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F. No. 07/02/2020-DGTR
Government of India
Ministry of Commerce & Industry
Directorate General of Trade Remedies
Jeevan Tara Building, 4th Floor, 5, Parliament Street, New Delhi

NOTIFICATION ((Final Findings)
SSR Case No. 02/2020

Date: 26.11.2020

Subject: Sunset Review of Anti-Dumping duty imposed on imports of 'Float Glass' originating in or exported from China PR.

F. No. 07/02/2020-DGTR - Whereas having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred to as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, (hereinafter referred to as the "Rules") thereof.

1. M/s Gold Plus Glass Industry Ltd., M/s Saint-Gobain Glass India Pvt. Ltd. M/s Sisecam Flat Glass India Ltd. and M/s. Asahi India Glass Ltd., (hereinafter referred to as the "Applicants" or "petitioners") filed an application before the Authority in accordance with the Act and the Rules, for initiation of Sunset Review investigation concerning imports of "Float Glass of thickness 2 mm to 12 mm (both thickness inclusive) of clear as well as tinted variety (other than green glass) but not including reflective glass, processed glass meant for decorative, industrial or automotive purposes" originating in or exported from China PR, alleging likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry in case of cessation of existing anti-dumping duties.
2. Whereas in terms of Section 9A(5) of the Customs Tariff Act 1995 as amended, the anti-dumping-duty 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 duty is likely to lead to continuation or recurrence of dumping and injury. 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 duty is likely to lead to continuation or recurrence of dumping and injury.
3. On the basis of the duly substantiated application filed on behalf of the domestic producers of float glass in India and in accordance with section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Designated Authority in the Ministry of Commerce and Industry, Department of Commerce, Govt. of India, appointed under the Rules supra, (hereinafter referred to as "the Authority"), initiated a sunset-review investigation, vide Notification No. 7/02/2020-DGTR dated 10.2.2020, to examine whether the expiry of the duty in force on import of Certain Float Glass

originating in or exported from China PR, is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

A. BACKGROUND OF THE CASE

4. The Authority had initiated the original investigation concerning imports of "Float Glass of thickness 2 mm to 12 mm (both thickness inclusive) of clear as well as tinted variety (other than green glass) but not including reflective glass, processed glass meant for decorative, industrial or automotive purposes" originating in or exported from China PR vide Notification No. 14/19/2002-DGAD dated 5.7.2002.. The Authority vide Notification No. 14/19/2002-DGAD dated 20.11.2002 notified the Preliminary Findings recommending provisional anti-dumping duties (ADD). The Authority vide its final findings No.14/19/2002-DGAD dated 22.08.2003 recommended imposition of anti-dumping duties against the dumped imports of the subject goods from China PR and Indonesia. Anti-dumping Duties were imposed by Customs notification No. 165/2003-Customs dated 12.11.2003.
5. The first Sunset Review was initiated by the Authority vide Notification No. 15/01/2007-DGAD dated 13.12.2007 and the final findings recommending continued imposition of anti-dumping duties on the imports of the subject goods from the China PR and Indonesia was issued by the Authority vide final findings Notification No. 15/01/2007-DGAD dated 02.12.2008. The continued imposition of definitive anti-dumping duties on the imports of the subject goods from the China PR and Indonesia was notified by the Central Government vide Custom's Notification No.04/2009-Customs dated 06th January 2009, amended by Custom's Notification No.51/2009-Customs dated 22.05.2009.
6. The Authority initiated 2nd sunset-review investigation vide Notification No.15/24/2013-DGAD dated 3.01.2014 against China PR and Indonesia, and the final findings recommending continued imposition of anti-dumping duties on the imports of the subject goods from the China PR was issued by the Authority vide final findings Notification No. 15/24/2013-DGAD dated 2.07.2015. The Designated Authority also recommended withdrawal of anti-dumping duty against Indonesia. The continued imposition of definitive anti-dumping duties on the imports of the subject goods from the China PR was notified by the Central Government vide Custom's Notification No.47/2015-Customs (ADD) dated 8.09.2015. The current duties were in force till 7.9.2020 and they have been extended by three months vide Notification No 29/2020-Customs (ADD) dated 02.09.2020 i.e. till 7.12.2020.
7. In terms of Section 9A(5) of the Act, the anti-dumping-duty 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 duty is likely to lead to continuation or recurrence of dumping and injury. 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 duty is likely to lead to continuation or recurrence of dumping and injury.
8. Before the expiry of the said duty, M/s Gold Plus Glass Industry Ltd. M/s Saint-Gobain Glass India Pvt. Ltd. M/s Sisecam Flat Glass India Ltd. and M/s. Asahi India Glass Ltd, (hereinafter referred to as the "Applicants" or "petitioners") an application before the Authority in accordance with the Act and the Rules, for initiation of Sunset Review investigation concerning imports of "Float Glass of thickness 2 mm to 12 mm (both

thickness inclusive) of clear as well as tinted variety (other than green glass) but not including reflective glass, processed glass meant for decorative, industrial or automotive purposes” originating in or exported from China PR, alleging likelihood of continuation or recurrence of dumping and injury to the domestic industry in case of cessation of existing anti-dumping duties.

9. The Authority on the basis of the prima facie evidence, initiated sunset review investigation through notification No. 7/02/2020-DGTR dated 10.02.2020 to examine whether the expiry of the said duties on the import of the subject goods originating in or exported from the China PR (hereinafter referred to as subject country) is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
10. The scope of the present review covers all aspects of the final findings No. 15/24/2013-DGAD dated 02.07.2015 concerning imports of the above goods, originating in or exported from the subject country.

B. PROCEDURE

11. The procedure described herein below has been followed by the Authority with regard to the subject investigation:
 - i. The Authority, under the above Rules, received a written application from the Applicants on behalf of the Domestic Industry, alleging continuation and also likelihood of injury and dumping of Float Glass from China PR.
 - ii. The Embassy of the subject country in New Delhi were informed about the initiation of the investigations in accordance with Rule 6(2).
 - iii. The Authority issued a notification dated 10.02.2020 published in the Gazette of India Extraordinary, initiating the sunset review investigation concerning imports of the subject goods from the subject country.
 - iv. A copy of the public notice was forwarded by the Authority to all known exporters of the subject goods, the Government of the subject country through their Embassy in India, and other interested parties about the initiation of the subject investigation in accordance with Rule 6(2) of the Rules.
 - v. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters, and to the Government of China PR, through its Embassy in India and to other interested parties who made a request therefore 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.
 - vi. The Authority forwarded a copy of the public notice initiating anti-dumping 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. The Authority sent Exporter’s

Questionnaire to the following known producers/exporters to elicit relevant information in accordance with Rule 6(4) of the Rules:

- a. M/s Luoyang Float Glass Group Co., Ltd
 - b. M/s Qinhuangdao Huazhou Glass Co. Ltd.
- vii. The Governments of China PR, 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 along with the names and addresses of the known producers/ exporters from the subject country.
- viii. China PR being a Non-Market Economy country, a supplementary questionnaire was also forwarded to all the known producers/exporters in China PR and the Embassy of China PR with the request to provide relevant information to the Authority within the prescribed time limit. While for the purpose of initiation the normal value in China PR was considered based on the cost of production of the subject goods in India, duly adjusted, the Authority informed the known producers/exporters from China PR that it proposes to examine the claim of the applicant in the light of Para 7 and Para 8 of Annexure I of Anti-dumping Rules, as amended. The exporters/producers of the subject goods from China PR were, therefore, requested to furnish necessary information as mentioned in sub-paragraph (3) of paragraph 8 of Annexure I referred above to enable the Authority to consider whether market economy treatment can be granted to the cooperative exporters/producers in that country. However, no response has been received from any producer/exporter from China PR in this regard.
- ix. None of the producers/exporters from China PR has filed the questionnaire response before the Authority in the present investigation.
- x. The Authority forwarded a copy of the public notice initiating anti-dumping investigation along with Importer's Questionnaire to the following known importers/users/user associations (whose names and addresses were made available to the authority) of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):
- a. Atlantic Trading – Mumbai
 - b. Kanch Ghar – Mumbai
 - c. Fishfa Glass – Mumbai
 - d. Samarth Industries – Mumbai
 - e. Prashanth Trading – Mumbai
 - f. Asmi Traders – Mumbai
 - g. Rajat Glass Traders – Karad
 - h. Chandan Glass Traders – Pune
 - i. Kochhar Glass Traders – Bhopal
 - j. Ganeriwala Brothers Pvt Ltd – Kolkata
 - k. Sure Safe Group/ Ganeriwala Glass Traders- Kolkata
 - l. M S Glass Traders- Kolkata
 - m. Glaze Architecture Pvt Ltd. - Kolkata
 - n. Glaze Infrastructure P Ltd.- Kolkata
 - o. Saraf Glass P Ltd. - Kolkata

- p. GSC - Noida
 - q. Shiv Shakti - Roorkee
 - r. Ridhi Sidhi - Jaipur
 - s. Banaras Glass - Lucknow
 - t. T. L. Verma - Chandigarh
 - u. Jagdamba Glass - Delhi
 - v. Sheesh Mahal Tuff - Rohtak
 - w. Nutan Glass Hs(P) Ltd. - Bangalore
 - x. Mahaveer Glass Hs - Bangalore
 - y. Karnataka Metal Company - Bangalore
 - z. Impact Safety Glass (P) Ltd - Bangalore
 - aa. Southern Auto Products (P) Ltd. - Bangalore
 - bb. Tough Glass India- Bangalore
 - cc. Yesho Float Glass (P) Ltd. - Hyderabad
 - dd. Bhandari Glass Co. - Hyderabad
 - ee. Prakash Glass - Hyderabad
 - ff. Mahaveer Glass - Chennai
 - gg. Mahaveer Mirror - Vishakhapatnam
 - hh. Uma Industries – Bangalore
 - ii. Jai Mirror Industries – Chennai
- xi. The Authority sent Importer's Questionnaire to the following known Association of subject goods in India for circulation & calling necessary information in accordance with Rule 6(4) of the Rules:
- a. All India Flat Glass Manufacturers Association (AIFGMA)
 - b. ASSOCHAM
 - c. FICCI
 - d. CII
- xii. No response to the prescribed questionnaire has been submitted by any of the importers/users/other interested parties.
- xiii. Exporters, producers, importers and other interested parties, who have neither responded to the Authority nor supplied information relevant to this investigation, have been treated as non-cooperating interested parties by the Authority.
- xiv. The Authority made available non-confidential version of the evidence presented by the interested parties in the form of a public file kept open for inspection by the interested parties as per Rule 6 (7). Also, in view of the global pandemic and physical inaccessibility, request was made to all the interested parties to share the non-confidential versions of their submissions with other interested parties via email.
- xv. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) and from DG-Systems, Central Board of Indirect Taxes and Customs (CBIC) to provide the transaction-wise details of imports of subject goods for the injury period. The Authority, after due verification of the transactions and after due analysis, has relied upon the DGCI&S data for computation of the volume and value of imports.

- xvi. 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.
- xvii. In accordance with the Rules the Authority disclosed the essential facts of the case before it that would form the basis of its findings in the form of a disclosure statement dated 23.11.2020 and the interested parties were allowed time up-to 25.11.2020 to comment on the same. The comments of the interested parties, to the extent relevant, have been considered by the Authority and have been addressed in this finding.
- xviii. The period of investigation (POI) for the purpose of present investigation is from 1st October 2018 to 30th September 2019 (12 months). However, the injury investigation period covers the data of previous three years, i.e. April 2016 to March 2017, April 2017 to March 2018, April 2018 to March 2019 and POI.
- xix. Further information was sought from the applicants and other interested parties to the extent deemed necessary. Desk verification of the data provided by the domestic industry was carried out to the extent considered necessary for the purpose of this disclosure statement.
- xx. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their views orally in the oral hearing held on 21.10.2020. All the parties who presented their views in the oral hearing were requested to file written submissions of these views, in order to enable opposing interested parties to file rejoinders thereafter, if any.
- xxi. The submissions made by the interested parties during the course of this investigation, to the extent supported with evidence and considered relevant to the present investigation, have been appropriately considered by the Authority, in this disclosure statement.
- xxii. 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 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.
- xxiii. Wherever an interested party has refused access to, or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has considered such parties as non-cooperative and recorded the disclosure statement on the basis of the facts available.
- xxiv. ‘***’ in this disclosure statement represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

- xxv. The exchange rate adopted by the Authority for the subject investigation is US\$1 = ₹71.55.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1. Submissions made by the Domestic Industry

12. The product under consideration in the earlier investigations and also in the present investigation is "Float Glass of thickness 2 mm to 12 mm (both thickness inclusive) of clear as well as tinted variety (other than green glass) but not including reflective glass, processed glass meant for decorative, industrial or automotive purposes" (hereinafter also referred to as the "subject goods"). The present investigation being a sunset review, the scope of product under consideration is the same as that in the original investigation.
13. The subject products are classified under Chapter Heading 70 "Glass and glassware". The classification at the 8-digit level is 70051090 even though the same are being imported under various sub-headings like 7003, 7004, 7005, 7007, 7008, 7009, 7019, 7013, 7015, 7016, 7018 and 7020 of the Customs Tariff Act, 1975. The applicant has claimed that most of the imports of subject goods by way of description / usage are to be found under these codes. However, possibility of the import of the subject good in the chapter codes other than mentioned above cannot be ruled out. It has been submitted that the Custom classification is indicative only and in no way, it is no way binding upon the product scope.

C.2. Submissions made by producers/exporters/importers/other interested parties

14. No submission has been made by any of the interested parties with regard to the scope of the product under consideration and like article.

C.3. Examination of the Authority

15. The product under consideration in the original investigation as well as in the present investigation was defined as "Float Glass of thickness 2 mm to 12 mm (both thickness inclusive) of clear as well as tinted variety (other than green glass) but not including reflective glass, processed glass meant for decorative, industrial or automotive purposes". "Reflective glass" was excluded from the definition of the product under consideration by Customs Notification No. 51/2009-Customs dated 22.5.2009. The product under consideration is classified under the category "Glass and Glassware" in Chapter 70 of the Customs Tariff Act, 1975 and further under 7005 per Customs Classification. However, Customs classification is indicative only and not binding on the scope of the investigation.
16. With regard to like article, Rule 2(d) of the Anti-dumping Rules provides as under:

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

17. The Authority notes that there is no known difference in product under consideration produced by the Indian industry and exported from China PR. Product under consideration produced by the Indian industry and imported from China PR are comparable in terms of characteristics such as physical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The subject goods produced by the domestic industry are like article to the product under consideration imported from China PR within the scope and meaning of Rule 2(d) of anti-dumping Rules.
18. No other argument has come across to the Authority regarding the product under consideration and like article issue. The Authority, therefore, confirms that the scope of the product under consideration in the present review remains the same as that of the initiation notification.

D. SCOPE OF DOMESTIC INDUSTRY AND STANDING

19. The current application has been filed by M/s Gold Plus Glass Industry Ltd., M/s Asahi India Glass Ltd., M/s Saint-Gobain Glass India Ltd. and M/s Sisecam Flat Glass India Ltd., who collectively command 88% share in Indian production of the subject goods during the period of investigation. As per the information available with the Authority there is only one other known producer of the product under consideration in the country i.e. M/s Gujarat Guardian Ltd. It is also noted that the said company has neither supported nor opposed to the investigation.
20. As per the available information, one of the applicants, M/s Saint-Gobain India Pvt. Ltd. has imported a negligible quantity of the subject goods from China PR for internal quality and testing purpose. Considering the small volume of imports by the M/s Saint-Gobain India Pvt. Ltd, the Authority has considered M/s Saint-Gobain India Pvt. Ltd as eligible domestic industry within the meaning of Rule 2(b). None of the other applicants has imported the subject goods from subject country. In view of the above, the applicants fulfil the criteria of Domestic Industry and the standing as laid down under the Indian Anti-dumping Rules.
21. There is no opposition to the domestic industry's application from any other producer in the country in the present investigation.
22. None of the producers/exporters/other interested parties has made any submissions with regard to scope and standing of the domestic industry.
23. In view of the above, the Authority has considered the petitioners as Domestic Industry within the meaning of the Rule 2(b) of the Rules and the application satisfies the criteria of standing in terms of Rule 5.

E. CONFIDENTIALITY

E.1. Submissions made by the domestic industry

24. The Applicants have claimed that as far as their submissions / information are concerned, confidentiality has been claimed in accordance with the provisions of Rule 7 of the Anti-dumping Rules and the Trade Notices issued in this regard.

E.2. Submissions made by exporters/importers and other interested parties

25. None of the producers/exporters/other interested parties has made any submissions with regard to confidentiality claims of the Domestic Industry

E.3. Examination by the Authority

26. With regard to confidentiality of information, Rule 7 of Anti-dumping Rules provides 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.

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

F.1. Normal Value

28. Under Section 9A(1)(c) of the Act, normal value in relation to an article means:
- i. *the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
 - ii. *when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*

- a) *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
- b) *the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

F.1.1. Submissions by the Domestic Industry

29. The following submissions have been made by the Domestic Industry:

- i. The Domestic Industry has submitted that China PR should be treated as non-market economy country, as China PR has been considered as a non-market economy country by various authority's world over including the DGTR.
- ii. The Domestic Industry has also submitted that since the Hon'ble Designated Authority has considered China PR as a non-market economy in the recent investigations, therefore, it needs to be considered as non-market economy in terms of paragraph 8 (2) of Annexure I of ADD Rules.
- iii. In this context, the Domestic Industry suggested Germany as an appropriate market economy third country for China PR in terms of paragraph 7 of Annexure I of ADD Rules. While proposing Germany as surrogate country, Domestic Industry has submitted that both China PR and Germany are export-centric and their effective domestic demand cannot absorb the excess production. Further, Germany is the fourth largest exporter of the subject goods. Germany is the second largest producer after China PR of the subject goods. Also, the level of development of Float Glass in terms of local consumption, competition, export-orientation, etc. is largely similar.
- iv. Since the applicants were not able to get the prevailing prices in Germany, they have claimed normal value for China PR, based on import prices in Germany (source: ITC Trade Map).

F.1.2. Submissions by the Other Interested Parties

30. None of the interested parties has made any submission with regard to normal value.

F.1.3. Examination by the Authority

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

(i) *the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*

(ii) *When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either*

(a) Comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or

(b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

32. At the stage of initiation, the Authority proceeded with the presumption that China PR is a non-market economy country. Upon initiation, the Authority advised the producers/exporters in China PR to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the supplementary questionnaire to all the known producers/exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China PR to advise the producers/exporters in China PR to provide the relevant information. However, none of the Chinese producers/exporters has filed any response.

33. In view of the above position and in the absence of rebuttal of non-market economy presumption by any Chinese exporting company, the Authority considers it appropriate to treat China PR as a non-market economy country in the present investigation and has proceeded with Para 7 of Annexure I to the Rules for determination of normal value in case of China PR.

34. Para 7 of Annexure I of the Anti-dumping Rules provide that:

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

35. In this connection possibility of determination of the normal value in China PR in terms of first and second option in Para 7 of Annexure I of the AD Rules has been examined. In this regard, it is noted that the Authority had accepted the import price of float glass as a whole into Germany as prima facie evidence for normal value for China PR for the purpose of initiation. Germany was considered as a surrogate country since level of development of product and country were considered similar for both China PR and Germany.
36. However, during the course of the investigation, the Authority has noted that product under consideration has certain variants like thickness, color, etc and thus the prices of float glass into Germany could not be considered for the purpose of normal value as no information about the product under consideration as defined could be culled out from the import data (Trade map) made available by the petitioners in their petition. The same was considered important for applying principals of fair comparison. It is also noted that during the process of investigations, none of the producers / exporters have participated in the investigation to assist the Authority in proper price comparison or to have similar normal value for like to like comparison. Therefore, in order to have fair comparison of products, the Authority has no option but to construct the normal value based on the third option provided in paragraph 7 of Annexure I, i.e., *price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit*. Thus, normal value has been determined on the basis of price paid or payable in India, considering cost of production in India, after addition for selling, general & administrative expenses and reasonable profits. The normal value so determined is given below in dumping margin table.
37. The normal value so determined is provided in the dumping table below.

F.2. Export Price

F.2.1. Submissions by the Domestic Industry

38. The Domestic Industry has submitted that the transaction-wise import data for the purpose of determination of the export price. It has used DGCI&S data to assess the volume and value of imports in India in addition to the required price adjustments on account of ocean freight, marine insurance and port handling expenses, inland freight, VAT adjustment and credit cost.

F.2.2. Submission by the Other Interested Parties

39. No response has been filed by any of the interested parties in relation to export price.

F.2.3. Examination by the Authority

40. The domestic industry, in its application had provided the transaction-wise import data obtained from DGCI&S. As none of the exporters of the subject country has provided any information that can be used for determination of the export price, the export prices for all exporters from subject country have been determined on the basis of CIF prices of imports as reported in DGCI&S data. Since transaction-wise import data provided by DGCI&S contained both the product under consideration and other excluded items or non-subject goods, the data has been analyzed and volume and value of the product under consideration has been determined after pruning the data for excluded items and non-subject goods. Since a large number of transaction lines in the DGCI&S data do not show complete description of the product imported a reasonable method of segregation of those lines into PUC and Non-PUC items have been adopted for the purpose of dumping and injury examination.
41. It is noted that as per DGCI&S import data as stated above 8531 MT of the subject goods were imported from China PR during the POI. The Authority has also noted from the import data that out of 8531 MT of the import of subject goods from China PR, around 5563 MT of imports is of particular variant / grade / type of the subject goods namely Extra Clear Float Glass (ECFG). It is further noted that the ECFG is normally priced higher due to purity of the raw materials used and aesthetic value. Based on the available data, the Authority has compared the ECFG and other subject goods (“other float glass”) imported from the China PR with the ECFG and other float glass produced and sold by the Domestic Industry in the market to analyze impact of imports of ECFG and other float glass on the Domestic Industry.
42. In the absence of concrete information from the respective exporters in the subject country, export prices of subject goods from the China PR have been calculated on the basis of applicable adjustments for Ocean freight, Marine insurance, Port expenses, Commission, Inland transportation in the country of export, and Bank charges as per best information available to arrive at the export prices at the ex-works level.
43. Accordingly, the net export price for China PR for the subject goods has been determined as follows:

F.3. Dumping Margin

44. Comparing the weighted average Constructed Normal Value and the Export price at ex-factory level determined as above, the Dumping Margin for the producers/exporters in China PR is determined as follows:

Particulars	UoM	ECFG	Other Float Glass	Wt. Average -Subject goods
Import Quantity	MT	5563	2967	8531
Constructed Normal Value	USD/MT	***	***	***
Export Price	USD/MT	***	***	***
Dumping Margin	USD/MT	***	***	***
Dumping Margin	%			***
Dumping Margin	Range			50-70

45. The dumping margin so determined is positive, above *de minimis* and is also significant.

G. ASSESSMENT OF INJURY, CAUSAL LINK AND LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

G.1. Submissions made by the Domestic Industry

46. The following are the injury related submissions made by the domestic industry during the course of the present investigation and considered relevant by the Authority:
- i. That the demand of the product under consideration has shown a growth throughout the injury period. Hence, the contraction in demand is not a possible reason, which could have contributed to injury to the domestic industry.
 - ii. That dumping margins are significantly positive, and therefore, there is clear likelihood of increase in the demand of the imported subject goods in India from the China PR in the event of cessation of Anti-dumping duty.
 - iii. That once the current COVID-19 crisis will over, India will become the hot destination for exports of the subject goods from China PR particularly in view of the fact that their major markets including the European Union have been severely affected by the Covid-19 crisis. Therefore, volume injury to the Domestic Industry is imminent.
 - iv. That the two major producers from China PR namely Xinyi and Kibing has started exporting the subject goods from Malaysia at dumped and injurious prices. The Authority has recommended anti-dumping duties from Malaysia. Therefore, if duties were not extended from China PR, there is every likelihood that the quantity exported from Malaysia will be diverted from China PR, in case duties are not extended against China PR.
 - v. That since the pattern of consumption with regard to the product under consideration has not undergone any change, changes in pattern of consumption is unlikely to contribute to the injury to the domestic industry.
 - vi. The Domestic Industry has requested for like to like comparison with the imported subject goods as predominantly ECFG one of the variants of the subject goods is getting imported from China PR. That there is no trade restrictive practice, which could have contributed to the injury to the domestic industry.
 - vii. That technology for production of the product has not undergone any change nor are there any likely changes in coming future. Developments in technology are, therefore, not a factor of injury.
 - viii. That the productivity of the domestic industry has remained almost at the same level during the entire period of injury. Hence, productivity is not a factor of injury.

G.2. Submissions made by the producers/exporters/importers/other interested parties

47. No submissions related to the injury has been made by any producers/exporters/importers/other interested parties during the course of the present investigation before the Authority.

G.3. Examination by the Authority

48. Annexure-II of the AD Rules provides for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices, in the domestic market, for the like articles; and (b) the consequent impact of these imports on domestic producers of such products. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in dumped imports, either in absolute term or relative to production or consumption in India. With regard to the price effect of the dumped imports on prices, the Authority is required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
49. The Authority has also noted from the import data that out of 8531 MT of the import of subject goods from China PR, around 5563 MT of imports is of particular variant / grade / type of the subject goods namely Extra Clear Float Glass (ECFG). It is further noted that the ECFG is normally priced higher due to purity of the raw materials used and aesthetic value. It is also noted that ECFG and other variant / grade / type of the subject goods are imported under various thickness, which was not reported correctly in the import data. Therefore, the import prices cannot be relied upon in the absence of participation of any producer / exporters from China PR and without proper verification thereof. However, based on the available data, the Authority has compared the ECFG imported from the China PR with the ECFG produced and sold by the Domestic Industry in the market to analyze impact of imports of ECFG on the Domestic Industry including likelihood analysis.
50. For the examination of the impact of the dumped imports on the domestic industry in India, 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 or investments have been considered in accordance with Annexure II of the Rules. All economic parameters affecting the Domestic Industry as indicated above have been examined as under: -

Volume Effect of Dumped Imports and impact on the Domestic Industry

i. Assessment of Demand

51. For the purpose of the present investigation, demand or apparent consumption of the subject goods has been defined as the sum of domestic sales of the Applicants, sales of

other domestic producer and imports from all sources. The demand so assessed is given in the table below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Imports from China PR	MT	8283	7302	8413	8531
Imports from Other Countries	MT	271410	328079	300832	302763
Total Imports	MT	279693	335381	309245	311293
Sales of Domestic Industry	MT	961514	1043966	1182547	1175051
Sales of Other Domestic Producers	MT	161000	172000	150000	150000
Total Domestic Sales	MT	1122514	1215966	1332547	1325051
Demand	MT	1402207	1551347	1641792	1636344

52. The above data indicates that the demand of the subject goods show a healthy growth over the injury investigation period and has grown by about 17% during the POI as compared to the base year. It is noted from the import data that around 65% to 70% of the imports from China PR are of a particular variant namely ECFG and remaining 30 to 35% is of other variants of the subject goods.

ii. **Imports volume and share of the imports from China PR**

53. With regard to the volume of 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. The volume of imports of the subject goods from China PR has been analyzed as under:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Imports from China PR	MT	8283	7302	8413	8531
Imports from Other Countries	MT	271410	328079	300832	302763
Total Imports	MT	279693	335381	309245	311293
Total PUC Production	MT	1094376	1144299	1418849	1413108
Demand of Subject goods in India	MT	1402207	1551347	1641792	1636344
Imports from China PR in relation to					
Production	%	0.76%	0.64%	0.59%	0.60%
Trend	Indexed	100.0	84.3	78.3	79.8
Consumption	%	0.59%	0.47%	0.51%	0.52%
Trend	Indexed	100	80	87	88

54. From the above table, it is noted that-

- Imports of subject goods from China PR have remained at the same levels throughout the injury investigation period. Further, it is also noted that the imports from China PR has increased in the POI in absolute terms as well in relation to production and consumption as compared to the year 2018-19. However, the same declined marginally in the POI as compared to the base year due to the existing anti-dumping duties.
- The Domestic Industry has submitted that the marginal decline in the imports from China PR in relative terms during the POI as compared to the base years is due to the existing anti-dumping duties against China PR and the fact that the Chinese producers

were exporting the subject goods from Malaysia through their 100% owned companies.

iii. Price Effect of Dumped Imports on the Domestic Industry

55. With regard to the effect of the dumped imports on prices, the Designated Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared to 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.
56. The impact on the prices of the domestic industry on account of imports of the subject goods from the subject country has been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed value of imports from the subject country. A comparison for subject goods during the period of investigation was made between the landed value of the dumped imports and the domestic selling price. In determining the net sales realization of the domestic industry, taxes, rebates, discounts and commission incurred by the domestic industry have been adjusted.
57. It is further noted that for the sake of proper price analysis the Authority has considered the principles of fair comparison while comparing imported goods and products produced by the Domestic Industry.

a. Price Undercutting

58. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports from China PR with net sales realization of the domestic industry. The details are provided in the below table:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Landed price of imports	Rs/MT	25202	24162	27286	26021
Net selling price of Domestic Industry	Rs/MT	24532	22856	21123	20997
Price undercutting	Rs/MT	-670	-1307	-6163	-5024
Price undercutting	%	-2.66%	-5.41%	-22.59%	-19.31%
Price undercutting	Range	(10)-0	(10)-0	(30)-(20)	(20) - (10)

59. It is noted that the landed value from China PR was above the selling price of the Domestic Industry. As noted above, out of total import quantity from China PR of 8531 MT, around 65% i.e., 5563 MT is ECFG, while during the same period Domestic Industry's share of ECFG was less than 1% of the total domestic sales of the Domestic Industry. Therefore, the above price undercutting does not reflect true position. The Authority has also carried out the like to like comparison between ECFG and other variants of the subject goods imported from China PR with the ECFG and other variants of the domestic like product produced and sold by the Domestic Industry, and noted that the price undercutting is positive. The same can be seen from the Table below:

POI	UoM	ECFG	Other Float Glass	Wt. Average
Import Quantity	MT	5563	2967	8531
Landed Value	Rs/MT	25209	27543	26021
Net Sales Realization	Rs/MT	***	***	***
Price Undercutting	Rs/MT	***	***	***
Price Undercutting	%	***	***	***
Price Undercutting	Range	***	***	50-60

b. Price Suppression and Depression

60. In order to determine whether the imports from China PR are suppressing or depressing the domestic prices and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred in normal course, the Authority considered the changes in the costs and prices over the injury period, as detailed below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Cost of Sales	Rs/MT	19905	20158	21925	22221
Trend	Indexed	100	101	110	112
Selling Price	Rs/MT	24532	22856	21123	20997
Trend	Indexed	100	93	86	86
Landed Value from China PR	Rs/MT	25202	24162	27286	26021
Trend	Indexed	100	96	108	103

61. From the above table, it is noted that the domestic selling price of the Domestic Industry is below its cost of the sales, and the same also declined during the POI as compared to the preceding years. It is also noted that landed price of subject goods from China PR is higher than cost of production and selling price of the domestic like product.
62. In this connection, it is again noted that the import prices of the subject goods may not be fully relied upon in the absence of the cooperation of the Chinese producers / exporters as thickness can be verified only from the exporters data. However, it is noted that the selling price and cost of sales of the ECFG is above the landed value of ECFG from China PR, indicating that the Domestic Industry is under pressure due to dumped imports of subject goods from China PR.

c. Price Underselling

63. The Authority has also examined price underselling if any, suffered by the domestic industry on account of dumped imports from China PR in the following Table:

Particulars	Unit	China PR
NIP	Rs/MT	***
Landed price of imports from China PR	Rs/MT	26021

Particulars	Unit	China PR
Price underselling	Rs/MT	***
Price underselling	%	***
Price underselling	Range	(10) – 0

64. The price underselling is negative based on the information provided in the above table. However, price underselling is positive when landed value of ECFG and other subject goods from China are compared with the non-injurious price of ECFG and other subject goods produced by the Domestic Industry on a like-to-like basis. The same is provided in the Table below.

POI	UoM	ECFG	Other Float Glass	Wt. Average
Import Quantity	MT	5563	2967	8531
Landed Value	Rs/MT	25209	27543	26021
Non-Injurious Price	Rs/MT	***	***	***
Price Underselling	Rs/MT	***	***	***
Price Underselling	%	***	***	***
Price Underselling	Range	***	***	10-20

iv. **Economic Parameters of the Domestic Industry**

65. 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. The various injury parameters relating to the domestic industry are discussed herein below

i. **Capacity, Production, Capacity utilization and Sales:**

66. The details of capacity, production and capacity utilization are given in the table below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Capacity	MT	1633740	1724104	2220200	2357900
Total Production	MT	1391242	1313874	1545182	1611310
Production PUC only	MT	1128228	1180057	1518303	1517850
Capacity Utilization (Total Production)	%	85.16%	76.21%	69.60%	68.34%
Sales Quantity	MT	961514	1043966	1182547	1175051
Trend	Indexed	100	109	123	122

67. It is noted from the above table that the capacity of the Domestic Industry has increased in order to cater the increased demand in India. It is also noted that the Domestic Industry has sufficient capacity to cater the need of the domestic demand. Despite the same, the capacity utilization of the Domestic Industry has declined throughout the injury investigation period due to dumped imports.

ii. **Market share:**

68. The details of imports, domestic sales and the market share of the domestic industry is as below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Imports from China	MT	8283	7302	8413	8531
Imports from Other Countries	MT	271410	328079	300832	302763
Total Imports	MT	279693	335381	309245	311293
Sales of Domestic Industry	MT	961514	1043966	1182547	1175051
Sales of Other Domestic Producers	MT	161000	172000	150000	150000
Total Domestic Sales	MT	1122514	1215966	1332547	1325051
Demand	MT	1402207	1551347	1641792	1636344
Share in Demand					
Imports from China PR	%	1%	0%	1%	1%
Imports from Other Countries	%	19%	21%	18%	19%
Total Imports	%	20%	22%	19%	19%
Sales of Domestic Industry	%	69%	67%	72%	72%
Sales of Other Domestic Producers	%	11%	11%	9%	9%
Total Domestic Sales	%	80%	78%	81%	81%

69. From the above, it is noted that imports of the subject goods from China PR has remained constant throughout the injury investigation period on account of the existing anti-dumping duties. However, Domestic Industry has contended that since duties are now levied from imports from Malaysia, share of imports from China PR will again increase, if anti-dumping duties are not extended. It is further noted that the market share of the Domestic Industry has remained almost constant throughout the injury investigation period despite the fact that demand has increased over the same period.

iii. **Productivity:**

70. The productivity of the Domestic Industry is given in table below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Employees	Nos	3377	4026	4444	4421
Average Nos of Working Days	Days	365	365	365	365
No. of Man Days	Man Days	1232605	1469490	1622060	1613665
Productivity	MT/man-days	0.92	0.80	0.94	0.94
Trend	Indexed	100	88	102	103

71. It is noted from the above table that the productivity in terms of total production per man-days has remained in the same range.

iv. **Inventories:**

72. The inventory of the subject goods is shown in the following table.

Particulars	UoM	2016-17	2017-18	2018-19	POI
Average Inventory	MT	122869	126908	192367	195350
Trend	Indexed	100	103	157	159

73. From the above table, it is noted that the inventory has increased substantially during the POI as compared to the previous years.

v. **Employment and Wages:**

74. The position with regard to employment and wages is given in table below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Employees	Nos	3377	4026	4444	4421
Trend	Indexed	100	119	132	131
Wages	Rs. Lacs	12516	13617	17703	18010
Trend	Indexed	100	109	141	144
Wages/employee (Rs. per annum)	Rs/Nos	370625	338218	398366	407384
Trend	Indexed	100	91	107	110

75. It is noted from above table that the number of the employees and wages paid to them have increased during the POI. It is submitted by the Domestic Industry that the increase in wages have been commensurate to the increase in wages in the country in general.

vi. **Profitability:**

76. The Profits, return on investment and cash flow of the domestic industry has been examined as below:

Particulars	UoM	2016-17	2017-18	2018-19	POI
Selling Price	Rs. /MT	24532	22856	21123	20997
Trend	Indexed	100	93	86	86
Cost of Sales Price	Rs. /MT	19905	20158	21925	22221
Trend	Indexed	100	101	110	112
Profit & Loss	Rs. Lacs	44485	28163	-9483	-14388
Trend	Indexed	100	63	-21	-32
Profit & Loss	Rs. /MT	4627	2698	-802	-1224
Trend	Indexed	100	58	-17	-26
Cash Profit	Rs. /MT	6530	4458	994	845
Trend	Indexed	100	68	15	13

Particulars	UoM	2016-17	2017-18	2018-19	POI
Return on Capital Employed (ROCE)	%	17.32%	9.81%	-2.86%	-4.44%
Trend	Indexed	100	57	-16	-26

77. From the above Table, it is noted that the cost of the Domestic Industry has increased to Rs. 22221 / MT in the POI from Rs. 19905 / MT in the base year i.e., 2016-17. However, during the same period, the selling price of the Domestic Industry has declined to Rs. 20997 / MT in the POI from Rs. 24532 / MT in the base year i.e., 2016-17. It is noted that due to increase in cost and decline in the selling price, the profitable position of the Domestic Industry turned into losses during 2018-19 and POI. Cash profit also declined throughout the injury investigation period. The ROCE has also followed the same trend as of profitability.

vii. **Growth**

78. There was negative growth of the domestic industry in terms of selling price, profitability, cash profit and ROCE in the POI. The same is reflected in the Table below:

Particulars	2016-17	2017-18	2018-19	POI
Domestic Sales Price Rs/MT	-	-7%	-14%	-14%
Profit & Loss Rs/MT	-	-42%	-117%	-126%
Cash Profit (Rs/MT)	-	-32%	-85%	-87%
Return on Capital Employed	-	-43%	-116%	-126%
Domestic Sales of DI	-	9%	23%	22%
Market Share of DI in Demand	-	-1.86%	5.04%	4.72%

viii. **Magnitude of Dumping:**

79. Magnitude of dumping is an indicator of the extent to which the dumped imports can cause injury to the domestic industry. The data shows that the dumping margin determined against China is above *de minimis* and significant.

ix. **Ability to raise Capital Investment:**

80. The Authority notes that the Domestic Industry is suffering financial losses in the period of investigation. With the competition being faced by the Domestic Industry because of the dumped imports, it has been claimed that the future investment in the sector is marred by the presence of the dumped imports from China PR. The significant decline in profitability and return on investment indicates that the ability of the domestic industry to raise capital investments for the sector would be adversely affected due to dumped imports from China PR.

x. **Factors affecting domestic prices**

81. The data above indicates that there is a healthy growth in demand. The dumped imports from the subject country, though low in volume, are still entering the Indian market. It is further noted that since anti-dumping duties are applicable for the imports from China PR, the quantities of imports are low and the fact that due to various thickness issue, the import prices cannot be considered to be reflective of likely prices.

However, the export prices from Malaysia gives the fair idea of the likely prices in the event duties are not extended for China PR. Thus, it can be concluded that the principal factor affecting the domestic prices is the dumped imports of subject goods from China PR and the countries from where anti-dumping duties are applicable.

v. Analysis of Material Injury

82. An examination of the various parameters of injury along with the volume and price effects of imports reveals that imports of subject goods from the subject country during the POI remained constant due to existence of the anti-dumping duties. Moreover, as stated above, in the absence of the participation of the exporters / producers of the subject goods from China PR, export price cannot be accepted due to the thickness issue. It is also noted from the information available that there is no volume effect in this case. However, there is an adverse price effect as evidenced from the table showing price undercutting and price suppression and depression. With regard to impact of adverse price effect on the domestic industry, it is noted that capacity utilization has declined despite increase in demand. Further, it is also noted that profitability, cash profit and ROCE of the domestic industry has been adversely affected on account of dumped imports of subject goods from the subject country.

vi. Magnitude of Injury and Injury Margin

83. The Authority has determined Non-Injurious Price (NIP) for the domestic industry on the basis of principles laid down in the Rules read with Annexure-III to the Rules, as amended from time to time. The NIP of the domestic like product has been determined by adopting the verified information/data relating to the cost to make and sell for the period of investigation. The NIP of the domestic industry has been worked out in accordance with Annexure III to the Rules. For determining NIP, the best utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been done with the utilities. The best utilization of production capacity over the injury period has been considered. The production in POI has been calculated considering the best capacity utilization and the same production has been considered for arriving per unit fixed costs. 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 for recovery of interest, corporate tax and profit to arrive at the NIP as prescribed in Annexure-III and being consistently followed by the Authority. The non-injurious price so determined has been compared with the landed prices of imports from the subject country to determine the injury margin.

POI	UoM	ECFG	Other Float Glass	Wt. Average – Subject goods
Import Quantity	MT	5563	2967	8531
Landed Value	Rs/MT	25209	27543	26021
Non-Injurious Price	Rs/MT	***	***	***
Injury Margin	Rs/MT	***	***	***

Injury Margin	%	***	***	***
Injury Margin	Range	***	***	10-20

vii. **Non-Attribution Analysis**

84. As per the AD 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.

(i) **Volume and price of imports from third countries**

85. The imports from the countries other than China PR and countries already attracting anti-dumping duties are not significant in volume terms so as to cause or threaten to cause injury to the Domestic Industry. Imports from other countries accounted for less than 3% in total imports and 1% of total demand/consumption in India. Thus, it cannot be said that imports from other countries are currently causing injury.

(ii) **Export Performance**

86. It is noted that the injury information examined by the Authority is for domestic operations and therefore possible changes in exports volume have not caused injury to the Domestic Industry.

(iii) **Development of Technology**

87. None of the interested parties have furnished any evidence to demonstrate significant changes in the technology that could have caused injury to the domestic industry. It is further noted that technology for production of the product concerned has not undergone any change. Thus, development in technology is not a factor causing injury to the domestic injury.

(iv) **Performance of other products of the company**

88. The Authority notes that the performance of other products being produced and sold by the Domestic Industry does not appear to be a possible cause of injury to the domestic industry.

(v) **Trade Restrictive Practices and Competition between the Foreign and Domestic producers**

89. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. No evidence has been submitted by any interested party

to suggest that the conditions of competition between the foreign and the domestic producers have undergone any change.

(vi) **Productivity of the Domestic Industry**

90. It is noted that the productivity of the domestic industry in terms of production per employee as well as production per day has marginally increased over the period.

(vii) **Contraction in Demand and Changes in pattern of consumption**

91. It is noted that the demand of the subject goods has increased consistently over the entire injury period. Thus, it can be concluded that the injury to the Domestic industry was not due to contraction in demand.

viii. **Conclusion on continuation of injury and causal link:**

92. It is thus noted that listed known other factors do not show that the domestic industry could have suffered injury due to these other factors. The Authority examined whether the dumping of the product has caused injury to the domestic industry.
- a. Imports of the subject goods from the subject country has remained constant due to existing anti-dumping duties.
 - b. The domestic industry has not been able to increase its production and sales commensurate with the increase in demand.
 - c. Performance of the domestic industry with regard to profits, cash flow and return on investments deteriorated. Thus, dumping of the product has led to deterioration in performance of the domestic industry in terms of profits, cash flow and return on investments.

H. ASSESSMENT OF LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY

H.1. Submissions made by the Domestic Industry

93. The following submissions have been made by Domestic Industry with regard to likelihood of continuation or recurrence of dumping and injury:
- i. There is a clear likelihood of the continued dumping being further intensified by exporters from China PR leading to a situation of further intensified injury to the domestic industry, if the existing duty is withdrawn.
 - ii. The Domestic Industry has submitted that the producers in China PR have huge surplus capacities. Such surplus capacities have been created on account of installment of capacities by the producers in China PR much in excess of demand or market requirement.

Particulars	2016-17	2017-18	2018-19	POI
Indian Production Capacity	16,33,740	17,24,104	22,20,200	23,57,900
China Production capacity	6,30,00,000	6,50,00,000	6,70,00,000	6,90,61,538*
Capacity Addition	10,00,000#	20,00,000	40,00,000	60,61,538
% of China capacity with Indian Capacity	3856%	3770%	3018%	2929%
% of China capacity addition with Indian Capacity	61%	116%	180%	257%

* China Production capacity for POI taken as % increase in previous year.

based on capacity difference from 2015.

Source: China Glass database for Float Glass

- iii. It is also submitted by the Domestic Industry that the demand for glass is intricately linked to the infrastructure growth. With the decline in the growth rate, demand for subject goods will also decline in China PR which is already suffering with lower capacity utilization due to anti-dumping duties imposed by several countries. The same can also be seen from the Table below:

Particulars	2016	2017	2018	2019	2020	2024
China's Projected GDP Growth*	6.7	6.8	6.6	6.1	5.8	5.5
China Capacity utilization**	67%	71%	69%	68%	-	-

*Source: National Bureau of Statistics, China PR,

**Minsheng Securities for Float Glass

- iv. From the information placed on record, it is noted that China PR has very substantial idle capacity available, which can be easily diverted to India, in case duties are not extended. The same can also be seen from the Table below:

Particulars	2016	2017	2018	2019
China Production capacity	6,30,00,000	6,50,00,000	6,70,00,000	6,90,61,538
China Capacity utilization	67%	71%	69%	68%
Idle Capacity	2,07,90,000	1,88,50,000	2,07,70,000	2,20,99,692
Indian Demand	14,02,207	15,51,347	16,41,792	16,36,344
% of China surplus capacity as a proportion to Indian Demand	1483%	1215%	1265%	1351%

- v. It has further been submitted that China PR has huge idle capacity which is around 14 times of the Indian demand. Chinese producers are adding capacities despite the fact that consumption in China has declined due to stagnation in the real estate sector
- vi. There have been additions to capacity in China PR in the last 5 years, which is 4 times the additions in Indian capacities, making the overall Chinese capacity 30 times the size of the entire Indian market at end of 2018.
- vii. The Domestic Industry has submitted that the installed capacities along with the surplus capacities lying idle in China PR are substantial, and has potential to wipe-out the market share of the Domestic Industry. Further, these installed

capacities along with the surplus capacities lying idle are substantial and has potential to wipe-out the market share of the Domestic Industry.

- viii. It has also been submitted by the Domestic Industry that much of the demand for China PR domestic glass market is tied to real estate (75%) and the real estate demand in China PR is stagnating.
- ix. The Domestic Industry has submitted that the demand of the subject goods in India has increased throughout the injury investigation period.
- x. India is an attractive market for the foreign producers /exporters, especially with regard to China PR as the ITC Trade Map shows India is second preferred destination for the exporters from China PR. Therefore, apart from China PR, Iran, Pakistan, UAE and Saudi Arabia are also subjected to anti-dumping duties
- xi. It has also been submitted that currently Chinese producers are exporting their dumped goods from their recently established plant in Malaysia for which the Authority has recommended anti-dumping duties and anti-subsidy investigation are ongoing.
- xii. Indian market for the subject goods continues to have a healthy demand for the product which is in line with the general economic growth. However, the price scenario of the past indicates that it would continue to remain a low-price market and attractive for the global players with surplus capacity to export at marginal cost pricing. However, if the duties are removed the Indian market will become much more attractive.

H.2. Submissions made by the Other Interested Parties

- 94. None of the producer/exporters has made any submissions with regard to the likelihood of continuation/recurrence of dumping and injury.

H.3. Examination by the Authority

- 95. 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 and injury in the event of cessation of the duty. The Authority has considered various information, as made available by the domestic industry and other interested parties in order to evaluate the likelihood of continuation or recurrence of dumping and injury.
- 96. The present investigation is a sunset review of anti-dumping duties earlier imposed on the imports of subject goods from China PR. Under the Rules, the Authority is required to determine whether continued imposition of antidumping duty is warranted. This also requires a consideration of whether the duty imposed is serving the intended purpose of eliminating injurious dumping. There are no specific methodologies available to conduct such a likelihood analysis. However, Clause (vii) of Annexure II of the Rules provides, inter alia, factors which may be taken into consideration viz.:
 - a) A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;

- b) 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;
- c) 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
- d) Inventories of the article being investigated.

97. 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:

(i) Surplus Capacity with the exporters

98. The Domestic Industry has provided information of the huge surplus capacities existing with the producers of the subject goods in China PR. From the data on record, it is noted that:

- a. Addition of demand in the POI by the Chinese producers is more than the total capacity of the subject goods in India. Further, capacity addition in the POI is itself more than 250% of the Indian capacity.
- b. Chinese capacity is more than 2900% of the Indian capacity in the POI.
- c. The Domestic Industry has increased capacity by 724160 MT in the POI as compared to the base year i.e., 2016-17, during the same time Chinese producers have added 6061538 MT, which is 8 times to the addition of the Indian capacity.

99. It is noted from the information placed on record that the demand for glass is intricately linked to the infrastructure growth. With the decline in the growth rate, demand for subject goods will also decline in China PR which is already suffering with lower capacity utilization due to anti-dumping duties imposed by several countries.

100. The Domestic Industry has further submitted that the demand for China PR domestic glass market is tied to real estate, and the real estate demand in China PR is stagnating. It has been submitted that the declining demand in China PR for the aforesaid reasons is clear from the NBS, China PR Glass Database.

101. From the information placed on record, it is noted that China PR has very substantial idle capacity available, which can be easily diverted to India, in case duties are not extended. Further, the Chinese producers are adding capacities despite the fact that consumption in China has declined due to stagnation in the real estate sector. This also indicates the likely quantum from China.

102. It is further noted that none of the producers or exporters from China PR or any other party has provided any information or contradicted the information submitted by the Domestic Industry regarding the production, consumption or capacities in these countries.

103. As per the reports provided by the domestic industry China PR continues to hold a very dominant position in capacity and production of float glass and a major supplier of this product globally. Further, the capacity utilization in China PR has also dropped to 70%

from around 82% in recent years which is indicative of a declining demand in China PR, the Authority notes that China PR may resume supply of dumped subject goods into India once the anti-dumping duties are discontinued:

104. The Authority notes that based on the evidence available on record, there is existence of freely disposable capacities of subject goods in China PR.

(ii) Attractiveness of Indian market

105. Indian market for the subject goods continues to have a healthy demand for the product which is in line with the general economic growth. It is noted that despite the anti-dumping duty in force, the import of the subject goods from China PR continues to be at dumped prices and significant in the Indian market. Indian demand for the subject has notable increased and there is prospective growth in the demand. These factors make India a suitable and attractive market for the foreign producers.
106. It is further noted from the ITC trade Map data that India holds second position in terms of the preference of the subject goods exported by the Chinese producers. It is further noted that despite anti-dumping duties in force, India remains one of the favorite destinations for subject goods. It has further been submitted by the Domestic Industry that since anti-dumping duties are being levied from imports from Malaysia, it is very likely that the related parties of the Chinese producers, will reship their goods from China PR, with whom India holds second rank.
107. In this connection, it is also noted that in the event of cessation of the anti-dumping duties an additional volume of 802362 MT may be further diverted to Indian markets, as the same are priced lower than the export price to India. This would bring the total exports from the subject country to India around 810893 MT. Amount. The same is tabulated below:

Particulars	Unit	POI
Total Exports to World from China PR	MT	1512270
Exports to India from China PR	MT	8531
Likely Quantity to be exported to India	MT	802362
Total likely exports to India	MT	810893
Share of Likely total exports to India	%	54%

*Source: ITC Trade Map for Float Glass

108. It has also been brought to the notice of the Authority that duties have been imposed by Brazil, which is one of the emerging economies and an emerging consumer of float glass, in 2013 on imports of this product from China PR. Similarly, South Korea's trade commission has also extended anti-dumping duties on the Chinese float glass products levied on April 2012. The domestic industry has also added that in Australia, the Authority has continued the anti-dumping duty on the imports of float glass from China PR. Therefore, Chinese exports of the subject goods to Brazil, South Korea and Australia are likely to be impacted to that extent.
109. On the basis of information placed on record, it is noted that if the duties are removed the Indian market will become much more attractive as the exporters would be able to realize better prices to the extent of the duty absorbed by them.

(iii) Likely Quantities below the Non-injurious Price of the Domestic Industry

110. The Domestic Industry has submitted that the China has exported around 1512270 MT of the Float Glass to the world. Out of this 1512270 MT, 791798 MT i.e. 52.35% of the total exports of China PR to the world is exported at prices lower than the NIP of the Domestic Industry. Moreover, if weighted average of NIP of the subject goods is considered, around 83% of the quantity exported from China is below the weighted average NIP of the Domestic Industry.

I. POST-DISCLOSURE SUBMISSIONS

111. The post disclosure submissions have been received only from the domestic industry.

L.1. Submissions by Domestic Industry

112. The submissions made by the domestic industry on the disclosure statement are as follows:

- a. Domestic Industry has requested the Authority to confirm its proposals made in the disclosure statement regarding scope of product under consideration, standing of domestic industry, dumping analysis, injury analysis and likelihood of recurrence of dumping and injury analysis in the final findings.
- b. It is also requested by the Domestic Industry that since no interested party has neither provided any information about likelihood of continuation of dumping and injury not rebutted the claim of the Domestic Industry, the Authority should extend the existing anti-dumping duties for further five years.
- c. It is further submitted in the event duties are not extended, imports from Malaysia will find its route through China.

L.2. Examination by the Authority

113. With regard to the issues raised by parties relating to likelihood of continuation or recurrence of dumping and injury, the Authority has duly examined the relevant parameters and has recorded its findings in the relevant paragraphs of the present final findings.
114. The analysis of various likelihood aspects of dumping and injury indicates that China PR continues to have a dominant position in the float glass manufacturing in the global market with huge capacities. With anti-dumping duty on the subject goods imposed by India on several other countries in the recent past, China PR would have a distinct advantage to increase the quantum of dumped goods in India of higher volumes if duties are revoked.
115. The subject goods are also being exported from several other countries which the Authority has recently recommended Anti-dumping duties. Under such circumstances, it is likely that the withdrawal of existing duties may result in the increase in dumped imports from China PR. Therefore, the contention of the Domestic Industry about possible likelihood of increase in dumped exports from China PR cannot be ruled out.

J. Indian Industry's interest & other issues

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

K. CONCLUSION

117. Having regard to the contentions raised, information provided, and submissions made by the interested parties and facts available before the Authority as recorded in these final findings and on the basis of the above analysis, the Authority concludes that:
- a. There is continued dumping of the subject goods from the subject country and the imports are likely to enter the Indian market at dumped prices in the event of cessation of duty.
 - b. Dumped imports from China PR are causing injury to the Domestic Industry.
 - 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 the anti-dumping duty at this stage will lead to continuation of dumping and injury to the Domestic Industry.

L. RECOMMENDATION

118. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the Domestic Industry and other interested parties to provide information on the aspects of dumping, injury, likelihood of dumping and injury and the causal link.
119. Having concluded that there is positive evidence on the aspect of dumping, injury and causal link, likelihood of dumping and injury, if the existing Anti-Dumping Duty is allowed to cease, the Authority is of the view that continuation of duty is required on subject goods from China PR.
120. Under these circumstances, the Designated Authority considers it appropriate to recommend continuation of existing quantum of anti-dumping duty on the imports of subject goods from China PR. The Authority, thus, considers it necessary to recommend continuation of existing definitive anti-dumping duty. Therefore, anti-dumping duty equal to the amount indicated in Col 7 of 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 below along with the footnotes thereunder, originating in or exported from the China PR.

Duty Table

S N	Sub Heading or Tariff Item	Description of Goods	Country of origin	Country of export	Producer	Duty Amount	Currency	Unit
	2	3	4	5	6	7	8	9
1	7005*	Float Glass**	China PR	Any country including China PR	Any	218	USD	MT
2	-do-	-do-	Any country except China PR	China PR	-do-	218	USD	MT

*Custom classification is only indicative, and the determination of the duty shall be made as per the description of PUC.

** Product under consideration is Float Glass i.e., "Float Glass of thickness 2 mm to 12 mm (both thickness inclusive) of clear as well as tinted variety (other than green glass) but not including reflective glass, processed glass meant for decorative, industrial or automotive purposes".

M. FURTHER PROCEDURE

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


(B. B. Swain)

Special Secretary & Designated Authority