.
- iii. The product originating from Korea RP is recycled / spent phosphoric acid. Producers in Korea RP, such as LG and Samsung, use electronic grade phosphoric acid, and then export the by-product to India, which is of a lower quality.
- iv. The industrial users which require pure phosphoric acid, import recycled phosphoric acid and get it purified through job workers.
- v. The goods supplied from Korea RP are packed in 330 kg packs, which is cheaper than the packaging of 50 kg used by the domestic industry.
- vi. The product originating from Korea RP is used for limited applications in unbranded and small industries such as fertilizers, non-edible, agriculture, lubricants, grease, industrial phosphates, waste-water treatment, cooling / boiling towers, etc.
- vii. There is a difference between the imported and domestically produced goods, in terms of the physical & chemical characteristics, manufacturing process & technology, use of raw material, function & use of products, specifications, pricing and distribution & marketing.
- viii. The verification of domestic industry and exporters should be done to ascertain quality, characteristic and use.

C.3 Examination by the Authority

13. The submissions made by the domestic industry and other interested parties with regard to the PUC related issues are examined and addressed hereunder.
14. The PUC in the present investigation is Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade). It is a clear, colourless, odourless, non-volatile, rather viscous, syrupy liquid, commonly used as an aqueous solution of 85% solution can be corrosive, although non-toxic when diluted.
15. This being an SSR investigation, the scope of the PUC remains the same as that in the original and subsequent review investigation. In the original investigation, the PUC was defined as follows:

“The product under consideration in the present investigation is Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade) originating in or exported from Korea RP.”

16. Phosphoric Acid is an inorganic chemical used for the production of sodium phosphate, calcium phosphate, magnesium phosphate, ammonium phosphate, etc. The subject goods are also used in Pharmaceutical applications, beverages, seed processing, sugar juice clarification and sugar refining, food phosphate manufacturing, etc.
17. The product is classified under Customs Tariff heading 2809.20 and at Sl. No. 2809.20 20 as per Indian Trade Classification. The Customs and ITC HS classification is, however, indicative only and in no way binding on the scope of the present investigation.”
18. With regard to the various submissions by the other interested party, the Authority notes that these had been examined and addressed in detail in the previous SSR Final Findings dated 19th June, 2015. The issue has already been settled in the past findings and the importer has not adduced any fresh evidence that requires reconsideration of the conclusions arrived at earlier.
19. The Authority notes that the claim on difference in packing cost is not substantiated and no evidence has been placed to show the alleged difference.
20. Further, the Authority notes that the claim that there is a difference in the quality of imported goods as compared to domestically produced goods has not been substantiated and it is not even the claim of the interested party that difference in quality lead to non-substitution of the product.
21. Regarding the submission that while imports have a purity of 75%, the domestic industry has produced subject goods having a minimum purity of 85%, the Authority notes that the transaction-wise import data shows that there are transactions with description of 85%.
22. The Authority notes that no reasoning or evidence has been submitted to justify the claim that there should be no anti-dumping on recycled phosphoric acid.
23. On the basis of information on record, the Authority holds that there is no known difference in the subject goods produced by the domestic industry and those 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 classifications 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.
24. The PUC is classified under the Chapter heading 28, under the tariff code 2809 20 10. The customs classification is indicative only and is not binding on the scope of the PUC.

D. DOMESTIC INDUSTRY AND STANDING

D.1 Submissions of the domestic industry

25. The following submissions have been made by the Applicants with regard to the domestic industry and standing:

- i. The application has been filed by the M/s Gujarat Alkalies & Chemicals Limited and M/s Grasim Industries Limited. The share of the Applicants accounts for 95% of the total domestic production in India.
- ii. The Applicants have neither imported nor are related to the exporter or importer of the subject goods in India.
- iii. There is one more producer of the subject good in the country, namely, M/s Punjab Chemicals and Crop Protection Limited.

D.2 Submissions of other interested parties

26. No submissions have been made by the other interested parties regarding the scope of domestic industry and standing.

D.3 Examination by the Authority

27. Rule 2(b) of the 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”.

28. The present SSR application has been filed by M/s Gujarat Alkalies & Chemicals Limited and M/s Grasim Industries Limited. There is one more producer, namely, M/s Punjab Chemicals and Crop Protection Limited apart from the Applicants.

29. The Applicants collectively account for 95% 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 PUC. The Authority, therefore, holds that the Applicants constitute domestic industry under Rule 2(b) of the Rules and the application meets the requirements of Rule 5(3) of the Rules supra.

E. CONFIDENTIALITY

E.1 Submissions of the domestic industry

30. No submissions have been made by the domestic industry regarding confidentiality.

E.2 Submissions of other interested parties

31. No submissions have been made by the other interested parties regarding confidentiality.

E.3 Examination by the Authority

32. The Authority made available non-confidential version of the information provided by various interested parties to all interested parties through the public file containing non-confidential version of evidences submitted by various interested parties for inspection as per Rule 6(7).

33. With regard to confidentiality of information, Rule 7 of the 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.”

34. 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.

35. 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. The Authority made available to all interested

parties the public file containing non-confidential version of evidences submitted by various interested parties for inspection, upon request as per Rule 6(7).

F. Miscellaneous Issues

F.1 Submissions of the domestic industry

36. The following submissions have been made by the domestic industry, in response to the contentions of other interested parties:
- i. The period upto which the ADD has been in force is not a relevant criterion for determining whether there is a need for continuation of duty.
 - ii. According to the estimates of domestic industry, the small-scale units consist of only about 10% of the total consumption in India. The imposition of ADD would lead to fair competition in the Indian market and would help to maintain the availability of wider choice to the consumers of the subject goods.
 - iii. The benchmark form of duty should not be imposed as it creates a possibility of abuse where the exporters/importers may artificially increase their prices to avoid the ADD.

F.2 Submissions of other interested parties

37. The following submissions have been made by the other interested parties:
- i. Even after a period of 12 years, the domestic industry is complaining about dumping and injury.
 - ii. As a result of the ADD, the cost of production of phosphate salts industry, which belongs to the small-scale sector, has increased.
 - iii. The fixed quantum of ADD has worked as a tool for artificially hiking the product price, even when there is no injury. Thus, a benchmark form of duty should be imposed.

F.3 Examination by the Authority

38. With regard to the contention of other interested parties regarding period for which duty has remained in force, the Authority notes that such period is not the relevant criterion for deciding whether there is a need for continuation of duty. The Authority is required to recommend the continuation of ADD where there is likelihood that revocation of duty may lead to continuation or recurrence of dumping or injury.
39. With regard to the allegation of possibility of increase in cost of production of the downstream industry, the Authority notes that the ADD has been in force on the product for quite sometime and there is no information and evidence with regard to possible ill effect of the same. The consumers of the product have not participated in the present investigations, nor have provided any verifiable information to demonstrate ill effects of

ADD. While it is recognised that imposition of ADD may affect the price levels of the product in India, however, fair competition in the Indian market is not reduced by the imposition of anti-dumping measures. On the contrary, the purpose of ADD is to eliminate injury caused to the domestic industry by unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of the anti-dumping measures does not restrict imports from the subject country in any way, and therefore, would not affect the availability of the product to the consumers.

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

40. 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 transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

G.1 Submissions of the domestic industry

41. The following submissions have been made by the domestic industry with regard to normal value, export price and dumping margin are as follows:

- i. There is a history of dumping from the subject country since 2008.
- ii. Dumping margin calculated for the subject country is positive and significant.

- iii. None of the exporters have denied the fact of dumping.
- iv. Adverse inference may be drawn from the fact of non-participation by the exporters/producers from the subject country.
- v. Efforts were made to get evidence of price of product concerned in the domestic market of Korea RP. Efforts were also made to get any evidence of price from the published sources.
- vi. Since the domestic selling price or cost of production in the subject country, or price of exports from the subject country are not available. In view of the above, the Applicants have constructed the cost on the basis of cost of production in India with addition of selling, general and administrative expenses.
- vii. Applicants have estimated export price on the basis of import price as per DGCI&S data in its application.
- viii. Applicants have claimed adjustments for ocean freight, marine insurance, commission, port expenses, and inland freight.

G.2 Submissions of other interested parties

42. No submissions have been made by other interested parties with regard to determination of normal value, export price and dumping margin.

G.3 Examination by the Authority

43. The Authority advised the producers/ exporters in Korea RP to respond to the notice of initiation and provide relevant information. The Authority also requested Embassy of Korea RP in New Delhi to advise the producers/ exporters in Korea RP to provide relevant information. It is noted that no response has been filed by the producer/exporters from Korea RP.

G.3.1 Determination of normal value

Normal Value for all producers/exporters from Korea RP

44. None of the producers / exporters from the subject country have participated in the investigation. Accordingly, the normal value has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table below.

G.3.2 Determination of export price

Export price for all producers/exporters from Korea RP

45. None of the producers / exporters from the subject country have participated in the investigation. Accordingly, the export price has been determined on the basis of facts

available as per the DGCI&S data. Further, price adjustments have been carried out on account of ocean freight, marine insurance, inland freight, bank charges, port expenses and commission on the basis of facts available.

G.3.3 Dumping margin

46. Based on normal value and export price determined as above, the dumping margin for producers/exporters from Korea RP has been determined by the Authority and the same is provided in the table below:

Normal Value CNV (US\$/MT)	Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin (%)	Dumping Margin Range
***	***	***	***	20-30%

47. It is noted that the dumping margin is more than the *de-minimis* limits prescribed under the Rules, and is significant.

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1 Submissions of the domestic industry

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

- i. There is continued dumping of the subject goods, despite ADD in force.
- ii. The dumping margin was positive and significant throughout the period.
- iii. There is a history of dumping, as the Authority has found significant dumping margin in each of the earlier investigations.
- iv. The exporters have never rebutted dumping in the past.
- v. Despite ADD in force, the volume of imports has increased in absolute terms as well as in relation to production and consumption.
- vi. The volume of imports is highest in the POI.
- vii. The volume of imports in relation to production and consumption are also highest in the POI.
- viii. The volume of imports has increased at a more rapid rate than the increase in demand in India.
- ix. The imports have forced the domestic industry to reduce its prices and prevented it from increasing its prices in line with cost of production.
- x. Imports are undercutting the prices of the domestic industry.

- xi. In the event of cessation of duty, the imports are likely to have significant strain on the prices of the domestic industry.
- xii. The imports have entered into the Indian markets at prices below the NIP throughout the injury period.
- xiii. The profits, cash profits and return on investment of the domestic industry have declined.
- xiv. India is the largest market for the exporters in the subject country, accounting for 28% of total exports from the subject country.
- xv. Owing to the price attractiveness of the Indian market, the lower priced exports being made to other countries are also likely to be diverted to India.
- xvi. In the absence of duties, the imports are likely to force the domestic industry to sell at a loss.
- xvii. The domestic industry is not suffering injury on account of the imports from other countries, as they are priced significantly higher.

H.2 Submissions of other interested parties

49. The following submissions have been made by the other interested parties with regard to injury, likelihood and causal link.
- i. The injury to the domestic industry is due to dumping of technical grade from other countries, such as Taiwan. The domestic industry applied for imposition of ADD against imports from Taiwan, but no duties were imposed.
 - ii. The domestic industry is making profits. The inventories and capacity utilization need to be checked.
 - iii. There is no ADD against imports from China PR.
 - iv. While most of the other countries attract a customs duty of 5%, the imports from Korea RP are not chargeable to any duty
 - v. The domestic industry is incurring additional charges such as handling charges, packing charges, transport charges, GST, agent's commission, warehouse charges, etc.

H.3 Examination by the Authority

50. 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.

51. 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."
52. Rule 23 of the Rules provides that the provisions of Rule 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.
53. 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

54. The Authority has defined, for the purpose of the present investigation, demand or apparent consumption of the product concerned 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	2015-16	2016-17	2017-18	POI	
					Actual	Annualised
Domestic industry's Sales	MT	***	***	***	***	***
	Indexed	100.0	98.1	97.7	127.7	107.0
Other producer's Sales	MT	***	***	***	***	***
	Indexed	100.0	137.6	128.1	185.1	148.1
Imports from Subject Country	MT	4,235	5,249	3,054	8,069	6,455
	Indexed	100.0	123.9	72.1	190.5	152.4
Other imports	MT	27,650	35,051	55,482	52,872	42,298
	Indexed	100.0	126.8	200.7	191.2	153.0

Demand	MT	85,309	93,409	1,11,267	1,30,165	1,04,131
	Indexed	100.0	109.5	130.4	152.6	122.1

55. It is seen that the demand for the subject goods has increased during the injury period with marginal decline in the POI as compared to previous year. However, overall demand has shown an increase.

Volume Effects of Dumped Imports

56. 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 subject country and share of the dumped import during the injury investigation period are as follows:

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Actual	Annualised
Imports from Subject Country	MT	4,235	5,249	3,054	8,069	6,455
Other imports	MT	27,650	35,051	55,482	52,872	42,298
Total	MT	31,885	40,300	58,536	60,941	48,753
Imports from Subject Country in relation to						
Domestic production	%	***	***	***	***	***
	Indexed	100.0	125.2	74.9	148.1	148.1
Consumption	%	4.96	5.62	2.74	6.20	6.20
	Indexed	100.0	113.2	55.3	124.9	124.9
Total imports	%	13.28	13.02	5.22	13.24	13.24
	Indexed	100.0	98.0	39.3	99.7	99.7

57. It is seen that:

- i. Despite the duties in force, imports from the subject country have increased over the injury period.
- ii. Imports have also increased significantly in relation to production and consumption over the injury period.

Price Effect of Dumped Imports

58. 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.

i. Price Undercutting

59. To determine price undercutting, a comparison has been made between the landed value of the product (without anti-dumping duty) and the 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.

Particulars	Unit	2015-16	2016-17	2017-18	POI
Selling price	Rs./MT	***	***	***	***
Landed price	Rs./MT	44,946	46,376	39,316	40,627
Price undercutting	Rs./MT	***	***	***	***
	%	***	***	***	***
	Range	30-40	30-40	40-50	40-50

60. It is observed that the landed price remained below the selling price and price undercutting remained positive throughout the investigation period, including the POI.

ii. Price Suppression and Depression

61. In order to determine whether the effect of imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred, 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	2015-16	2016-17	2017-18	POI
Cost of sales	Rs./MT	***	***	***	***
	Indexed	100	93	96	109
Selling price	Rs./MT	***	***	***	***
	Indexed	100	99	94	94
Landed price	Rs./MT	44,946	46,376	39,316	40,627
	Indexed	100	103	87	90

It is seen that while the cost of sales of the domestic industry increased over the period, selling price and the landed price declined. Despite existing ADD, imports have suppressed and depressed the prices of the domestic industry in the market.

iii. Price Underselling

62. The Authority has examined price underselling suffered by the domestic industry on account of dumped imports from the subject country. For this purpose, the NIP, determined based on average NIP for the domestic industry, has been compared with the landed price of imports, as obtained from the DGCI&S import data.

Particulars	Unit	POI
Non-injurious price	Rs./MT	***

Landed price of imports	Rs./MT	40,627
Price underselling	Rs./MT	***
	%	***
	Range	30-40

63. It is seen that the landed price of imports was much below the NIP of the domestic industry. The Authority notes that the domestic industry has suffered price underselling during POI due to dumped imports of the subject goods from the subject country

J. Impact on Economic Parameters of the Domestic Industry

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

i. Production, Capacity, Capacity Utilization and Sales Volumes

65. The performance of the domestic industry with regard to production, domestic sales, capacity and capacity utilization is as follows:

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Actual	Annualised
Capacity	MT	***	***	***	***	***
	Indexed	100	100	100	169	166
Production	MT	***	***	***	***	***
	Indexed	100	98	95	127	107
Capacity utilization	%	***	***	***	***	***
	Indexed	100	98	95	75	64
Domestic sales	MT	***	***	***	***	***
	Indexed	100	98	98	128	107

66. It is seen that the capacity of the domestic industry has increased in the POI due to the addition of a new plant by Grasim Industries Limited in Vilayat. Consequently, the production and sales have increased over the POI. However, the capacity utilization of the domestic industry has declined over the period.

ii. Market Share in Demand

67. The market shares of alleged dumped imports and domestic industry have been examined as below:

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Actual	Annualised
Imports from Subject Country	%	4.96	5.62	2.74	6.20	6.20
	Indexed	100.0	113.2	55.3	124.9	124.9
Other imports	%	32.41	37.52	49.86	40.62	40.62
	Indexed	100.0	115.8	153.8	125.3	125.3
Domestic industry	%	***	***	***	***	***
	Indexed	100.0	89.6	74.9	83.7	83.7
Other producer	%	***	***	***	***	***
	Indexed	100.0	125.7	98.2	121.3	121.3

68. It is seen that the market share of the domestic industry has declined during 2017-18 but increased thereafter in the POI. Overall, the market share of the domestic industry has increased during the injury period. The same is on account of the increase in capacity of the domestic industry. However, the domestic industry has not been able to increase its market share in line with the increase in capacity, despite having sufficient demand in the country. At the same time, the market share of imports has increased over the period.

iii. Inventories

69. The inventory position of the domestic industry over the injury period is given in the table below:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Opening inventory	MT	***	***	***	***
Closing inventory	MT	***	***	***	***
Average inventory	MT	***	***	***	***
	Indexed	100.0	145.9	113.2	63.3

70. It is seen that the average inventories of domestic industry have been declining since 2016-17.

iv. Profits, Cash Profits and Return on Capital Employed

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

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Actual	Annualised
Cost of sales	Rs./MT	***	***	***	***	***
	Indexed	100	93	96	109	109
Selling price	Rs./MT	***	***	***	***	***
	Indexed	100	99	94	94	94
Profit/(loss)	Rs./MT	***	***	***	***	***
	Indexed	100	117	90	47	47
Profit/(loss)	Rs. Lacs	***	***	***	***	***

	Indexed	100	115	87	60	48
Cash profits	Rs. Lacs	***	***	***	***	***
	Indexed	100	143	95	99	80
Return on capital employed	%	***	***	***	***	***
	Indexed	100	88	62	18	18

72. It is seen that profits and cash profits earned by the domestic industry have declined significantly over the injury period. Further, return on capital employed has reduced sharply over the injury period. Thus, the profitability of the domestic industry has remained sub-optimal even during the continuation of ADD.

v. Employment, Wages and Productivity

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

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Actual	Annualised
No. of employees	Nos	298	293	277	321	321
	Indexed	100	98	93	108	108
Productivity per day	MT/Day	146	142	138	147	147
	Indexed	100	98	95	101	101
Productivity per employee	MT/Nos	176	175	180	168	207
	Indexed	100	99	102	95	118
Wages	Rs.Lacs	***	***	***	***	***
	Indexed	100	112	127	269	217

74. It is seen that the number of employees has increased over the injury period, leading to an increase in total wages. Further, the productivity of the domestic industry has also improved over the period.

vi. Growth

Particulars	Unit	2016-17	2017-18	POI
Capacity	%	0%	0%	31%
Production	%	-2%	-3%	7%
Domestic sales	%	-2%	0%	5%
Profit/(loss) per unit	%	17%	-23%	-47%
Cash profit	%	43%	-34%	-16%
Return on capital employed	%	-11%	-29%	-72%

75. It is seen that while the capacity of the domestic industry showed growth during the POI; production and sales showed a decline till 2017-18 and then a slight growth during the POI with an increase in capacity. Insofar as the profitability parameters of the domestic industry are concerned, while the domestic industry showed growth in 2016-17, its performance has been adverse thereafter.

vii. Ability to Raise Capital Investment

76. The Authority notes that the profits of the domestic industry have declined as the volume of imports increased and the imports suppressed and depressed the prices of the domestic industry. The domestic industry has earned a low return on its capital employed.

viii. Factors Affecting Prices

77. With regard to factors affecting prices, the Authority notes the trends of prices of the domestic industry, imports from Subject Country and other imports, as under.

Particulars	Unit	2015-16	2016-17	2017-18	POI
Domestic industry	Rs./MT	***	***	***	***
	Indexed	100	99	94	94
Imports from Subject Country	Rs./MT	44,946	46,376	39,316	40,627
	Indexed	100	103	87	90
Other imports	Rs./MT	59,104	59,090	51,274	63,587
	Indexed	100	100	87	108

78. The Authority notes that the price of imports from the subject country and other imports moved in tandem till 2017-18. However, during the POI, while the price of other imports increased by 24%, the price of imports from the subject country increased by only 3%. This, in turn, led to an increase in the demand for the imports from the subject country, thereby creating a pressure on the prices of the domestic industry. As a result, the domestic industry has also not been able to increase its prices, in line with the increase in price of other imports. This shows that imports from the subject country are affecting the prices of the domestic industry.

ix. Magnitude of Dumping

79. It is noted that the subject goods are being dumped into India and the dumping margin is positive and significant.

K. MAGNITUDE OF INJURY MARGIN

80. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the PUC has been determined by adopting the verified information/data relating to the cost of production for the POI. The NIP has been considered for comparing the landed price from the subject country for calculating injury margin. For determining the NIP, 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 PUC was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the Rules and being followed.
81. 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:-

Non-Injurious Price (USD/MT)	Landed Price (USD/MT)	Injury Margin (USD/MT)	Injury Margin (%)	Injury Margin Range
***	574	***	***	30-40%

Overall Assessment of Injury

82. Examination of the imports from the subject country and performance of domestic industry shows that despite anti-dumping duties in force, the imports from the subject country increased in absolute terms and in relation to production and consumption in India. The imports are undercutting the prices of the domestic industry and the price underselling is positive. The imports have suppressed and depressed the prices of the domestic industry. Capacity, production and sales of the domestic industry have increased as a new plant has been set up by Grasim Industries Limited. Market share of the domestic industry has declined as compared to the base year, but has increased as compared to the preceding year. Employees, wages and productivity of the domestic industry have increased. Performance of the domestic industry has significantly deteriorated in respect of profit, cash profit and return on capital employed. While the volume parameters of the domestic industry have shown a marginal growth during the POI, the growth in profitability parameters has been negative. While the price of imports from other countries increased, the price of imports from the subject country declined. The dumping margin is positive and significant.

L. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

83. The Authority observes that this is an SSR investigation, the focus of this investigation is to examine the likely scenario of continued dumping and consequent injury if ADD is to be 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.
84. 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.
85. 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.

i. Continued Dumping

86. The Authority notes that the exporters continue to dump imports from the subject country into Indian market. In the event of cessation of ADD, the exporters are likely to continue dumping.

ii. Current volume of Imports

87. It is seen that the volume of imports has increased despite ADD in force. The fact that the imports have increased despite duties in force indicates that the imports are likely to increase further in the event of cessation of duties. This is primarily because the import price is significantly lower than the price of goods sold by the domestic industry and the price of other imports. This would increase demand for the cheaper imports from the subject country.

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Actual	Annualised
Imports from Subject Country	MT	4,235	5,249	3,054	8,069	6,455

iii. Imports entering at prices likely to have a suppressing or depressing effect

88. The analysis of price undercutting, price depression, and price suppression indicates that in the event of cessation of ADD, the dumped imports are likely to have a suppressing or depressing on prices of the domestic industry in the market. It is noted that imports from the subject country without ADD are priced significantly lower than the cost of production of the domestic industry. Therefore, in the event of expiry of duty, the imports are likely to have a significant adverse impact on the prices of the domestic industry.

Particulars	Unit	POI
Cost of sales	Rs./MT	***
Selling price	Rs./MT	***
Landed price	Rs./MT	40,627

iv. India as a large market for the exporters

89. The Authority notes that as per the data available on record, India accounts for more than one-fourths of the total exports from the subject country and is the single largest market for the exporters in the subject country. This shows that despite ADD in force, India has continued to be a critical market for the exporters in the subject country, and they have not shifted to other export markets. Thus, in the event of cessation of duty, India is likely to remain a target market for the exporters in the subject country.

v. Potential of Exports of Subject Goods to the Indian market

90. The Authority notes that the evidence provided by the Applicants shows that India is an attractive market for the exporters, and in the event of cessation of duty, an additional volume of 15,288 MT may be further diverted to the Indian market. This would bring the total exports from the subject country to India to 23,415 MT. About 23% of the global exports from the subject country was at a rate lower than that exported to India in 2018.

Particulars	Unit	POI
Total exports	MT	28,503
Exports to India	MT	8,127
Lower-priced exports to other countries	MT	15,288
Total likely exports to India	MT	23,415
Share of total exports	%	82%

M. CAUSAL LINK AND NON-ATTRIBUTION ANALYSIS

91. 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:

92. It is seen that there are significant imports from other countries such as China PR, Israel, Mexico, Taiwan and Vietnam. However, the price of these imports is significantly higher than the price of imports from the subject country.

Imports from	Unit	2015-16	2016-17	2017-18	POI
Subject country	Rs./MT	43,111	45,283	39,316	40,627
China PR	Rs./MT	56,668	53,574	54,254	59,136
Israel	Rs./MT	-	63,861	-	63,079
Mexico	Rs./MT	67,365	60,607	52,558	60,873
Taiwan	Rs./MT	44,934	45,766	43,066	51,863
Vietnam	Rs./MT	65,512	62,533	49,414	63,366

93. It is seen that the price of imports from these countries is significantly higher than the price of imports from the subject country. The imports from other countries, excluding the above mentioned countries, constitute only 1,162 MT, or 2% of the total imports. Therefore, the imports of third countries have not caused injury to the domestic industry.

b. Contraction in Demand

94. It is seen that the demand of the subject goods has increased over the injury period with only a marginal decline in the period of investigation, as compared with the previous year. On a totality basis, demand for the subject goods increased by 22% over the period. Therefore, contraction in demand cannot be considered as a reason of injury to the domestic industry.

c. Developments in Technology

95. It is noted that the technology for producing subject goods has not undergone any change and therefore, could not have caused injury to the domestic industry.

d. Conditions of Competition and Trade Restrictive Practices

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

e. Export Performance of the Domestic Industry

97. The domestic industry has exported a small share of its production. However, 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.

f. Productivity

98. The productivity of the domestic industry has improved over the period, and thus, the deterioration in performance of domestic industry cannot be attributed to a decline in productivity.

Conclusion on Injury and Causal Link

99. The Authority notes that the dumped imports of the subject goods from the subject country have increased significantly after imposition of definitive ADD on subject imports. Imports of the product are undercutting the prices of the Domestic Industry in the market. Further, while the cost of production had increased over the injury period, the increase in selling price is less than increase in cost of production while the landed price of subject goods continue to be less than selling price and cost of sales. The imports are, thus, suppressing the prices of the Domestic Industry, and preventing the price increases that would have otherwise occurred in the absence of dumped imports.
100. The Authority notes that the Domestic Industry has suffered injury on account of both volume as well as price effect of dumped imports, as a result of which the profitability of the domestic industry has declined. It is also noted that return on capital employed, profits and cash profits have been adversely effected in POI. Thus, growth in respect of most of the parameters such as profits, cash profits, and return on capital employed, shows an adverse impact on the domestic industry.
101. While other known factors listed under the Rules have not caused injury to the domestic industry, an analysis of the performance of the Domestic Industry over the injury period shows that the performance of the Domestic Industry has deteriorated due to dumped

imports from subject country. Causal link between dumped imports and the injury to the Domestic Industry is established on the following grounds:

- a. There is significant and continued dumping of the subject goods in India.
- b. The availability of imports at cheap prices has increased the demand for the subject goods.
- c. The imports have increased both in absolute terms as well as in relation to production and consumption in India.
- d. The imports have gained in terms of market share, at the cost of other imports.
- e. While the domestic industry has been able to increase its market share, it has not been able to increase its sales in line with the increase in capacity.
- f. The imports from the subject country are undercutting the prices of the domestic industry and thus, created a strain on the prices of the domestic industry.
- g. The imports have suppressed and depressed the selling prices of the domestic industry.
- h. If duty is allowed to expire, the imports are likely to have suppressing or depressing effect on the prices of the domestic industry.
- i. As a result, the domestic industry suffered significant decline in profits, cash profits and return on investments.

N. POST-DISCLOSURE COMMENTS

Submissions of the domestic industry

102. The domestic industry has reiterated its submissions with regard to the determination of normal value. In particular, the domestic industry has argued that since the exporters in the subject country have not cooperated with the Authority, adverse facts available should be applied and normal value should be determined on the basis of highest cost of production of the domestic industry. The domestic industry has asked for the methodology adopted for calculation of NIP to be explained.

Submissions of other interested parties

103. No submissions have been made by the other interested parties.

Examination by the Authority

104. The Authority notes that the post-disclosure comments / submissions made by the interested parties are reiterations and already examined suitably and adequately addressed in the relevant paras of these final findings. Other post-disclosure comments/submissions made by the interested parties and considered relevant by the Authority are examined below.
105. As far as the determination of normal value for exporters / importers from Korea RP is concerned, it is noted that none of the producers/exporters from the subject country have

participated in the investigation. Accordingly, the normal value has been determined on the basis of facts available in terms of Rule 6(8) of the Rules, as per the practice of the Authority in this regard.

106. With regard to the methodology adopted for NIP calculations, it may be noted that the Authority has calculated the NIP as per the guidelines laid down in Annexure-III and as per the practice of the Authority. The NIP has been calculated on the basis of actual data of raw materials, utilities & capacity as made available by the Domestic Industry.

O. CONCLUSION ON LIKELIHOOD OF DUMPING AND INJURY

107. The evidence on record shows that there is continued dumping of the subject goods. Despite the duties in force, the volume of imports has increased in absolute terms, and in relation to production and consumption. Dumping of the subject goods from Korea RP continues and imports of subject goods are being made at prices which are suppressing and depressing the prices of the domestic industry, and are below the non-injurious price. As a result, while the volume parameters of the domestic industry have shown improvement, there has been a decline in terms of profits, cash profits and return on capital employed of the domestic industry. Further, it is noted that the imports continue to be priced below the cost and prices of the domestic industry, which indicates that in the event of the expiry of duty, the imports are likely to have a further suppressing and depressing effect on the prices of the domestic industry. The Authority also notes that India is the largest export market for the producers in the subject country, and is also a price attractive market. Thus, in the event of expiry of duty, it is likely to be a target market for the producers in the subject country. Thus, all these parameters indicate that in the event of cessation of ADD, dumping of the subject goods is likely to continue, causing injury to the domestic industry.

P. INDIAN INDUSTRY'S INTEREST

108. The Authority notes that the purpose of ADD, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of anti-dumping measures would not restrict imports from the subject country/territory in any way, and, therefore, would not affect the availability of the product to the consumers.
109. It is recognized that the imposition of ADD 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 good

Q. CONCLUSION

110. Having regard to the contentions raised, information provided and submissions made by the interested parties 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:
- a. There is continued dumping of the subject goods from subject country and the imports are likely to enter the Indian market at dumped prices in the event of expiry of duty.
 - b. The domestic industry has suffered continued injury on account of dumped imports from the subject country.
 - c. The information on record shows likelihood of continuation of dumping and injury in case the Anti-dumping duty in force is allowed to cease at this stage.
 - d. There is sufficient evidence to indicate that the revocation of anti-dumping duty at this stage will lead to continuation of dumping and injury to the Domestic Industry.

R. RECOMMENDATIONS

111. 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 and other interested parties to provide information on the aspects of dumping, injury and the causal link.
112. Having concluded that there is positive evidence on the aspect of dumping, injury and causal link and likelihood of dumping and injury if the existing ADD are allowed to cease, the Authority is of the view that continuation of duty is required on the import of the PUC from the subject country.
113. Under the circumstances, the Designated Authority considers it appropriate to recommend continuation of definitive anti-dumping duty, as modified, for a further period of 5 years from the date of its imposition, on all imports of the subject goods from the subject country as per column 7 in the duty table below:

DUTY TABLE

SN	Tariff Heading*	Description of goods	Country of origin	Country of export	Producer	Duty amount	Currency	Unit
1	2	3	4	5	6	7	8	9
1	2809 20 10	Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)	Korea RP	Any Country including Korea RP	Any	137	USD	MT
2	2809 20 10	Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)	Any Country other than Korea RP	Korea RP	Any	137	USD	MT

114. 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.
115. An appeal against the order of the Central Government arising out of these findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the with the relevant provisions of the Act.



(Bidyut Behari Swain)
Special Secretary & Designated Authority