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**F. No. 6/34/2024-DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce,
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001**

Date: 23.09.2025

**FINAL FINDINGS
Case No. AD (OI)-32/202**

Subject: Anti-dumping investigation concerning imports of “Mono ethylene Glycol” originating in or exported from the State of Kuwait, the Kingdom of Saudi Arabia and the Republic of Singapore.

A. BACKGROUND OF THE CASE

F. No. 6/34/2024-DGTR. — 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 thereof, as amended from time to time (hereinafter referred as the “AD Rules”);

1. Whereas, the Chemicals and Petrochemicals Manufacturers Association of India (CPMA) (hereinafter referred to as the ‘applicant’ or the ‘domestic industry’) filed an application, before the Designated Authority (hereinafter also referred to as the ‘Authority’) on behalf of the domestic industry in accordance with the Customs Tariff Act, 1975 (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, as amended from time to time (hereinafter also referred as the “AD Rules”) for initiation of an anti-dumping investigation concerning imports of “Mono ethylene Glycol” (hereinafter also referred to as the “product under consideration” or “PUC” or “subject goods” or “MEG”) originating in or exported from the State of Kuwait (hereinafter also referred to as “SOK/Kuwait”), the Kingdom of Saudi Arabia (hereinafter also referred to as “KSA/ Saudi Arabia”) and the Republic of Singapore (hereinafter also referred to as “ROS/Singapore”), hereinafter collectively referred to as the “subject countries”. The data pertaining to injury information was provided by Reliance Industries Limited (hereinafter referred to as the “applicant”)
2. And whereas, in view of the duly substantiated application filed by the applicant, the Authority issued a public notice *vide* Notification No. 6/34/2024-DGTR dated 27th September 2024, published in the Gazette of India, initiating an anti-dumping

investigation into imports of PUC from the subject countries in accordance with Rule 5 of the AD Rules to determine the existence, degree and effect of any alleged dumping of the subject goods and to recommend the amount of anti-dumping duty, which if levied, would be adequate to remove the alleged injury to the domestic industry.

B. PROCEDURE

3. The procedure described below has been followed with regard to the investigation:
 - a. The Authority notified the embassies of the subject countries in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Rule 5(5) of AD Rules, 1995.
 - b. The Authority *vide* Notification No. F.No.6/34/2024 - DGTR issued a public notice dated 27th September 2024, published in the Gazette of India, Extraordinary, initiating the anti-dumping investigation concerning the imports of the subject goods from the subject countries.
 - c. The Authority sent a copy of the initiation notification to the governments of the subject countries, through their embassies in India, known producers and exporters from the subject countries, known importers/users, the domestic industry, the other Indian producers as well as other interested parties, as per the addresses made available by the applicant and requested them to make their views known in writing within the prescribed time limits.
 - d. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters and to the governments of the subject countries, through their embassies in India, in accordance with Rule 6(3) of the AD Rules. A copy of the non-confidential version of the application was provided to other interested parties, wherever requested.
 - e. The Authority sent an Exporter's Questionnaire to the following known producers/exporters to elicit relevant information in accordance with Rule 6(4) of the AD Rules:

SOK	KSA	ROS
EQUATE Petrochemical Company	Arabian Petrochemical Company	Coral Energy DMCC
The Kuwait Olefins Company	Eastern Petrochemical Company	Shell International Eastern Trading Company
	Jana Jubail Chemical Industries Co.	
	Rabigh Refining & Petrochemical Co.	
	Sadara Chemical Company	
	Saudi Basic Industries Corporation	

	Saudi Kayan Petrochemical Co	
	Saudi Yanbu Petrochemical Co.	
	Yanbu National Petrochemical Co.	

- f. The embassies of the subject countries in India were requested to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time limit.
- g. In response, the following producers/exporters from the subject countries have responded by filing questionnaire responses:

S.No.	SOK	KSA	ROS
Producers			
1.	EQUATE Petrochemical Company ("Equate")	Saudi Yanbu Petrochemical Co. ("YANPET")	-
2.	The Kuwait Olefins Company ("TKOC")	Saudi Kayan Petrochemical Co. ("SAUDI KAYAN")	
3.		Jubail United Petrochemical Co. ("UNITED")	
4.		Eastern Petrochemical Company ("SHARQ")	
5.		Arabian Petrochemical Company ("PETROKEMA")	
6.		Yanbu National Petrochemical Company ("YANSAB")	
7.		Rabigh Refining & Petrochemical Co. ("PRC")	
Traders			
8.		Saudi Basic Industries Corporation ("SABIC")	
9.		SPDC Ltd ("SPDC")	
10.		SABIC Asia Pacific Pvt. Ltd. ("SAPPL")	
11.	Mitsubishi Corporation, Japan	Mitsubishi Corporation, Japan	

- h. The Authority sent Importer's Questionnaire to the following known importers/users of the subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules:

S.No.	Name of Importer / User / User Association
1.	Dow Chemical International Pvt. Limited
2.	Filatex India Limited
3.	Bhilosa Industries Pvt. Limited
4.	Chiripal Poly Films Limited
5.	DNH Spinners Pvt. Limited
6.	Jindal Poly Films
7.	Shree Durga Syntex Pvt. Limited
8.	Sanathan Textiles Pvt. Limited
9.	KLJ Resources Limited
10.	Shubhalakshmi Polyesters Limited
11.	SRF Limited
12.	Starchem Polytrade Pvt. Limited
13.	Starlon Exim Pvt. Limited
14.	The Bombay Dyeing & Mfg. Co. Limited
15.	Wellknown Polyesters Limited
16.	Indorama Synthetics Limited
17.	Alok Industries Limited
18.	Garden Silk Mills Limited
19.	Gokulanand Petrofibers
20.	JBF Industries Limited
21.	Sumeet Industries Limited
22.	Rashmi Polyfab Private Limited
23.	IVL Dhunseri Petrochem Industries Private Limited
24.	Futura Polyesters Limited

- i. In response, the following importers/users have responded by filing questionnaire responses:

S.No.	Name of Importer / User / User Association
1.	Bhilosa Industries Pvt. Limited
2.	M/s IVL Dhunseri Petrochem Industries Pvt. Ltd
3.	Sanathan Textiles Limited
4.	Beekaylon Synthetics Private Limited
5.	D.N.H. Spinners Pvt. Ltd
6.	Garden Silk Mills Pvt. Ltd
7.	Wellknown Polyesters Limited
8.	The Bombay Dyeing and Manufacturing Co., Ltd
9.	M/s Filatex India Limited
10.	M/s Indorama Synthetics (I) Ltd.
11.	Polyester Textile Apparel Industries Association

- j. The Authority made available the non-confidential version of the submissions made by the various interested parties. A list of all the interested parties was uploaded on the DGTR website along with the request to all of them to email the non-confidential version of their submissions to all the other interested parties.
- k. Request was made to the DGCI&S to provide the transaction-wise details of imports of the subject goods for the injury period and also the period of investigation. The Authority has relied upon the DGCI&S data for computation of the volume of imports and required analysis after due examination of the transactions.
- l. The period of investigation (“POI”) for the purpose of the present investigation is 1st April 2023 to 31st March 2024 (12 months). The examination of trends in the context of injury analysis covers a period of FY 2020-21, FY 2021-22, FY 2022-23 and the period of investigation.
- m. 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 final findings.
- n. Information provided by the interested parties on a confidential basis was examined with regard to the 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 a confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- o. 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 views/observations on the basis of the facts available.
- p. The Authority *vide* para 6 of the initiation notification dated 27th September 2024 sought comments on the scope of the PUC within 15 days of initiation. The interested parties were further granted additional time to file comments on PUC and PCN (Product Control Number) methodology till 26th October 2024. As no submissions were filed by any interested party, the Authority *vide* notification dated 18th November 2024, notified the final scope of PUC and PCN. All the interested parties were directed to file questionnaire responses in accordance with the PUC finalized, by 18th December 2024. At the request of some interested parties, the time limit was further extended to 25th December 2024.
- q. 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 AD 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.

- r. In accordance with Rule 6(6) of the AD Rules, the Authority provided opportunity to the interested parties to present their views during the oral hearing held on 17th April 2025 and were requested to submit their written and rejoinder submissions. However, due to the change in Designated Authority, the Authority provided opportunity to the interested parties to present its views orally, followed by submissions in writing, pursuant to the judgement of the Hon'ble Supreme Court in the matter of *Automotive Tyre Manufacturers' Association (ATMA) vs. Designated Authority*, delivered in Civil Appeal No. 949 of 2006 on 07-01-2011. Accordingly, the Authority held another public hearing on June 4, 2025. The interested parties who presented their views in the 2nd oral hearing, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions, if any. The interested parties were further directed to share the non-confidential version of the written submissions submitted by them with the other interested parties.
- s. The Authority circulated the disclosure statement containing all essential facts under consideration for making the final recommendations to the Central Government to all interested parties on 09th Septmeber 2025. The parties were requested to file the comments on disclosure statement if any by 16th September 2025
- t. The Authority has examined all the post-disclosure comments made by the interested parties in these final findings to the extent deemed relevant. Any submission which was merely a reproduction of the previous submission, and which had been adequately examined by the Authority has not been repeated for the sake of brevity.
- u. The information submitted by the domestic industry has been examined and verified during on site-verification as well as table verification to the extent deemed necessary and has been relied upon for the present final findings.
- v. The examination and desk verification of the information submitted by the cooperating producers/exporters from the subject countries was also carried out to the extent deemed necessary and has been relied upon for the purpose of the present final findings.
- w. The Authority has considered all the arguments raised and information provided by all the interested parties at this stage, to the extent the same are supported with evidence and considered relevant to the present investigation.
- x. ‘***’ in this final findings, represents information furnished by an interested party on a confidential basis and so considered by the Authority under the AD Rules.
- y. The exchange rate adopted by the Authority for the present investigation is 1 US\$ = ₹ 83.70.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1. Submissions of the other interested parties

4. None of the interested parties have provided any comments on the PUC or PCNs.

C.2. Submissions of behalf of the domestic industry

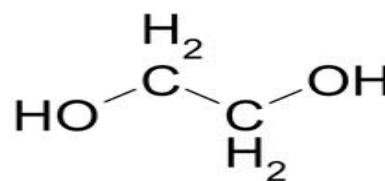
5. The following submissions have been made on behalf of the domestic industry:
 - a. The product under consideration is “Mono ethylene glycol”. It is a basic raw material for producing all polyester yarns, fibres and PET. Its domestic availability in the country is essential for ensuring self-reliance in the textile and PET sector.
 - b. None of the other interested parties have made any comments with respect to the product scope or requested for formulating PCNs. Accordingly, the domestic industry requests the Authority to confirm the scope of the PUC.

C.3. Examination by the Authority

6. The product under consideration is ‘Mono ethylene Glycol (MEG)’. MEG is an organic compound with the formula $(\text{CH}_2\text{OH})_2$. The molecular structure of MEG is as follows:



MEG in a beaker



Molecular Structure of MEG

7. MEG is primarily of two grades - fibre and non-fibre. The domestic industry manufactures both grades of MEG. The present investigation covers both grades of the PUC.
8. MEG is a clear, colourless, odourless, slightly viscous liquid with syrup like consistency. Further, it is sweet in taste and is miscible in water. MEG is an important industrial product with widespread application. It is primarily used in combination with purified terephthalic acid for manufacturing polyester fibers and polyethylene terephthalate resins. It is also used as an anti-freeze/coolant as well as in pharmaceuticals and cosmetic industries.
9. The PUC is classified in Chapter 29 titled “Organic Chemicals” under HS Code 2905 31 00. The customs classification is indicative and is not binding on the scope of the product under consideration.

10. None of the interested parties made any proposals for construction of PCNs in the present investigation. Accordingly, the Authority has not adopted any PCN methodology in the present investigation. Further, none of the interested parties have made any submissions concerning the scope of the PUC.
11. In view of the above, the Authority confirms the product scope as defined at the stage of initiation: “3. *The product under consideration in the present investigation is Mono ethylene Glycol (MEG).*”
12. There are no known differences in the subject goods manufactured by the domestic industry and those imported from the subject countries. The subject goods produced by the domestic industry and the subject goods imported from the subject countries are comparable in terms of characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, distribution and market & tariff classification of the goods. The applicants have claimed that the subject goods, which are being coming into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality, functions or end-uses of the subsidized imports and the domestically produced subject goods and the product under consideration manufactured by the applicants. The two are technically and commercially substitutable and hence should be treated as ‘like article’ under Rule 2 (d) of the AD Rules.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1. Submissions of other interested parties

13. The following submissions have been made by the other interested parties with regard to the scope of domestic industry:
 - a. RIL cannot constitute “domestic industry” in the present case because the definition envisages “*domestic producers as a whole, engaged in the manufacture of the like article*”, and in the present proceedings, there is no participant other than RIL.
 - b. The sole reliance on data from RIL undermines the reliability and objectivity of injury analysis as it risks selective data representation and potential manipulation. thereby compromising the accuracy and transparency of the injury evaluation. In the absence of comparable data from other domestic producers, critical injury indicators such as price and cost data remain unverifiable. Reliance in this regard has been placed on WTO Appellate Body Report in *EC – Fasteners (China)*, *US – Hot Rolled Steel (Japan)* and on the decision of the Supreme Court in *Reliance Industries Ltd. v. Designated Authority*.
 - c. The definition of “domestic industry” also seeks to exclude importers of the subject goods. In the present proceedings, RIL is both a producer and importer of MEG from

the subject countries which raises conflicts of interest, especially since it is the only participating producer and accounts for 80-90% of the domestic production.

- d. The Gauhati High Court in *Century Plyboard (I) Ltd. and Anr. V. Union of India and Ors.* has observed that the discretion to include importing domestic producers within the scope of domestic industry is not an absolute discretion. Accordingly, the Authority must examine the nature and reason for imports made by the domestic industry.
- e. The applicant has claimed that the present application has also been supported by IOCL and IGL. However, there is no evidence of such alleged support from IOCL. The applicant has itself considered IOCL neutral to the present investigation in its application.
- f. According to recent market intelligence RIL has imported around 180 KT of PUC. The Authority must examine as to how such imports merely account of 1% of total RIL's sales and production.

D.2. Submissions on behalf of the domestic industry

14. The following submissions have been made on behalf of the domestic industry:

- a. The present application has been filed by the Chemicals and Petrochemicals Manufacturers' Association of India on behalf of Reliance Industries Ltd ("RIL"). RIL accounts for more than 75% of Indian production and constitutes a "major proportion" of total domestic production in India in terms of Rule 2(b) of AD Rules, 1995. Further, the standing requirements under Rule 5(3) of AD Rules, 1995 have also been fulfilled
- b. There are two other known producers of the subject goods in India, namely Indian Glycol Limited and Indian Oil Corporation Limited.
- c. Reliance Industries Limited has imported an insignificant quantity of subject goods from the subject countries during the POI. However, such imports account for less than 1 percent of the total demand and around 1% of its production. Further, such imports have been made under export promotion schemes.
- d. the use of the word "may" in Rule 2(b) of AD Rules, clearly provides the Authority discretion to include even such domestic producers who are either importers of the subject goods or even when such a domestic producer is a related party of the exporter
- e. the Panel in *EC – Fasteners (China)* observed that investigating authorities have discretion whether or not to exclude related or importing domestic producers. This discretion was further affirmed by the High Court of Gauhati in *Century Plyboards v. Union of India*. Further, reliance is placed on the Authority's Final Findings in anti-dumping investigation concerning imports of Melamine and Single mode optical fibre wherein the Authority included importing domestic producer and a domestic producer related to importer of subject goods within the scope of the Domestic Industry

D.3. Examination by the Authority

15. Rule 2(b) of the AD Rules defines the 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'.

16. The Authority notes that the application has been filed by Chemicals and Petrochemicals Association of India on behalf of Reliance Industries Ltd. The application has been supported by Indian Glycol Limited. Apart from the two producers, there is one another producer, Indian Oil Corporation Limited. Reliance Industries Limited constitutes 'major proportion' in terms of Rule 2(b) of the AD Rules.

17. The Authority notes that the production of the applicant accounts for a major proportion of the total domestic production. The Authority further notes that Reliance Industries Limited has imported the subject goods from the subject countries. However, such imports constitute only 1% of their total production and the overall demand in the country. This limited import activity does not alter the applicant's nature of business from manufacturer to trader. Accordingly, the applicant is eligible to be considered as the domestic industry for the purposes of the present investigation. Moreover, the applicant is not related to any exporter of the subject goods in the subject countries or importer of the subject goods in India. Thus, the applicant constitutes domestic industry as defined under Rule 2(b) of the AD Rules, and the application satisfies the requirement of standing in terms of Rule 5(3) of the AD Rules.

E. CONFIDENTIALITY

E.1. Submissions of other interested parties

18. The producers/exporters/other interested parties have not made any submission in this regard.

E.2. Submissions on behalf of the domestic industry

19. The domestic industry has not made any submission in this regard.

E.3. Examination by Authority

20. With regard to confidentiality of information, Rule 7 of AD 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.’*

21. The interested parties, in their various submissions, have raised the issues of confidentiality claims by other interested parties. 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 confidential and not disclosed to the 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 versions of the evidence submitted by the various interested parties in the form of public file.

22. A list of all the interested parties was uploaded on DGTR’s website along with the request to all of them to email the non-confidential version of their submissions to all other interested parties.

F. Miscellaneous Submissions

F.1. Submissions by the other interested parties

23. The following miscellaneous submissions have been made by the other interested parties:
- a. Prior to the present investigation, the Authority has initiated two investigations on the PUC, at the behest of the domestic industry.
 - b. In both instances, the Authority has found *prima facie*, that there was sufficient evidence of dumping, injury and causal link to initiate these investigations.
 - c. However, in both instances there were no grounds for recommending duties. Clearly, the *prima facie* assessment of the presence of dumping, injury and causal link was overturned by the time the investigation concluded in both cases.
 - d. After the non-inclusion of Iran in the present investigation, the applicant was under obligation to re-submit the data after de-cumulating the effect of imports from Iran in terms of Rules 5 and 6 of AD Rules.
 - e. The present investigation is without jurisdiction as the application was withdrawn by the domestic industry without approval from the High Court of Delhi.

F.2. Submissions on behalf of the domestic industry

24. The following miscellaneous submissions have been made on behalf of the domestic industry:
- a. The first investigation was initiated in 2019 for the POI January–September 2019. During the proceedings, the applicants observed higher dumping from the subject countries than at the stage of initiation. Moreover, the POI data in the first application did not capture post-POI market realities, as the sources of dumping had shifted.
 - b. In the second application, the Authority found exporters from Kuwait and Saudi Arabia dumping the subject goods but held there was no injury since the domestic industry earned 20% profit on cost of sales during the concerned POI (Jan–Dec 2020). The domestic industry challenged this before CESTAT, which directed a re-examination. However, with nearly three years elapsed since that POI, and with dumping and injury having worsened, a fresh application was filed and the second application withdrawn.
 - c. The repeated applications before the Authority only show the vulnerable state of the Indian MEG industry, laying bare the unfair trade practices of exporters from Kuwait and Saudi Arabia.

F.3. Examination by Authority

25. The Authority examined the sufficiency of evidence at the stage of initiation of the investigation. It is noted that the applicant had provided sufficient evidence concerning dumping, injury and causal link, based on which the Authority had initiated the present investigation.
26. The Authority has considered the comments of the interested parties concerning previous investigation as well as its own findings. However, the Authority notes that each investigation is to be carried based on facts of the period pertaining to the specific investigation.

G. NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Submissions on behalf of the other interested parties

27. The following submissions have been made by the other interested parties regarding the determination of normal value, export price and dumping margin:
 - a. The domestic industry's methodology to compute normal value is incorrect as it has not considered domestic sales of the producers in the subject countries. The Authority is obliged under S. 9A(1)(c)(i) of the Act to determine normal value based on the domestic sales of producer/ exporter as declared in the exporters' questionnaire response. However, if the conditions laid down for such basis are not fulfilled, normal value can be determined on sales to third country.
 - b. SABIC Group has made sufficient volumes of sales [***%] in its domestic market. Normal value has to be computed in accordance with Art. 2.2.1.1. of the AD Agreement unless the records of the company are not in accordance with GAAP or where records do not reasonably reflect the costs associated with production and sales of the product. SABIC Group has also provided third country sales data.
 - c. SG&A costs and profits must be based on actual data pertaining to production and sales of the producer, unless there are no sales in the ordinary course of trade.
 - d. Asian contract price ("ACP") is not the basis on which annual or spot sales of MEG are conducted in Asia including India. Rather the same is used for long-term contracts, typically ranging from 7-15 years. Equate Group has submitted annual purchase contracts of PUC across several countries which are marked to average China CFR prices, a fact which the domestic industry had accepted in previous investigation. Comparison of export price to India with ACP is inappropriate and is an attempt by the applicant to create an artificial and exaggerated price difference.
 - e. Equate Group's average export price to India was higher than China or Pakistan during the POI.
 - f. PRC has neither exported the subject goods to India nor made domestic sales during the POI. However, it has participated in the investigation as it is a related party to SABIC Group, on account of common shareholding by Saudi Aramco. The Authority

- in LDPE investigation had treated PRC and Sadara as related and awarded them a single rate of duty.
- g. Equate Group has fully cooperated in the present investigation and given the negligible volume of domestic sales, normal value should be constructed based on the basis of COP in the country of origin plus reasonable amount of SG&A and profits. Further, in line with Authority's consistent practice, the Authority should adopt a profit margin of 5% per cent as reasonable amount. Equate Group has also provided third country sales data to assist the Authority in its analysis.
 - h. Reliance on TKOC's financial statements is incorrect as it does not relate to POI and it does not take into account, performance of Equate. Profit margins reported in TKOC's financial statements are for ethylene and MEG and thus, cannot be applied for determining the appropriate profit margin for the PUC.
 - i. Corporate level profitability is influenced by range of factors beyond normal commercial MEG sales such as long terms supply agreement, integration benefits and other strategic operations. Equate Group has submitted product specific cost and sales information related to MEG and therefore, in terms of Rule 4 of AD Rules, and Art. 2.2.1.1 of AD Agreement, constructed normal value should be determined based on the records of the exporters as long conditions under Art. 2.2.1.1 of AD Agreement are being fulfilled.
 - j. PMS has not been defined in CTA or in AD Rules. The uses of adjectives "particular" and "market" indicates that market situation must be 'exceptional, distinct, individual, single, specific' and to establish PMS, the Authority must conclude that there exists an exceptional/ distinct state of affairs in the market.
 - k. Indian Law and WTO Agreement do not permit examination of PMS in input/ raw material market. The domestic industry tried to mislead the Authority by referring to laws of EU, Canada and US to claim that such countries consider PMS for inputs. The municipal law in such countries is significantly different than India.
 - l. Provisions of raw material distortion in EU Anti-dumping Regulation are not present in Indian law and therefore, the practice of EU in this regard is irrelevant.
 - m. All reference in Art. 2.2 of the AD Agreement pertain to like product or the PUC, therefore, the same does not allow the Authority to look into allegation of distortion in inputs.
 - n. The burden of proof to establish PMS lies on the applicant and it has not established the same for Kuwait or Saudi Arabia as held by the Panel in US-Shirts and Blouses. The applicant has in previous investigations also relied on incorrect legal standard for PMS.
 - o. The applicant's submissions are based on surmises and conjectures of alleged government control over pricing on feedstock gases are insufficient to establish the claim of PMS. Further, the applicant's PMS allegation pertains to the feedstock used in production of PUC and not PUC itself.
 - p. Regulation of prices of natural gas or liquids by Government of KSA ("GKSA") cannot be regarded as "distinct state of affairs in relation to supply of inputs and feedstock." Such regulatory measures are employed by all governments including Government of India. No evidence has been provided how such measures distort the market for inputs within the country.

- q. Applicants have equated mere regulation of prices to distortion. Further, mere existence of government measure cannot lead to the conclusion that costs associated with the production and sale of MEG are not reasonably reflected or establishes that a proper comparison cannot be carried out between domestic and export sales.
- r. Cost recorded in the books of the exporters cannot be rejected merely because input prices are being regulated by state or because input prices are allegedly unreasonable due to existence of regulation. Despite domestic prices of inputs being lower than international prices on account of Argentine export tax system, the Appellate Body in *EU-Biodiesel (Argentina)* held that it was not sufficient basis for concluding that producer's records do not reasonably reflect the cost of production and sale of biodiesel. Similar approach was undertaken by the Appellate Body in *Ukraine – Ammonium Nitrate (Russia)* and *EU-Cost Adjustment Methodologies (Russia)*. Further, "reasonably reflect" indicates that only truthfulness and accuracy of record kept by exporter can be examined and whether such records suitably and sufficiently correspond to the costs actually incurred by investigated producer in the production and sales of the PUC.
- s. The applicant has not provided any evidence to establish that a price equalization regime exists in KSA or that exporters in KSA benefit from such a regime in manufacturing of subject goods.
- t. As per *EU-Biodiesel*, the investigating authority cannot replace "in country cost of production" with international benchmarks such as ethylene benchmarks suggested by the applicant.
- u. As per the legal standard laid down by the Authority in *Uncoated Copier Paper*, the domestic industry has to prove that government intervention has led to lower prices in domestic market.
- v. The domestic industry's reliance on *Australia – A4 Copy Paper* is erroneous for the reason that the Panel has nowhere given its finding on Indonesia's claim that the term "particular market situation" as it appears in Article 2.2 of the Anti-Dumping Agreement cannot be used to address distortions in the cost of inputs.
- w. Ethane pricing in GKSA is based on combination of commercial reasons and environmental concerns, further for propane and butane, GKSA has set out a detailed formula to ensure domestic natural gas prices are based on international market prices. The linking of feedstock prices to market prices ensures that prices are based on commercial considerations and enable the producers' recovery of full costs and a profit in the ordinary course of business. The same was accepted by the Working Party during WTO Accession Negotiations of KSA.
- x. Prices fixed for ethane is used for producing downstream products for export markets or for consumption within KSA. Accordingly, price comparability is not affected.
- y. The European Commission had relied on the SABIC Group's cost of production as reported in its books in its MEG investigation.
- z. The USDOC in several investigations has held government control as insufficient evidence to constitute PMS.
- aa. The applicant's allegation on PMS is linked to alleged subsidization by GKSA, however, no details of such alleged programs were provided. Even if existence of such

- alleged schemes is accepted, the appropriate measure would be countervailing duty and not anti-dumping duty.
- bb. Applicant's reliance on websites concerning third country export prices is misplaced. SABIC Group has provided third country prices, which indeed shows that such prices are comparable to India.
 - cc. The existence of PMS in KSA cannot lead to automatic rejection of actual costs. No evidence has been provided to establish that PMS prevents proper comparison between export and domestic prices. The applicant has failed to distinguish between 'reasonableness' of cost and "whether costs reasonably reflect the costs associated with production and sales of the subject goods." In terms of Art. 2.2 of the AD Agreement, the Report of the Panels in *Australia – A4 Copy Paper* and *EEC – Cotton Yarn*, the Authority must ascertain whether the existence of PMS does not permit a proper comparison of domestic sales with export sales.
 - dd. Cost of production is common for both domestic and export products, no separate costs are recorded for the two types of sales and PUC is sold in both markets at market determined rates.
 - ee. In case of KSA and Kuwait, no evidence has been provided to establish that proper comparison between domestic sales and export sales is impermissible. Further, in the previous investigation even though Authority concluded the existence of PMS in KSA, it did not reject the actual costs of the exporters from KSA. Further, even if applicant's allegations concerning PMS are found to be correct, there is no legal basis to reject the recorded costs of the respondents.
 - ff. Despite finding of PMS in previous investigation, the Authority did not make any adjustments to the recorded cost of production of the producers of KSA.
 - gg. Lower price of particular commodity cannot be considered PMS. Costs cannot be rejected if such costs are lower due to regional advantages. Natural advantage cannot be considered PMS.
 - hh. No new evidence has been presented to substantiate PMS allegation against SOK or to contradict Authority's previous findings against SOK on PMS. While the applicant has referred to state owned entities in KSA and SOK, no evidence has been provided how Government of SOK ("GSOK") exercises control over sales of input materials that distorts domestic prices or renders domestic prices unreliable for computation of normal value. The mere fact that Kuwait Petroleum Corporation is a state-owned entity is not sufficient to establish the allegation of PMS.
 - ii. The applicant has also not provided the alleged royal decree based on which it has claimed PMS.
 - jj. There is no unified GCC market and different feedstock producers price feedstocks differently. Further, applicant has requested for comparison of cost of production of exporters from SOK and KSA against international ethylene benchmark prices, which the applicant has not disclosed in non-confidential version, and has claimed lower raw material cost contribute to PMS. Mere lower prices of inputs in SOK are not sufficient basis to conclude existence of PMS. Lower prices in Gulf Region, Saudi Arabia and the US is on account of natural competitive and regional advantages, including abundant access to oil and gas resources and not due to government intervention, as alleged by the applicant.

- kk. The domestic industry relies on imported feedstock which leads to higher cost of production in India.
- ll. Issue of availability of raw material at less than adequate remuneration can be examined only through anti-subsidy investigation as has been held by the Authority in *Uncoated Copier Paper* (F.No. 6/32/2017-DGAD). The examination of alleged “financial contribution” can only be investigated in a countervailing duty investigation.
- mm. The Authority has rejected claims of PMS in KSA in Clear Float Glass from Pakistan, Saudi Arabia and UAE. Further, in LDPE from Qatar, KSA, Singapore, Thailand, UAE and USA, the Authority concluded that sufficient evidence did not exist whether PMS prevented a proper and fair comparison between domestic selling and export price.
- nn. There is no requirement to issue detailed PMS questionnaire when the issue has already been examined in detail in previous investigation.

G.2. Submissions on behalf of the domestic industry

28. The following submissions have been made on behalf of the domestic industry with regard to the normal value, export price and dumping margin:
- a. None of the participating exporters have denied the fact that they were dumping the subject goods into India.
 - b. The monthly contract prices published by the exporters for Asian region and India clearly shows the level of dumping by the exporters. In this regard, the applicant has relied upon the Asian contract prices published on the official website of the Equate Group for the POI, which shows that the average price difference between the Indian contract prices and Asian contract prices is at least 300 USD.
 - c. SABIC Group sells to other Asian markets at significantly higher prices than those to India, with the gap between Asian contract prices and actual export prices to India being around USD 300. For this purpose, the applicant has relied on the Asian Contract price for the month of November, 2023 as published on a secondary source (Argaam website).
 - d. The claim of the exporters that Asian Contract Prices are negotiated for long-term contracts of 7–15 years is misleading, as there is no logic as to why monthly prices would be declared for such long-term agreements. This contradicts SABIC Group’s own statement during the second oral hearing, where it asserted that Asian Contract Prices are meant for 1–2-year contracts. Moreover, MEGlobal’s (a part of the Equate group) website explicitly states that Asian Contract Prices reflects short-term demand-supply dynamics in the Asian market.
 - e. It is also unclear that when the Indian Contract Prices reflect nearly the actual import price of MEG from Kuwait to India, why Asian Contract Prices would not be reflective of export prices to Asian countries unless the exporters from Kuwait are also engaged in trade distorting activities in their exports to other Asian markets.
 - f. Exporters from Kuwait have sought determination of dumping margin based on constructed normal value. As per Section 9A(1)(c) of the Customs Tariff Act, 1975, where domestic or third-country sales are unavailable, normal value is to be constructed

- using cost of sales and reasonable profit. The Authority should consider the actual profit being earned by them for computation of CNV.
- g. The applicant has provided substantial evidence to support its allegation of particular market situation in case of both the subject countries.
 - h. The markets of Saudi Arabia and Kuwait, and in general, the Gulf Cooperation Council region, are affected by a particular market situation due to government intervention in the pricing of key inputs and utilities. This intervention distorts the cost of key raw materials and utilities, and as a result, the costs reflected in the producers' records do not reasonably reflect the costs associated with the production of the subject goods. Therefore, such costs cannot be relied upon for determination of dumping margin, particularly for conducting the ordinary course of trade test. In this regard, the Applicant places reliance on Article 2.2.1.1 of the WTO Agreement on Anti-Dumping, which permits deviation from recorded costs where they do not reasonably reflect the costs associated with the production and sale of the PUC.
 - i. The Authority is under no obligation to accept the cost of production reported by the exporters if conditions set out under Article 2.2.1.1 are satisfied, provided it finds a compelling reason to disregard such costs.
 - j. The applicant submits that once *prima facie* evidence to support the allegation of particular market situation has been provided, the burden of proof rests upon the exporters from the subject country to demonstrate that particular market situation does not exist, in the case of SOK.
 - k. The Government of Saudi Arabia, through the Law of Gas Supplies and Pricing Regulation and its implementing Regulation, controls the pricing of certain hydrocarbons which are used as inputs or utilities in the production of the subject goods. Additionally, a price equalisation regime is in place whereby the government compensates Saudi Aramco for losses incurred in selling these regulated gas products to downstream users. This mechanism has been acknowledged by the Government of Saudi Arabia in its Trade Policy Review.
 - l. Under the dual pricing regime, the Ministry of Energy under the Government of Saudi Arabia mandates Aramco to supply regulated gas products to downstream producers at regulated domestic prices. The Government of Saudi Arabia compensates Aramco for any losses incurred from selling inputs at these regulated rates.
 - m. The SABIC Group's argument that "ordinary government measures" relating to input and feedstock price regulation cannot constitute a PMS is entirely misconceived. Reliance in this regard is placed on the Panel decision in Australia – A 4 Copy Paper. Accordingly, even ordinary government measures may give rise to a Particular Market Situation if they result in market distortions.
 - n. Even in the previous investigation, the Authority had unequivocally concluded that price regulation of regulated gas products leads to particular market situation in Saudi Arabia.
 - o. Similar distortions likely exist in Kuwait, although due to limited transparency, direct evidence of distortion could not be obtained. Based on market intelligence, the Government of Kuwait has issued a royal decree allowing the two exporters from the Equate Group to procure key feedstock from government supplier at significantly low rates.

- p. The profits earned by the Equate Group on MEG sales are even higher than the exporters from Saudi Arabia. Given the substantial share of ethylene in the total cost of MEG production, the Applicant believes that the exporters from Kuwait benefit from raw material and utility costs that are even lower than the already distorted costs of the exporters from Saudi Arabia.
- q. In response to Equate Group's claim that low input costs cannot constitute a Particular Market Situation unless they prevent a proper comparison between normal value and export price, the Applicant submits that the existence of a Particular Market Situation and its impact on price comparability are two distinct legal tests, as clarified by the Panel in *Australia – A4 Copy Paper*.
- r. If natural gas or input suppliers to downstream entities were truly operating on a full cost recovery basis while selling at regulated domestic prices, there would be no need for the Government of Saudi Arabia to compensate them.
- s. The fact that a government measure leading to a Particular Market Situation may also qualify as a subsidy does not preclude the Authority from examining its impact on costs and prices of the subject goods in the exporting country. Reliance in this regard is placed on the Panel's ruling in *Australia – A4 Copy Paper*, which clearly held that a finding of a Particular Market Situation does not amount to a specific action against a subsidy.
- t. The Australia A4-Copy Paper Panel very clearly observed that “*the market situation must be distinct, individual, single, specific but that does not necessarily make it unusual or out of the ordinary — i.e. exceptional.*” Arguendo, even ordinary government measures cannot be precluded in a situation where such measures lead to a particular market situation.
- u. The Authority in the previous investigation had unequivocally confirmed the existence of particular market situation in Saudi Arabia.
- v. Even when PMS affects both normal value and export price, it does not negate its impact on price comparability. The Panel in *Australia – A4 Copy Paper* did not bar investigating authorities from rendering a finding on non-comparability merely because the same inputs are used in both domestic and export production. The Panel expressly found that even when a distorted input is used in the production of goods for both domestic and export markets, exporters may leverage such distorted costs differently across markets, depending on prevailing market conditions.
- w. The European Commission has already levied 7.7% and 46.7% anti-dumping duties on MEG exported by SABIC Group and MEGlobal Americas Inc., a related party of the Equate Group, respectively in 2021 which also shows that exporters from subject countries adopt unfair trade practices and are selling at dumped prices in third country markets as well.
- x. In the previous investigation, the Authority failed to assess cost, pricing, and profitability before concluding that existence of particular market situation did not affect price comparability.

G.3. Examination by the Authority

- 29. Under section 9A(1)(c), the 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.'

30. The Authority sent questionnaires to the known producers/exporters of the subject countries, as well as to the appropriate diplomatic representative advising them to provide information in the form and manner prescribed by the Authority within the prescribed time limit.
31. The Authority notes that the domestic industry has claimed the existence of particular market situation in KSA and SOK. With regards to KSA, the domestic industry has claimed that Government of KSA operates a dual pricing mechanism for regulated gas products used in the production of the PUC through price equalization regime, under which it sets prices for supplying such inputs (ethane, propane etc.) to downstream industry. The domestic industry has provided extracts from KSA's Trade Policy Review and the Annual Report of Saudi Aramco to claim the same. Further, with respect to SOK, the domestic industry has claimed that SOK being part of the unified GCC market in which distorted prices exist, the prices of feedstock in SOK are also distorted.
32. Other interested parties have disputed the domestic industry's claim concerning the existence of PMS. SABIC Group has claimed that there is no price equalization regime in KSA and the alleged distortive pricing measures claimed by domestic industry are normal price regulation by Government of KSA as is done by governments all over the world.

33. In relation to KSA, based on the evidence available on record, and in particular, Saudi Aramco's Annual Report, and the Authority's previous findings in the *Anti-dumping investigation concerning imports of Monoethylene Glycol originating in or exported from Kuwait, Saudi Arabia and the USA*, the Authority finds no reason to digress from its previous conclusion regarding the existence of PMS in KSA. However, the Authority has also not found sufficient evidence on record to establish that such distortion affects comparability between the export price and domestic price. Accordingly, the Authority has not carried out any adjustments based on PMS allegation to the cost of production of producers from KSA.
34. Further, the Authority did not find any direct evidence concerning existence of PMS in SOK during the POI. Accordingly, no adjustments have been made on account of PMS in case of producers from SOK.
35. The normal value and export price for all producers/ exporters from the subject countries have been determined as below.

G.3.1 Determination of Normal Value and Export Price

a) Normal Value for producers/exporters from SOK

Normal Value for Equate Group

(b) Equate Petrochemical Company ("Equate")

36. The producer has reported domestic sales of *** MT having a value of *** USD in the POI, which have been made to its unrelated parties. The producer has claimed adjustments on account of inland transportation and credit cost. It is noted that domestic sales account for less than 5% of total export sales volume made to India by Equate and accordingly, domestic sales made by Equate do not qualify the sufficiency test. Accordingly, the Authority has not considered such sales for determination of normal value.
37. In its questionnaire response, Equate has claimed normal value based on cost of production, and reasonable selling, general and administrative expenses and profits. Accordingly, the Authority has constructed the normal value based on the cost of production of the subject goods in the originating country with reasonable addition of selling and administration expenses and adding profit margin. The normal value so determined has been proposed in the dumping margin table below.

(c) The Kuwait Olefins Co. ("TKOC")

s

38. The producer has reported domestic sales of *** MT having a value of *** USD in the POI. However, all TKOC's domestic sales have been made to its related party, Equate,

which has exported the subject goods and therefore, have not been consumed in SOK's domestic market. Accordingly, the Authority has not considered TKOC's domestic sales for computation of normal value.

39. The Authority also notes that TKOC in its questionnaire response has claimed computation of dumping margin based on constructed normal value i.e., cost of production plus reasonable selling, general and administrative expenses and profits. Accordingly, the Authority has constructed the normal value based on the cost of production of the subject goods in the originating country with reasonable addition of selling and administration expenses and profits. The ex-factory normal value so determined has been proposed in the dumping margin table below.

Normal value for non-cooperating producers.

40. The normal value for non-cooperative producers/exporters from the SOK has been determined based on facts available in terms of Rule 6(8) of the AD Rules. The normal value so determined is proposed in the dumping margin table below.

b) Export price for producers / exporters from SOK

Export price for Equate Group

(d) Equate

41. The producer has exported *** MT of subject goods having value of *** USD to India during the POI. Equate has made direct exports as well as exports through unrelated traders. Except Mitsubishi Corporation, no other unrelated traders have participated in the present investigation. Equate has claimed adjustments on account of shipping costs, credit cost, bank charges and LC discounting charges. Equate Group has also sold subject goods produced by producers other than Equate Group. Such transactions have not been considered for computation of dumping margin or injury margin for Equate Group, and have been considered for such other producers. The net export price so determined is proposed in the dumping margin table below.

(e) TKOC

42. TKOC has exported *** MT of subject goods having value of *** USD to India during the POI. TKOC has made no direct sales to India, and all its sales have been made either through its related trader Equate or unrelated traders. Except Mitsubishi Corporation, no other unrelated traders have participated in the present investigation. However, such transactions are insignificant in terms of total volume exported to India by TKOC. The net export price so determined is proposed in the dumping margin table below.

Export price for non-cooperative exporters/producers.

43. The export price for non-cooperative producers/exporters from SOK has been determined based on facts available in terms of Rule 6(8) of the AD Rules. The net export price so determined is proposed in the dumping margin table below.

b) Normal Value for producers/exporters from KSA

Normal value for SABIC Group

44. The following producers from SABIC Group have participated in the present investigation:

- (i) Arabian Petrochemical Company (Petrokemya),
- (ii) Eastern Petrochemical Company (Sharq);
- (iii) Jubail United Petrochemical Company (United),
- (iv) Saudi Kayan Petrochemical Company (Saudi Kayan),
- (v) Saudi Yanbu Petrochemical Company (Yanpet);
- (vi) Yanbu National Petrochemical Company (Yansab);
- (vii) Rabigh Refining & Petrochemical Company (Rabigh).

45. It is noted by the Authority that during the POI, only Sharq and Yanpet have made sales of the PUC in the domestic market of Saudi Arabia. All sales in the domestic market were made to related trader, SABIC, which has sold the subject goods to unrelated domestic customers. Further, the Authority notes that there are no domestic sales of the PUC by Petrokemya, United, Saudi Kayan and Yansab.

(a) Normal Value for Sharq

46. Sharq has reported domestic sales of *** MT having value of *** USD in its domestic market. All domestic sales were made through its related trader SABIC. Sharq's domestic sales constitute more than 5% of its exports sales volume to India and therefore, it considers that domestic sales of Sharq are sufficient in quantity. The Authority further carried out the ordinary course of trade test to examine the profitable transactions. Upon examination, it was noted that more than 80% of sales were made below the cost of production. Accordingly, for determination of normal value, the Authority has only considered profitable sales. Sharq has claimed adjustments for logistics and has been accepted after desk verification. The normal value so determined has been proposed in the dumping margin table below.

(b) Normal value for Petrokemya, Saudi Kayan, United

47. Petrokemya, Saudi Kayan and United have not made domestic sales of the subject goods in the POI. Accordingly, the Authority has constructed the normal value based on the cost of production of the subject goods in the originating country with reasonable

addition of selling and administration expenses and profits. The normal value so determined has been proposed in the dumping margin table below.

(c) Normal value for Yansab, Yanpet and Rabigh

48. The Authority also notes that Yansab, Yanpet and PRC have also participated in the present investigation. However, none of them have exported the subject goods to India in the POI. Accordingly, the Authority has not determined normal value / export price for them. However, as these producer form part of the same group, duty margin determined for SABIC Group shall be applicable to these exporters.

(d) Normal value for non-cooperating producers.

49. The normal value for non-cooperative producers/exporters from the KSA has been determined based on facts available in terms of Rule 6(8) of the AD Rules. The normal value so determined is proposed in the dumping margin table below.

Export price for producers / exporters from Saudi Arabia

Export Price for SABIC Group

(a) Export Price for SHARQ

50. SHARQ has exported *** MT of subject goods having value of *** USD to India during the POI. SHARQ has made sales through its related traders, SABIC and SPDC. SABIC has exported the subject goods to India through its related entity SAPPL. SPDC has exported the subject goods to India through its related trader Mitsubishi Corporation. SHARQ and its related traders have claimed adjustments on account of ocean freight, insurance, inland freight, port and other related expenses, credit cost, outsourcing fee, bank charges and commission which has been accepted after desk verification. The net export price so determined has been proposed in the dumping margin table below.

(b) Export Price for PETROKEMYA

51. PETROKEMYA has exported *** MT of subject goods having value of *** USD to India during the POI. PETROKEMYA has made sales through its related trader, SABIC and SAPPL. PETROKEMYA and its traders have claimed adjustments on account of ocean freight, insurance, inland freight, port and other related expenses, credit cost, outsourcing fee, bank charges, and commission which has been accepted after desk verification. The net export price so determined has been proposed in the dumping margin table below.

(c) Export Price for SAUDI KAYAN

52. SAUDI KAYAN has exported *** MT of subject goods having value of *** USD to India during the POI. SAUDI KAYAN has made sales through its related trader, SABIC and SAPPL. SAUDI KAYAN and its traders have claimed adjustments on account of ocean freight, insurance, inland freight, port and other related expense, credit cost, outsourcing fee, bank charges, and commission which has been accepted after desk verification. The net export price so determined has been proposed in the dumping margin table below.

(d) Export Price for UNITED

53. UNITED has exported *** MT of subject goods having value of *** USD to India during the POI. UNITED has made sales through its related trader, SABIC and SAPPL. UNITED and its traders have claimed adjustments on account of ocean freight, insurance, inland freight and other related expenses, credit cost, outsourcing fee, bank charges and commission which has been accepted after desk verification. The net export price so determined has been proposed in the dumping margin table below.

Export price for non-co-operative exporters/producers.

54. The export price for non-cooperative producers/exporters from KSA has been determined based on facts available in terms of Rule 6(8) of the AD Rules. The net export price so determined is proposed in the dumping margin table below.

Normal Value for producers/exporters from ROS

Normal value for non-cooperating producers.

55. No producer exporter of subject goods from ROS has participated in the present investigation.

56. Accordingly, the normal value for producers/exporters from ROS has been determined based on facts available in terms of Rule 6(8) of the AD Rules. The normal value so determined is mentioned in the dumping margin table below.

Export price for non-cooperative exporters/producers.

57. The export price for non-cooperative producers/exporters from ROS has been determined based on facts available in terms of Rule 6(8) of the AD Rules. The net export price so determined is mentioned in the dumping margin table below.

G.3.2 Dumping Margin

58. The Authority notes that both in case of SOK and KSA, participating exporters are related to each other and form a group. Accordingly, the Authority has determined weighted average dumping margin for the group. The normal value, export price and dumping margin determined in the present investigation are as follows:

Dumping Margin Table

Producer	Normal Value (USD/MT)	Net Export Price (USD/MT)	Dumping Margin (USD/MT)	Dumping Margin (%)	Dumping Margin Range (%)
SOK					
Equate Petrochemical Company	***	***	***	***	40-50%
The Kuwait Olefins Co. ("TKOC")	***	***	***	***	0-10%
Equate Group Weighted Average	***	***	***	***	20-30%
Others	***	***	***	***	40-50%
KSA					
Arabian Petrochemical Company	***	***	***	***	40-50%
Eastern Petrochemical Company	***	***	***	***	0-10%
Jubail United Petrochemical Company	***	***	***	***	30-40%
Saudi Kayan Petrochemical Company	***	***	***	***	30-40%
SABIC Group Weighted Average	***	***	***	***	20-30%
Others	***	***	***	***	40-50%
ROS					
Others	***	***	***	***	40-50%

H. ASSESSMENT OF INJURY AND CAUSAL LINK

H.1. Submissions of the other interested parties

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

- a. The Authority must examine IGL's data for a proper injury assessment as in terms of S.9B of the Act injury is to be assessed for 'established industry' in India and not for the applicant alone.
- b. The Authority in previous investigations such as Plain Medium Density Fibre Board (MDF) has called for information from other domestic producers. In the absence of non-participation by IOCL and IGL, the Authority should draw conclusions from the non-participation of these two producers.
- c. All injury parameters of the applicant demonstrate improvement from the base year and preceding years. As per DGTR's previous findings, the domestic industry has not suffered any injury till December 2020. Further, non-recommendation of provisional findings indicates that the domestic industry's position has remained more or less same.
- d. As per responding exporters, dumping margin is negative and accordingly, even if parameters support a case of injury, no duty can be recommended.
- e. The Authority's decision to not impose anti-dumping duties and the withdrawal of the previous application are evidence that domestic industry's case was frivolous. The withdrawal of the last application was followed by increased imports from RIL USA Inc, which is an attempt to skew the data and project an illusion of injury to justify the present application.
- f. The applicant's claim concerning continued injury since 2020-21 is legally untenable as the Authority terminated the investigation on the ground of no material injury.
- g. India does not have production capacity of 27 lakhs, and the applicants must be put to strict proof regarding the actual production and capacity of the Indian Industry. Further, the Authority must exclude shutdowns faced by RIL while calculating overall available capacity.
- h. It is unclear if RIL's captive consumption has been considered while reporting domestic capacity of 27 lakhs MT. If such captive consumption has been included, then it amounts to an inflated view of overcapacity for the PUC.
- i. Iran has been excluded from the scope of the present investigation even though imports from Iran were more than 3% of total imports (as claimed by the applicants) and accordingly, Iran should have been included in the present investigation.
- j. The Authority should share excel copy of transaction-wise import data as per the judgement in *Exotic Décor Pvt. Ltd. and Ors. v. Designated Authority, Directorate General of Anti-Dumping & Allied Duties* for analysis and comments so that interested parties can assist the Authority in reaching correct conclusion. Import data is not party specific, accordingly the same cannot be claimed confidential.
- k. The word "significant" in Para (ii) of Annexure II to AD Rules indicates that the Authority must assess whether there has been a significant increase in the volume of dumped imports either in absolute terms or in relation to production and consumption in India.
- l. There is no adverse volume effect in the present investigation. There has been a decline in volume of imports in absolute terms compared to 2022-23 and the base year. Opposed to the applicant's assertion that the said decline is on account of imposition of QCO, the decline in volume of imports is attributable to increased domestic capacity and production.

- m. The Applicant's claims regarding the volume effect of imports are inconsistent and fail to establish a causal link with the alleged injury. The Applicant has acknowledged that until FY 2022–23, a demand-supply gap in the Indian market necessitated imports. With IOCL's new capacity becoming operational in February 2022, domestic capacity became sufficient to meet total demand.
- n. This development confirms that earlier imports were driven by supply constraints, not due to injurious price effect of imports. Notably, imports declined during the POI, coinciding with IOCL's expansion, indicating a natural shift by Indian buyers to domestic suppliers. Had imports from Kuwait been displacing domestic production, this capacity expansion would have had little to no impact on import trends.
- o. The decline in import volumes of subject goods during the POI clearly indicates a shift towards domestic sourcing, thus, indicating imports from Kuwait are not causing injury to the domestic industry. Further, the decline in the volume of imports during the POI indicates that imports have not exerted continuous volume pressure on the domestic industry.
- p. Imports have declined despite a growth in total demand which indicates that injury cannot be attributed to imports of MEG by the subject countries.
- q. The domestic industry has admitted that it has imported substantial quantities of subject goods to meet requirements of its downstream value-added products. If existing capacities are sufficient to meet Indian demand, it is unclear as why it could not procure the same from other domestic producers.
- r. It needs to be demonstrated that price undercutting is significant or whether the prices of imports have had a suppressing or depressing effect on the selling prices of the domestic industry.
- s. The domestic industry's selling price has moved upwards since the base year which indicates that domestic selling prices were not suppressed. While cost of sales has fluctuated, the selling price has kept pace and therefore, there is no discernible suppression or depression of price linked to subject imports.
- t. There is no correlation between the landed price of the subject goods and the selling price of the subject goods. Price undercutting has remained the same throughout the injury analysis period and landed price and selling price of the domestic industry has moved in tandem.
- u. The domestic industry's selling price is not based on imports rather the same is based on CFR China Price. Thus, import prices in India have no role to play and therefore, imported MEG from subject countries cannot have any price impact on the domestic industry.
- v. The Authority must determine whether information regarding selling prices as provided by applicants is with respect to non-captive sales or for both captive and non-captive sales in which case, price undercutting provided by the domestic industry would not be correct representation.
- w. There is no price undercutting, or it is merely marginal.
- x. The price undercutting calculation provided by the applicant is incorrect. The derived selling price of the applicant is Rs. 40,886/MT during the POI based on which price undercutting is negative. Thus, applicant's claim concerning positive and significant price undercutting is false and misleading.

- y. Further, in terms of *China – X Ray Equipment*, where price undercutting comes negative, it is incumbent on the domestic industry or the Authority to explain why the domestic industry was not able to increase its prices and causality between the imports and alleged injury.
- z. The prices for subject goods fell globally during the POI, including the exports from non-subject countries and is not on account of dumping but due to decline in prices in China which is the benchmark followed by exporters for the Indian market.
- aa. The domestic industry has not demonstrated that the current level of capacity utilization, despite being high is inadequate due to imports of subject goods from the subject countries.
- bb. The domestic industry's sales have increased compared to the base year. Despite a reduction of 15 index points in captive consumption, total sales volume has declined only by 14 index points, clearly indicating that decline in sales during POI compared to previous years was on account of reduction in captive consumption and lack of export sales.
- cc. The domestic industry has made imports even though it had inventories and its capacity utilization remained low leads to the necessary conclusion that it has projected higher capacities than actually functional.
- dd. The domestic industry has claimed that it has taken a commercial decision to reduce production in order to avoid inventory built up. However, at the same time, it is claiming that in order to remain viable it must maintain capacity utilization in the range of 80-90%. The submissions are mutually contradictory.
- ee. The market share of subject imports from the subject countries has declined in the POI compared to FY 2022-23 and market share of the domestic industry has in fact improved during the POI.
- ff. Sales of other domestic producers have doubled over the injury period.
- gg. The reduction in market share was on account of capacity expansion by Indian Oil Corporation. Any increase in market share of imports between 2020-21 and 2021-22 was on account of demand-supply gap and imports lost their market share when domestic producers increased their capacities.
- hh. The domestic industry's sales value and selling price have increased compared to the base year.
- ii. There is no correlation between prices of domestic industry and imports. While prices of subject imports from Kuwait increased from 100 index points in 2020-21 to 142 in 2021-22, the domestic industry's profitability worsened. If imports were responsible for price suppression and injury, profitability should have increased with increase in import prices. Further, the domestic industry's profitability has improved in the POI, when prices from Kuwait fell and subject goods were allegedly being dumped at margins as high as 60-70%, which further confirms the lack of correlation.
- jj. The change in profitability parameters is on account of increased cost of sales of the domestic industry. The rising cost structure coincides with steady decline in domestic industry's profitability which clearly indicates that cost of sales is the primary factor affecting profitability, rather than movement in import prices.

- kk. The domestic industry imports its ethane from its fully owned subsidiary RIL USA Inc., The price at which the domestic industry procures ethane from RIL USA Inc., is much higher than the export price of ethane from USA.
- ll. The domestic industry's explanation that the difference was on account of terms of sales i.e., US prices were reported on FOB basis, whereas Indian import prices were reported on FOB basis is incorrect. Such a high difference cannot be attributed to freight and insurance. The applicant's cost of ethane is artificially high and therefore, the Authority must assess whether the applicant's procurement of ethane is at arm's length.
- mm. The domestic industry's profitability has significantly declined after it has started to import ethane from its related entity and it must explain as to why the abovementioned facts were not responsible for reduced competitiveness vis-a-vis imports.
- nn. The domestic industry's depreciation has increased significantly in the POI compared to previous years without any change in fixed assets, capital employed and working capital. No explanation has been provided regarding the sudden increase in depreciation.
- oo. The domestic industry's profitability parameters have significantly improved compared to 2022-23. The improvement in profitability runs contrary to the domestic industry's claims of worsening injury.
- pp. The reliance on the observations of the Supreme Court in *Reliance Industries Ltd. v. UOI*, is misplaced as the same specifically pertained to the treatment of captive inputs in the context of determination of the Non-Injurious Price, which is a constructed, normative benchmark used for comparison with import prices.
- qq. Profitability is not a theoretical construct, and substituting actual costs with hypothetical market prices to artificially show losses undermines the integrity of the injury assessment and distorts the true economic performance of the domestic industry.
- rr. The Authority must rely on domestic industry's reported financial data in its books without making any hypothetical adjustments based on external benchmarks as MEG producers typically produce ethylene in-house or source it via captive arrangements.
- ss. The cost of production must be determined based on the records maintained by the domestic producers and not on notional costs.
- tt. The loss to domestic industry is on account of geographical factors and not due to alleged dumping.
- uu. RIL in its recent press release has admitted that its MEG margins have improved by 46% from a low base. Accordingly, the domestic industry is not suffering from any injury.
- vv. While closing inventory has increased, average inventory days of sales have declined which clearly indicates that increase in inventory index was not due to reduced sales but on account of strategic stocking of RIL's commercial decision of blocking supply to downstream competitors.
- ww. The decline in productivity parameters was on account of reduced captive consumption and lack of export sales made by the domestic industry.
- xx. The domestic industry is itself a multi-product company hence it cannot be said that its ability to raise capital is affected in any way.
- yy. The threat of material injury must be clearly foreseen and imminent. Mere existence of surplus capacities or changes in third country markets are insufficient and cannot lead to a conclusion threat of material injury

- zz. No evidence has been provided to support the claim that India would be the preferred destination for exports. The presence of BIS certification requirements places additional conditions on imports, thus making a comparatively less accessible market.
- aaa. Historical trade patterns also do not show unmanageable surges into India even when capacity expansion occurred in the subject countries.
- bbb. Exports of subject goods from Saudi Arabia to India have not exceeded 5% of their total exports to India.
- ccc. Merely because subject countries have high export potential does not mean that such goods would be exported as the same is dependent on factors such as raw material, supply chain constraints.
- ddd. The financial performance of the domestic industry has been primarily influenced by market-driven factors, including rising raw material costs, increased inventory levels, and global oversupply conditions, which has constrained price realization and impacted profitability.
- eee. RIL in its Q2 Investor Presentation for FY 2023-24 has stated “MEG-Naphtha margin surged 53% to US\$ 67/MT, driven by increased downstream operations and weaker naphtha prices. However, margins continue to remain weak due to capacity overhang and higher inventory.”
- fff. Economic Slowdown in China has led to reduced consumption of MEG in China which has impacted MEG margins, which was also recognized by RIL in its Q4 FY 23 Media Release.
- ggg. Decline in applicant’s sales was not due to competition from imports but on account of increase in sales by other domestic producers. If imports were cause of injury, all Indian producers would have experienced decline in sales.
- hhh. Production of MEG is heavily reliant of Naphtha-derived ethylene. RIL has admitted in its investor presentation that MEG delta remained low due to strong Naphtha prices. Thus, decline in profitability is on account of rising input costs rather price suppression by imports.

H.2. Submission on behalf of the domestic industry

60. The following submissions have been made on behalf of the domestic industry with regard to the injury and causal link;
- a. The growth in Indian demand has made it highly attractive target for exports of subject goods. Producers from the subject countries have aggressively reduced their prices to penetrate the market. As a result, the Indian domestic industry has been consistently facing injury from dumped imports since 2019.
 - b. Regarding the reliability of data pertaining to injury parameters the domestic industry has agreed to all necessary verification which the Authority may require to ascertain the veracity and correctness of the reported data.
 - c. The domestic industry has faced injury from dumped MEG imports since 2019. The subject countries consume only *** % of their production domestically and are primarily

focused on exports. While Indian demand grew by *** % over the injury period, Global MEG consumption grew just *** %, leaving *** % of the subject countries' capacities idle in 2024—equivalent to *** % of India's demand.

- d. IOCL has two plants located in Panipat (capacity of 457000 MT) and Paradip (capacity of 357000 MT). Thus, at the end of the POI of the present investigation, Indian MEG capacity stood at 27 lacs MT and is sufficient to meet the entirety of the Indian demand.
- e. Despite prior investigation which was initiated vide Notification No. 6/8/2021-DGTR dated June 28, 2021, confirming dumping and significant injury margins, no anti-dumping duties were imposed as the domestic industry was deemed to earn reasonable profits and not face injury.
- f. The condition of the Indian domestic industry has worsened significantly due to the absence of remedial measures despite ongoing dumping and injury since January 2019, which has intensified over time. The domestic industry's profitability has almost completely eroded, and it has been forced to sell at non-remunerative prices. This has resulted in almost *** % decline in PBIT and ROCE.
- g. Imports of subject goods from the subject countries have risen significantly in the POI compared to the base year, both in absolute terms and relative to India's production and consumption. Further, compared to base year, imports have doubled in the POI.
- h. The dumped imports from the subject countries also rose significantly relative to the domestic industry's production and total non-captive consumption until 2022–23.
- i. The imports from the subject countries consistently increased during the injury period until 2022–23. Although the imports declined marginally in the POI as compared to 2022–23, the same was only on account of the imposition of the Quality Control Order on MEG imports in June 2023, which offered only temporary relief to the domestic industry. Notably, in the post-POI period, imports from the subject countries have already surpassed 2022–23 levels.
- j. The market share of imports from the subject countries consistently increased, with a slight dip during the POI compared to 2022–23 but remained higher than in the base year and 2021–22. In contrast, the domestic industry's market share declined sharply from nearly *** % in the base year to *** % in the POI.
- k. Imports from the subject countries have remained in excess of demand supply gap since 2020-21. Till the commissioning of IOCL's capacity in Q 4 of the POI, the demand-supply gap was in the range of 3,00,000-5,00,000 MT. However, the level of dumped imports from the subject countries far exceeded the demand-supply gap.
- l. The dumped imports have had a suppressing and depressing effect on the prices of the domestic industry. Further, such imports are undercutting the prices of the domestic industry.
- m. The landed value of the subject goods was below the cost of sales and selling price of the domestic industry which clearly shows the price pressure on the domestic industry.
- n. SABIC Group has relied on hypothetical calculations based on trends from the previous investigation to allege that price undercutting from the subject countries is negative in the present POI. No weight whatsoever should be attached to sheer conjecture, particularly in circumstances where actual verified data is readily available with the Authority.

- o. The domestic industry's production and capacity utilization have significantly declined during the POI. Historically, capacity utilization remained above *** % since 2018-19, but due to continued dumping, it has fallen below *** %, making production unviable. Production has mirrored this trend, declining significantly in the POI.
- p. Despite significant growth in demand between 2020–21 and 2022–23, the domestic industry's non-captive sales declined during this period. Although there was a slight improvement in the POI due to the imposition of the Quality Control Order, sales levels during the POI remain *** % lower compared to the base year. In contrast, imports from the subject countries almost doubled during the same period.
- q. The market share of imports from the subject countries consistently increased, except in the POI, wherein it slightly declined compared to 2022-23 levels, but remained higher than the base year and 2021-22.
- r. The market share of the domestic industry declined from almost 50% in the base year to 30% in the POI.
- s. Despite the marginal improvement in the POI, the market share has remained significantly below the base year and 2021-22 levels.
- t. A comparison of the domestic industry's condition in the POI with the period 2018-19 (i.e. period when there was no dumping) shows a significant deterioration in the domestic industry's capacity utilization, return on investments and profits.
- u. The data provided for profitability is based on the books of Reliance Industries Ltd. (RIL), an integrated manufacturer with a cost advantage due to captive ethylene. Notably, the key raw material, ethylene, is transferred at cost in RIL's books. The Hon'ble CESTAT, in its judgment dated 29.09.2023, citing the Supreme Court's decision in *Reliance Industries Ltd. v. UOI* (2006 (202) E.L.T. 23 (S.C.)), ruled that injury assessment should consider the market price of captive inputs, not internal transfer prices. RIL's marginal profits would turn into losses if the market price of ethylene is factored in.
- v. All financial parameters, PBT, PBIT, Cash Profit, ROCE and PBDIT significantly declined since 2020-21 and the domestic industry faced significant losses during 2022-23. Marginal improvement in the POI was on account of temporary respite due to QCO.
- w. Compared to the base year and 2021-22, all profitability parameters of the domestic industry have significantly declined.
- x. SABIC Group has selectively presented its claims while denying the domestic industry's request to disclose the alleged import prices of ethane that form the very basis of its assertion.
- y. The domestic industry during the on-site verification has fully cooperated with the investigation team and has provided all desired information in relation to the procurement of ethane prices through RIL USA, which clearly dismantles the false narrative attempted by SABIC Group.
- z. RIL procures ethane directly from suppliers *via* RIL USA. In the past as well, RIL India has sourced ethane from traders who charged a trading margin. The same margin continues to be paid to RIL USA as expenses towards sourcing. The ethane procurement price is benchmarked with the same benchmark as before used for unrelated suppliers.

- aa. The domestic industry captively manufactures ethylene and transfers the same at cost. As ethylene is transferred at cost, it is not subject to market fluctuations.
- bb. Applying the market price of ethylene will address the submissions of other interested parties regarding the alleged inflated price of ethane and consequent ethylene prices.
- cc. Despite rising domestic demand, due to the continued dumping and injury, no new domestic capacities have been announced, as existing capacities remain under-utilized.
- dd. MEG is a strategic business unit under RIL and all investments concerning MEG, including raising future capital investments, are decided based on profitability and returns earned on the MEG business. If the arguments of the interested parties were to be accepted, then it would mean that all multi-product companies should funnel money from profitable business segments to loss-making segments.
- ee. Equate Group has quoted RIL's investor presentation to claim that RIL's profitability has declined on account of global overcapacity. On account of the overcapacity in the subject countries and almost no domestic consumption in their respective markets, exporters from the subject countries have targeted the only remaining market with high MEG consumption i.e., India.
- ff. Producers in the subject countries are predominantly export-oriented and maintain significant excess capacities in relation to their domestic market consumption, which threatens the Indian domestic industry with material injury.
- gg. Capacities substantially in excess of the domestic demand have been set up in the subject countries. These capacities account for almost 500% of the entire Indian demand.
- hh. Consumption and production of the subject goods in third country markets is relatively stable. It is unlikely that exporters of subject goods from the subject countries would be able to divert their exports to third countries.
- ii. Exports of subject goods from one of the subject countries (Saudi Arabia) to European Union is restricted on account of imposition of anti-dumping duties. Further, China market is also no longer available on account of increased indigenous capacity in China.

H.3. Examination by the Authority

- 61. Rule 11 of the AD Rules read with Annexure II to the AD Rules 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 the domestic producers of such articles. In considering the effect of the dumped imports on prices, the Authority examines whether there has been a significant price undercutting by the dumped imports compared with the selling 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. Further, for 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, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered.

62. The Authority has examined the submissions of all interested parties with regard to injury to the domestic industry in the foregoing paragraphs.

H.3.1 Cumulative assessment of injury

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

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

64. The Authority notes that:

- a. The subject goods imported from the subject countries are 'like article' to each other and the user industry has imported the subject goods from one or more subject countries. Further, as mentioned in Section C above, subject goods imported from the subject countries are also like article to the goods produced by the domestic industry.
- b. As determined in Section G of this final findings, the subject goods are being dumped into India from the subject countries, and the dumping margin is more than the *de-minimis* limits prescribed under the AD Rules.
- c. Further, the volume of imports of subject goods from each of the subject countries is individually more than 3% of the total volume of imports.
- d. Imports from the subject countries not only directly compete with the like articles offered by each of them but also the like article offered by the domestic industry in the Indian market.

65. In view of the above, the Authority considers that conditions laid down for cumulative assessment of imports have been fulfilled and has cumulatively assessed the effect of dumped imports of the subject goods from subject countries on the domestic industry.

66. As regards submission by the importer association regarding inclusion of Iran for injury assessment, the Authority notes that the volume of imports was below the *de-minimis* level specified in the AD Rules. Accordingly, Iran was excluded from the purview of the present investigation.

H.3.2 Volume effect of the dumped imports

a) Assessment of demand / apparent consumption

67. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in the volume of dumped imports, either in absolute terms or relative to production or consumption in India.

68. The Authority has defined, for the purpose of the present investigation, total demand for the subject goods in India as the sum of domestic sales of the domestic industry, domestic sales of the other domestic producers and imports of subject goods from all sources based on DGCI&S data. The demand so assessed is provided in the table below.

Particulars	Units	2020-21	2021-22	2022-23	POI
Subject Countries	MT	5,28,528	9,12,575	13,12,512	10,57,586
Trend	Index	100	173	248	200
Kuwait	MT	3,83,519	6,16,079	7,85,939	7,14,900
Saudi Arabia	MT	1,24,417	2,31,913	4,11,242	3,06,948
Singapore	MT	20,592	64,583	1,15,332	35,739
Imports from Non-Subject Countries	MT	44,878	9,424	74,336	15,586
Total Imports	MT	5,73,407	9,21,998	13,86,849	10,73,172
Total Sales of domestic industry	MT	***	***	***	***
Trend	Index	100	111	100	93
Sales of other domestic producers	MT	***	***	***	***
Trend	Index	100	141	84	156
Total Demand/Consumption including captive	MT	***	***	***	***
Trend	Index	100	126	135	122
Total Demand/Consumption excluding captive	MT	***	***	***	***
Trend		100	132	145	135

69. It is noted that:

- a. Demand for the subject goods has consistently increased until 2022-23. There has been a marginal decline during the POI compared to 2022-23. However,

demand remains above 2021-22 and 2022-23 levels. It is further noted that over the injury period, demand has increased by *** %.

- b. Imports of subject goods have substantially increased over the injury period. Compared to the base year, the volume of subject imports has almost doubled in the POI whereas compared to 2022-23, the volume of subject imports has declined in the POI.

b) Import Volumes from the subject countries

70. 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 upon DGCI&S data. The import volumes of the subject goods from the subject countries and share of the dumped imports during the injury investigation period are as follows:

Particulars	UOM	2020-21	2021-22	2022-23	POI
Kuwait	MT	3,83,519	6,16,079	7,85,939	7,14,900
Saudi Arabia	MT	1,24,417	2,31,913	4,11,242	3,06,948
Singapore	MT	20,592	64,583	1,15,332	35,739
Subject Countries	MT	5,28,528	9,12,575	13,12,512	10,57,586
Non-subject Countries	MT	44,878	9,424	74,336	15,586
Total Imports	MT	5,73,407	9,21,998	13,86,849	10,73,172
Subject Country dumped imports in relation to					
Demand without captive consumption	%	***	***	***	***
Production	%	***	***	***	***
Total Imports	%	92%	99%	95%	99%

71. From the above, the Authority notes that-

- a. The volume of subject imports from subject countries has significantly increased in absolute terms during the POI compared to the base year. While there has been a decline in the volume of subject imports in the POI compared to 2022-23, it is noted that such imports remain significantly above the base year and the 2021-22 levels.
- b. Subject imports from the subject countries accounted for nearly the entirety of total imports into India, representing a substantial share of 99% during the POI.
- c. Compared to the base year, volume of subject imports from subject countries in relation to Indian demand and production have increased by *** % and *** % respectively. While compared to 2022-23, volume of subject imports from the subject countries have declined in relation to Indian demand and production in the POI, they continue to remain significantly above the base year and 2021-22 levels.
- d. The subject imports from subject countries increased significantly in absolute terms as well as in relative terms during the POI in comparison to base year.

72. Other interested parties have claimed that until FY 2022-23, imports were necessitated by demand-supply gap and with the operationalization of IOCL's expanded capacity for MEG, imports have declined in the POI indicating shift towards domestic sourcing, which indicates that there is no continuous pressure from imports. On the other hand, the domestic industry has claimed that imports have declined in the POI temporarily on account of imposition of QCO by the Government of India.
73. The Authority notes that despite increase in IOCL's capacity, imports of subject goods in the POI remain above the 2021-22 and base year levels. IOCL has carried out capacity expansion for the subject goods in two phases – the first capacity expansion took in 2022-23, wherein MEG capacity at its Panipat Plant was increased to 425,000 MT from earlier 3,02,000 MT. The second capacity expansion happened at the end of the POI wherein a new MEG Plant with 332,000 MT was inaugurated at its Paradip Plant. Between 2021-22 and the POI, IOCL's capacity increased by almost 1,20,000 MT. However, during the same period, imports from the subject countries also increased by 1,45,011 MT. Thus, it cannot be said that capacity expansion by IOCL led to decline in the volume of imports of subject goods from the subject countries.
74. Other interested parties have also claimed that subject imports from subject countries have declined despite growth in Indian demand, and therefore, injury cannot be attributed to subject imports from the subject countries. The Authority notes that while demand in the POI has declined compared to 2022-23 levels, demand levels in the POI remain above and comparable to 2021-22 levels.
75. It is noted that between 2021-22 and the POI while demand increased by only *** %, the volume of imports from the subject countries increased by 16%. During the same period, non-captive sales of the Indian Industry declined by *** %. As compared to the base year, the increase in absolute volume of subject imports from the subject countries has outpaced the absolute growth in demand in the POI. This indicates that volume of subject imports has increased in the POI in both absolute and relative terms. Accordingly, the Authority disagrees with the submissions of the other interested parties.
76. Other interested parties have argued that the domestic industry has made significant quantities of imports from the subject countries. As has already been examined above, it is noted imports made by the domestic industry constitute only around 1% of its total production and sales.

H.3.3 Price effect of the dumped imports

77. In terms of Annexure II (ii) to the AD 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 increase, which otherwise would have occurred, to a significant degree.

a) Price undercutting

78. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, price undercutting has been determined by comparing the landed price of the subject imports based on DGCI&S data with the net sales realisation of the domestic industry during the POI.

Price Undercutting					
Subject Country	CIF Value	Landed Value	NSR	Price Undercutting	Price Undercutting Range
	₹/MT	₹/MT	₹/MT	%	Range
Kuwait	41,574	43,860	***	***	0-10
Saudi Arabia	41,952	44,260	***	***	0-10
Singapore	42,988	44,171	***	***	0-10
Subject Countries	41,731	43,987	***	***	0-10

79. As can be seen from the above, subject goods originating in the subject countries were imported into the Indian market at prices lower than the NSR of the domestic industry. Price undercutting from the subject countries as a whole and from each of the individual subject countries is positive.

80. SABIC Group has disputed the price undercutting calculation provided by the domestic industry and has claimed that price undercutting is negative compared to KSA. The Authority has considered the actual net sales realization of the domestic industry based on which it has determined the price undercutting for KSA to be positive.

81. SABIC Group has claimed that while considering price undercutting only non-captive sales should be considered. The Authority notes that MEG is transferred by the Applicant at market price for captive and non-captive consumption. Accordingly, the Authority has considered net sales realization for all domestic sales made by the domestic industry for the purpose of computing undercutting.

b) Price suppression/depression

82. For the purpose of analyzing price suppression and depression, the applicants have provided information about (a) cost of sales, (b) domestic net sales realisation as is given in the table below. The same has been compared with the landed value of subject goods.

Price Suppression/ Price Depression
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Particulars	UoM	2020-21	2021-22	2022-23	POI
Cost of Sales	₹/MT	***	***	***	***
Trend	Index	100	149	187	142
Landed Price	₹/MT	39,064	53,481	46,402	43,987
Trend	Index	100	137	119	113
Net Sales Realisation	₹/MT	***	***	***	***
Trend	Index	100	137	126	119

83. It is seen that until 2021-22, the landed price of subject goods from the subject countries increased and remained above the cost of sales of the applicant. The domestic industry was also able to increase its selling price along with increase in its cost of sales until 2021-22. However, since 2021-22, landed value of the subject goods has continuously declined, which was accompanied by an increase in the volume of the subject goods in the POI compared to 2021-22. The domestic industry has explained that it was forced to match the import prices in order to retain its market share. It is noted that the NSR of the domestic industry has also followed the same trend as the landed price of the subject goods from the subject countries. Thus, the decline in landed price forced the domestic industry to lower its NSR to remain competitive and retain its market share.
84. The Authority further notes that during the POI domestic industry has been making sales at cost level, barely making any profits, even though its cost of sales has declined in the POI.
85. Other interested parties have claimed that because domestic industry's selling price has moved upwards since base year, therefore, it cannot be considered that domestic industry's prices have been suppressed. The Authority notes that despite an increase in cost of sales of the domestic industry over the injury period, the domestic industry has not been able to commensurately increase its selling prices. Further, compared to 2022-23, landed prices of subject goods from the subject countries have declined. Accordingly, the Authority considers that subject imports from subject countries have depressed and suppressed prices of the domestic industry.
86. Other interested parties have also commented that price for subject goods fell globally during the POI due to decline in prices in China. The Authority notes that none of the interested parties have provided any information substantiating the decline in global prices. On the contrary, based on the information available concerning exports to third countries in the questionnaire response submitted by participating exporters from SOK and KSA, who are major exporters of the PUC globally, the Authority notes that export prices to third countries have indeed increased in the POI compared to 2022-23. Accordingly, it cannot be considered that prices in Indian market declined due to decline in global prices.

J.1. Economic parameters of the domestic industry

87. Annexure II to the AD Rules 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 and the ability to raise capital investments. Accordingly, various injury parameters relating to the domestic industry are discussed herein below.

a) Production, capacity, capacity utilization and sales volumes

88. The Authority has considered the capacity, production, capacity utilization and sales volume of the domestic industry over the injury period.

Production, Installed Capacity, Capacity Utilisation and Sales					
Particulars	UoM	2020-21	2021-22	2022-23	POI
Capacity	MT	***	***	***	***
Trend	Index	100	100	100	100
Production	MT	***	***	***	***
Trend	Index	100	97	86	80
Capacity Utilisation	%	***	***	***	***
Range	%	90-100%	90-100%	80-90%	80-90%
Domestic Industry Sales	MT	***	***	***	***
Trend	Index	100	111	100	93

89. From the above, the Authority notes that:

- a. The domestic industry's capacity has remained constant throughout the injury period. However, the capacity utilization of the domestic industry consistently declined over the same period, reaching its lowest level during the POI.
- b. Despite an increase in demand for the PUC in the domestic market, the domestic sales as well as the production of the domestic industry showed a significant decline during the POI when compared to the base year and 2021-22.

90. SABIC Group has claimed that the domestic industry has reported higher capacities than actually functional. The Authority has verified the capacity reported by the domestic industry and found it to be correctly reported.

91. Other interested parties have argued that decline in sales during the POI was on account of reduced captive consumption and lack of export sales. The Authority has compared the volume of captive sales and non-captive sales made by the domestic industry over the years. It is noted that the ratio between the captive and free market sales in total sales has remained in the same range over the injury period. It is noted that there has been some marginal improvement in the non-captive sales of the domestic industry during the POI compared to 2022-23. The domestic industry has explained that the same was on account of imposition of QCO during the POI.

92. As regards the decline in export sales, the domestic industry has explained that export sales were undertaken during the base year and 2021-22 as prices in domestic market were not remunerative on account of dumped and low-priced imports being sold by the KSA, SOK and USA into the Indian market.

b) Market share

93. Market share of the domestic industry and of imports was as shown in the table below:

Market Share					
Market share	Unit	2020-21	2021-22	2022-23	POI
Non-captive domestic industry Sales	MT	***	***	***	***
Trend	Index	100	107	85	87
Sales of Other Indian Producers	MT	***	***	***	***
Trend	Index	100	141	84	156
Total Indian Sales	MT	***	***	***	***
Trend	Index	100	114	85	102
Imports from Subject Countries	MT	5,28,528	9,12,575	13,12,512	10,57,586
Imports from Other Countries	MT	44,878	9,424	74,336	15,586
Non-Captive Demand in India	MT	***	***	***	***
Trend	MT	100	132	145	135
Market Share					
Domestic industry	%	***	***	***	***
Other Indian Producers	%	***	***	***	***
Indian Industry	%	***	***	***	***
Subject Countries	%	***	***	***	***
Other Country Imports	%	***	***	***	***

94. It is observed that the market share of the domestic industry declined significantly by 17% during the POI compared to base year. During the same period, the market share of imports from the subject countries increased by *** %. This trend clearly indicates that imports from the subject countries are capturing the market share of the domestic industry by selling at dumped prices.

95. It is noted that the market share of subject countries has declined in the POI compared to 2022-23, however, the market share of subject countries continues to remain above the base year and 2021-22 levels.
96. Other interested parties have also contended that decline in domestic industry's sales during the POI is on account of increase in sales of other domestic producers. The Authority notes that non-captive sales of the domestic industry and other Indian producers have increased in the POI compared to 2022-23. The domestic industry has explained that the same was on account of imposition of QCO during the POI. Moreover, compared to 2021-22, the increase in sales of other domestic producers was not significant in relation to the overall decline suffered by the domestic industry and did not correspond to the sharp rise in the volume of dumped imports from the subject countries.
97. Further, when compared with 2021-22 i.e., a period in which demand levels were similar to the POI, the Authority notes that market share of the Indian Industry has indeed declined whereas market share of subject countries have increased in the POI, which establishes that the Indian Industry has collectively lost market share to dumped imports from the subject countries.

c) Inventories

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

Inventory					
Particulars	UoM	2020-21	2021-22	2022-23	POI
Average Inventory	MT	***	***	***	***
Trend	Index	100	72	87	98

99. It is noted that inventory declined until 2022-23 after which it increased and has reached almost base year level.

d) Profitability, cash profits and return on capital employed

100. Profitability, return on investment and cash profits of the domestic industry over the injury period are given in the table below:

Profitability Parameters					
Particulars	UoM	2020-21	2021-22	2022-23	POI
Cost of Sales	₹/MT	***	***	***	***
Trend	Index	100	149	187	142
NSR	₹/MT	***	***	***	***
Trend	Index	100	137	126	119
PBT	₹/MT	***	***	(***)	***

Trend	Index	100	82	(170)	5
PBIT	₹/MT	***	***	(***)	***
Trend	Index	100	78	(104)	25
PBDIT	₹/MT	***	***	(***)	***
Trend	Index	100	65	(44)	60
Cash Profit	₹/MT	***	***	(***)	***
Trend	Index	100	64	(69)	56
PBIT as % of Average Capital Employed (ROCE)	%	***	***	(***)	***
Range	%	0-10	0-10	(10)-0	0-10

101. From the above, it is seen that:

- a. The selling price of the domestic industry has declined in the POI vis-à-vis year 2021-22 and 2022-23.
- b. The profitability and return on capital employed of the domestic experienced a significant decline until 2022-23, after which a slight improvement was observed. The applicant has submitted that during the POI, the Government of India imposed a Quality Control Order on the PUC. Consequently, imports decreased marginally, leading to a slight improvement in the profitability of the domestic industry compared to the previous year, during which the domestic industry incurred substantial losses.
- c. The applicant further submitted that the imposition of the QCO is not a comprehensive remedy for addressing the injury suffered by the domestic industry, as the majority of exporters have already obtained the necessary certifications to continue exporting to India. Consequently, while the QCO may have temporarily resulted in very slight decrease in imports, it does not address the fundamental issue of imports coming at low prices, which continues to exert pressure on the domestic industry's performance.

102. Other interested parties have argued that decline in profitability is on account of domestic industry's procurement of ethane from its related party, RIL USA Inc., since 2022-23. It has also been stated that RIL's procurement price of ethane as reported through market intelligence is much higher than export price of ethane from USA. To examine the same, the Authority called for purchase invoices of ethane for the entire injury period. Based on examination of the same, the Authority notes that the domestic industry's ethane prices are based on international benchmarks and the domestic industry was using the same benchmark for procurement from other unrelated sources prior to 2022-23. The commission and other charges are also in the same range. As regards the change in depreciation, the Authority has verified the same and wherever need appropriate adjustments have been made.

103. Equate Group has argued that there is no correlation between the decline in profitability of domestic industry and the landed value as despite increase in landed value in 2021-22, domestic industry's profitability declined. The Authority notes that between 2020-

21 and 2021-22, the domestic industry was able to increase its prices commensurate to the increase in landed price. However, the landed price of subject imports did not increase commensurate to the increase in the cost of sales of the domestic industry. Accordingly, domestic industry's profits had declined.

104. Other interested parties have also cited RIL's investor presentation to argue that injury is not on account of dumped imports but due to global overcapacity. The Authority notes that investor presentations are consolidated corporate communications intended for shareholders, whereas injury examination is carried out based on verified product-specific cost data submitted by the domestic industry. Thus, isolated statements in investor presentations are not determinative regarding the existence or non-existence of injury.

e) Employment, productivity and wages

105. The position with regard to employment, wages and productivity of the domestic industry is as follows:

Labour and Productivity Parameters					
Particulars	UoM	2020-21	2021-22	2022-23	POI
No. of Employees	Nos.	***	***	***	***
Trend	Index	100	93	96	95
Wages	₹ Lakhs	***	***	***	***
Trend	Index	100	95	80	92
Productivity/day	MT/day	***	***	***	***
Trend	Index	100	97	86	80

106. It is noted that the number of employees and their wages decreased in the POI compared to base year.
107. Productivity per day and productivity per employee have consistently declined throughout the injury period as a result of decrease in the production of the domestic industry.

f) Growth

Growth				
Particulars	2021-22	2022-23	POI	In relation to base year
Production	(***)	(***)	(***)	(***)
Domestic Sales	***	(***)	***	(***)
Profit	(***)	(***)	***	(***)
ROCE	(***)	(***)	***	(***)

108. From the above, the Authority notes the domestic industry’s production and sales have declined in the POI. The domestic industry’s profitability has also registered a negative growth. Further, as compared to FY 2021-22 the domestic industry’s profits have declined substantially. Although the figures pertaining to ROCE have shown improvement in the POI compared to 2022-23, the Authority notes that ROCE has significantly declined compared to base year.

g) Impact on the ability to raise capital investment

109. The domestic industry has submitted that it has not been able to earn adequate return on profits and therefore, its ability to raise capital investments has been impaired significantly. It has also been asserted that on account of dumped imports no new investment is being planned as the domestic producers have not been able to earn adequate return on the investments already made.

h) The magnitude of dumping

110. The dumping margin from the subject countries is above *de-minimis* level and is considered significant.

111. In view of the foregoing, the Authority concludes that the domestic industry has suffered material injury on account of dumped imports from the subject countries.

J.2. Threat of material injury

112. In addition to its claim of material injury, the domestic industry has also asserted that imports of subject goods from the subject countries further threaten to materially injure the domestic industry. The applicants have provided data based on PCI WoodMackenzie regarding the consumption, production and sales of the subject countries.

Production, Demand and Capacities in Subject Countries				
Particulars	2021	2022	2023	2024
Subject Countries Production	***	***	***	***
Trend	100	112	111	113
Subject Countries Capacities	***	***	***	***
Trend	100	105	105	105
Idle Capacities	***	***	***	***
Trend	100	80	82	77

Subject Countries Demand	***	***	***	***
Trend	100	104	101	106
Indian demand	***	***	***	***
Trend	100	123	135	122
Idle Capacity as% of Indian demand	***	***	***	***
Range	110-120	70-80	70-80	70-80

Source: PCI Wood Mackenzie Report

113. It is noted that the subject countries have maintained significant idle capacities during the period 2021 to 2024. Though there has been a marginal decline in idle capacities from *** million MT in 2021 to *** million MT in 2024, such idle capacities continue to remain substantial. The domestic demand in the subject countries is negligible in comparison to their capacities. This indicates that more than 95% of the production in the subject countries is surplus to domestic requirements, thereby making them structurally export-oriented. The increasing Indian demand, coupled with negligible domestic demand in the subject countries, makes India a natural ground for the surplus production of the subject countries.
114. The Applicants have also claimed that China, one of the major markets for the subject countries, has also achieved self-sufficiency in terms of production of MEG and accordingly, exports would further be diverted from the subject countries to India. Further, the Authority has also examined the volumetric information provided by the participating exporters from the subject countries in Appendix-1 of their individual questionnaire response. In case of Kuwait, the Authority notes that production of subject goods has increased in the POI compared to 2022-23, and export sales to India have also increased and reached their highest levels in the POI. Moreover, exports sales to third countries have declined in the POI. It may be noted that these sales also include trading sales made by Equate Group. Further, exports to India constitute almost 53% of total production by Equate Group.
115. In case of Saudi Arabia, the Authority notes that producers participating in the present investigation have provided market-wise sales information only for the POI. Accordingly, the Authority has considered sales made by their related trader SABIC for this examination. Based on the same, the Authority notes that exports of subject goods to India and third countries, significantly increased in CY 2022 and then further increased in CY 2023, with a marginal decline in the POI for exports to India as well as third countries. However, the rate of growth of exports to India over the injury period considerably exceeded the growth rate of exports to third countries. Notably, the spike in exports to India took place in CY 2022 which coincides with the period of imposition of anti-dumping duties on the SABIC Group concerning exports of the subject goods to the European Union.

116. The applicants have also provided demand for MEG in third countries.

MEG Demand in third countries				
Particulars	2021	2022	2023	2024
Demand	***	***	***	***
Trend	100	99	101	107

117. It is noted that demand in third countries has remained relatively stable compared to India which has exhibited significant growth in demand. Given the growing Indian demand, and the rate of growth of exports of subject goods from the subject countries to India, the Authority considers that exports of subject goods from the subject countries, would be diverted to the Indian market.

118. The Authority notes that producers in the subject countries maintain significant surplus and idle capacities, far in excess of their limited domestic demand, rendering them structurally export-oriented. Idle capacities alone are equivalent to a substantial share of Indian demand. Further, on account of imposition of trade remedial measures by European Union, there are limited markets for such exports. At the same time, Indian demand has continued to grow, making India an attractive destination for exports.

J.3. Overall Assessment of Injury

119. The examination of the imports of the subject goods and the performance of the domestic industry shows the following:

- i. Imports of subject goods from the subject countries have remained at consistently high levels throughout the injury period. Even though there was a marginal decline in the POI compared to 2022–23, import volumes in the POI were substantially higher than in 2020-21 and 2021-22.
- ii. The landed value of subject imports declined significantly during 2022–23 and the POI. This decline, coupled with large import volumes, exerted continuous downward pressure on the domestic selling prices.
- iii. Subject imports have undercut the prices of the domestic industry and have also suppressed and depressed its selling prices, preventing the domestic industry from raising prices commensurate with its costs.
- iv. Compared to the base year and 2021-22, the domestic industry's production, capacity utilisation, and sales volumes have declined despite growth in demand, reflecting the inability of the industry to increase output due to the presence of dumped imports. Although, domestic industry's parameters have marginally improved in the POI compared to 2022-23, its market share continues to remain at low levels compared to 2021-22, while subject countries have captured a significant portion of demand.
- v. The financial performance of the domestic industry has deteriorated considerably. Profits, cash profits, and return on capital employed turned negative in 2022–23. There was minor improvement in the POI compared to

2022-23, but the domestic industry has been earning non-remunerative returns and profits.

- vi. Inventories of the domestic industry have increased during the POI.
- vii. The subject countries maintain very large production capacities far in excess of their domestic demand, with idle capacities alone equivalent to 73% of Indian demand. The producers in the subject countries are structurally export-oriented.
- viii. The combination of substantial idle capacities in the subject countries, absence of significant domestic demand in those countries, restrictions in other major markets, and growing Indian demand establishes that India is a natural target for the exporters from the subject countries, creating a real and imminent threat of further injury.

I. MAGNITUDE OF INJURY MARGIN

120. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in AD Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry. 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 and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pretax profit to arrive at the NIP as prescribed in Annexure III to the AD Rules.
121. The landed price for the cooperative exporters has been determined on the basis of the data furnished by the exporters. For all the non-cooperative producers/exporters from the subject countries, the Authority has determined the landed price based on facts available.

I.1. Injury Margin for related producers and exporters

122. In accordance with the above, related producers and exporters have been regarded as one single entity and attributed one single injury margin which was calculated on the basis of the weighted average of the injury margins of the cooperating related producers and exporters.
123. Based on the landed price and the NIP determined as above, the injury margin as provisionally determined by the Authority is provided in the table below.

Injury Margin Table

Producer	Non-Injurious Price (\$/MT)	Landed Price (\$/MT)	Injury Margin (\$/MT)	Injury Margin (%)	Injury Margin Range
KUWAIT					
Equate Petrochemical Company	***	***	***	***	20-30
The Kuwait Olefins Co.	***	***	***	***	20-30
Equate Group Weighted Average	***	***	***	***	20-30
Others	***	***	***	***	30-40
Saudi Arabia					
Arabian Petrochemical Company	***	***	***	***	20-30
Eastern Petrochemical Company	***	***	***	***	20-30
Jubail United Petrochemical Company	***	***	***	***	20-30
Saudi Kayan Petrochemical Company	***	***	***	***	20-30
SABIC Group Weighted Average	***	***	***	***	20-30
Others	***	***	***	***	30-40
Singapore					
Others	***	***	***	***	20-30

J. NON-ATTRIBUTION ANALYSIS AND CAUSAL LINK

124. The Authority examined whether other factors listed under the anti-dumping Rules could have caused injury to the domestic industry. The Authority examined known factors other than the dumped imports and ascertained whether these at the same time have been injuring the domestic industry, so that the injury caused by other factors, if any, is not attributable to the dumped imports. Factors which are relevant in this respect include, *inter alia*, the volume of subject goods not sold at dumped prices, contraction in demand or changes in the pattern of consumption, trade restrictive practices, changes in technology, the export performance of the domestic industry and the productivity of the domestic industry.

a) Volume and value of imports from third countries

125. It is noted that imports from non-subject countries are negligible by the way of volume. The imports from the subject countries constitute around 1% of the imports in India. Therefore, the injury caused cannot be attributed to the third countries.

b) Contraction in demand

126. The Authority notes that the demand for the subject goods increased until FY 2022-23. There was marginal decline in demand during the POI. However, demand levels continue to be above the base year and 2021-22 levels. Accordingly, the Authority considers that the domestic industry has not suffered injury due to a contraction in demand.

c) Pattern of consumption

127. It is noted that there has been no material change in the pattern of consumption of the product under consideration, which could have caused injury to the domestic industry.

d) Conditions of competition and trade restrictive practices

128. The Authority notes that there is no evidence of conditions of competition or trade restrictive practices that could have been responsible for the claimed injury to the domestic industry.

e) Developments in technology

129. The Authority notes that there has been no change in technology for the production of the subject goods that could have caused injury to the domestic industry.

f) Export performance of the domestic industry

130. The injury information examined hereinabove relates only to the performance of the domestic industry in terms of its domestic market. Moreover, the domestic industry has not exported the PUC during POI. Thus, the injury suffered cannot be attributed to the export performance of the domestic industry.

g) Performance of other products

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

J.1. Factors establishing causal link

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

- i. The subject imports from each of the subject countries are being dumped above the *de-minimis* threshold, and cumulative assessment has been found appropriate as imports from each country exceed the de-minimis volume thresholds.
- ii. Volume of subject imports from the subject countries has remained consistently high and, despite a decline in the POI compared to 2022-23, account of 99% of total imports into India and account for more than *** % of the Indian demand. Between 2021-22 and the POI, imports increased by 16% while demand grew only *** %.
- iii. The volumes of subject imports from subject countries have also increased in relation to the consumption and production of the domestic industry.
- iv. The landed value of subject countries is lower than the NSR, yielding positive price undercutting in the POI.
- v. Since 2022-23, landed prices of subject countries have fallen while volumes of subject imports continue to remain high. Further, the domestic industry's NSR has followed the same downward trend, demonstrating price suppression and depression. During the POI, the domestic industry was forced to sell near cost and could not raise prices in line with costs.
- vi. The domestic industry accounted for *** % market share in the POI. Though there has been marginal improvement compared to 2022-23, the same continues to remain well below 2020-21 and 2021-22 levels.
- vii. The domestic industry profitability parameters have significantly declined in the POI compared to the base year. The profits have reduced to less than 1% whereas ROCE has reduced to *** %.

133. The Authority, in view of the aforementioned, concludes that there exists a causal link between the dumping of the subject goods and injury to the domestic industry.

K. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

K.1 Submissions of other interested parties

134. The following submissions have been made by the other interested parties:

- a. MEG is mixed with purified terephthalic acid (“PTA”) to prepare a mixture known as melt, which is used in the production of synthetic yarn. MEG accounts for 23.40% of cost of melt and imposition of anti-dumping duty would have significant impact on the downstream industry.
- b. Imposition of 20%-30% anti-dumping duties would increase MEG prices by Rs. 5.10/kg. If duties are imposed on MEG, Indian manufacturing industry will not be able to expand their operations as it would not be able to procure MEG at international prices.
- c. Ministry of Finance had acknowledged the adverse impact of duties on PTA and had accordingly, terminated the duties before the expiry of five years.
- d. The applicant has not provided non-confidential version of how impact of 0.3% as alleged has been computed. Relatively small cost increases at each stage of production and distribution can compound, especially in industries operating on thin margins.
- e. The PUC, a critical input for polyester fibers, textiles, and various downstream industries, is essential for sectors like packaging, cosmetics, and EV batteries. India's domestic production is insufficient, with over 70% captively consumed, necessitating imports to meet demand. Anti-dumping duties on PUC could significantly increase costs for downstream industries, making polyester textiles and PET packaging more expensive, exacerbating the inverted duty structure, and affecting competitiveness. This would impact over 40,000 small and medium manufacturers, threaten jobs, and hinder India's EV goals by raising lithium-ion battery costs. Overall, imposition of anti-dumping duty could negatively affect multiple sectors of the Indian economy.
- f. The imposition of anti-dumping duties would adversely impact the entire textile sector, already under price pressure. The applicant uses substantial portion of MEG captively for end products, other producers would face a disadvantage, forced to compete with the applicant and imported MEG while purchasing expensive raw materials.
- g. The imposition of anti-dumping duties would significantly increase manufacturing costs for polyester staple fibre (“PSF”) due to higher landed costs and a substantial domestic supply shortage, despite the domestic industry operating near full capacity. Additionally, domestic MEG prices are expected to rise in tandem with ADD, further inflating costs across the man-made fibre value chain. This would exacerbate the pricing pressure already faced by the Indian PSF and downstream industries from cheaper imports, making them less competitive, risking business closures, and leading to potential job losses. For a low-margin business like PSF, an ADD of \$100/MT would raise raw material costs by ₹2,530/MT, creating a significant financial burden and threatening the viability of the sector.
- h. The imposition of anti-dumping duties on imports will raise costs for downstream products, reducing their competitiveness in domestic and export markets. Buyers may face limited procurement options, potentially creating a monopolistic scenario due to the already small number of suppliers. This would exacerbate challenges for the distressed textile industry. Additionally, product availability is further constrained by the lack of Bureau of Indian Standards certification among producers of the PUC.
- i. Imposing anti-dumping duties on PUC, a key raw material for textiles, will raise domestic prices, increasing production costs for textile yarns. This will lead to lower demand, reduced production rates, and pressure on profit margins. Consequently,

textile prices will rise in domestic markets, weakening the sector's competitiveness internationally. With PUC in short supply, domestic manufacturers will align their prices with those of imports, further escalating costs.

K.2 Submissions on behalf of the domestic industry

135. The following submissions have been made on behalf of the domestic industry:

- a. The Indian MEG industry is not a monopoly, as is evidenced by the two other significant producers in India (IGL and IOCL) and particularly, by IOCL's recent expansion of its capabilities. The real threat to competition in the industry is the significant dumping, which has raised the barrier for entry of any other new entrants; and is also prohibiting the existing players from making any further investment in the industry.
- b. The subject goods are primarily used to manufacture polyester-based clothing and PET bottles. Detailed calculations in respect of anti-dumping duties have already been submitted which clearly establishes that the impact of the anti-dumping duties of around 50 USD/MT on the end user would be 0.3 % or less.
- c. During the course of oral hearing, certain interested parties/ user industries claimed that the impact of ADD would be in the range of 15% on polyester staple fibre ("PSF"), if a duty of 30% is imposed.
- d. The Applicant submits being an intermediate raw material, the impact of 4.28 % can be easily passed on to the next stage consumers by the PSF suppliers. The duties become cost only in the hands of the ultimate end-consumers, on whom the impact of duties would, undisputedly, not more than 0.3%.
- e. The impact of anti-dumping duties on the immediate downstream product and the end product is minimal.
- f. Notwithstanding the gross incorrectness of the calculation, the Polyester Textile Industries Association has suggested to assess the impact on "MELT", a product which is not even sold commercially in the market. Accordingly, the applicant requests the Authority to disregard these submissions.

K.3 Examination by the Authority

136. The Authority issued initiation notification inviting views from all interested parties, including importers, consumers and other interested parties. Further, the Authority also requested the users/ consumers to provide relevant information concerning present investigation including the likely impact of imposition of anti-dumping duties on end users, substitutability of PUC, price-sensitivity of demand, long term contracts etc. The Authority notes that several users of the subject goods have participated in the present investigation. The user industry has highlighted the following issues in their response:

- a. Beekaylon, Garden Silks, DNH, Sanathan and Wellknown have stated that the PUC is already subject to 18% GST and highlighted that there is a tax differential between the raw material MEG and the end product, man-made fibres. Imposition of anti-dumping duties would further compound the problem.
- b. Beekaylon, Garden Silks, DNH, Sanathan and Wellknown have also stated that they are not aware of anti-competitive or discriminatory behaviour by producers of PUC in India.
- c. Beekaylon, Garden Silks, DNH, Sanathan and Wellknown have highlighted that there would be a supply shortage of PUC in India in case of imposition of duties.
- d. Filatex has stated that the profit margins in Textile Industry are very less and imposition of duties on import of PUC will further reduce profits of the downstream industries to bare minimum which will not be sufficient for survival of such industries.
- e. Indorama Synthetics has stated that the demand for MEG is more than production capacity in India. Therefore, majority of the producers are dependent on imports of PUC. Imposing an anti-dumping duty on the PUC will make the textile market uncompetitive.
- f. Bombay Dyeing has submitted that the Indian PSF industry and the downstream man-made fibre chain is already facing tremendous pricing pressure from cheap imports from countries like China and imposition of ADD will lead to increased costs for PSF producers.
- g. PTA users association has contended that MEG constitutes 23.40% of cost of “polyester melt”. Therefore, imposition of ADD will have significant impact on downstream product.
- h. Bhilosa Industries has submitted that man-made fibre industry operates on thin profit margin and in case of imposition of duties, the company would have no other option than to pass on increased costs to downstream users. It has also stated that a 30% duty margin would lead to a 10-15% impact on PSF (an intermediate product).

137. The domestic industry has also provided calculation of impact of ADD on the end consumer after considering the impact of ADD on the end product, which it has estimated as less than 1%. The domestic industry has also disputed the calculation provided by Bhilosa Industries concerning impact of ADD and has submitted that PSF is an intermediate product. The maximum impact of ADD on PSF would be 4%, which can be easily passed to the end consumers.

138. The Authority notes that the objective of imposing trade remedial measures is not to restrict imports but to remove the injury caused to the domestic industry from unfair trade practices and to establish fair competition in the Indian market. The Authority is indeed aware that the impact of such duties is not limited to only the domestic producers of the PUC but also affects the users and consumers of the PUC. While the imposition of duties may introduce competition concerns domestically but it can also concurrently stimulate the emergence of new producers or further investments within the country.

139. The Authority notes that imposition of trade remedial measures are intended to restore a level playing field for domestic producers while ensuring that downstream users continue to have access to the subject goods at fair and non-injurious prices. The Authority notes that continuous and unabated unfair trade practices would adversely impact the prices and state of the domestic industry, discouraging future investments in critical petrochemical capacity, thereby undermining India's long-term self-reliance. Thus, imposition of trade remedial measures not only enables the domestic industry to compete on equal terms but also de-risks the users from supply chain disruptions enabling the user industry to procure the subject goods from several sources more competitively in the long run.
140. Based on the response and submissions provided by the interested parties, the Authority notes that the user industry is presently facing difficulties on account of differential GST on the PUC and end product and have highlighted the same to Ministry of Textiles. The Authority further notes that none of the users have pointed out to any anti-competitive practices or discriminatory treatment by Indian producers of the PUC.
141. Other interested parties have contended that profit margins in textile industry are very less and imposition of duties will impact their profitability.
142. With regard to polyester staple fibre, the Authority has examined the calculation submitted by Bhilosa Industries and found them to be inaccurate. For example, when computing impact of ADD on PSF, the user industry has expressed the proposed ADD on MEG as % of total value of finished product, clearly ignoring the fact that increase in prices of MEG on account of ADD would only impact the cost attributable to MEG, which constitutes only 16% of the total value of PSF. The same has been illustrated below.

Particulars	Computation Method	Values
Price of MEG (Rs./MT)	A	43,987
Price of PSF (Rs./MT) (as provided by Bhilosa Industries)	B	***
% of MEG in PSF (as provided by Bhilosa Industries)	C	***
Anti-dumping duty (Only Example) (***) \$/MT)	D	***
ADD Impact on PSF (as alleged by users) computed as ADD/Value of Finished Product	$E=D/B$	***
MEG Cost in PSF (Rs./MT)	$F=C*B$	***
Impact of ADD on MEG Cost (Rs./MT)	$G= F * (D/A)$	***
Impact on PSF	$I = G/B$	3.6%

143. Thus, impact of imposition of ADD on PSF, an intermediate product can only be 3.6%. It is noted that the impact of duties, if imposed, will not be significant. It is further noted that none of the users have contended that they cannot pass on this cost to end consumers. Moreover, none of the other interested parties have provided the impact of ADD impact on the end consumer. and provided calculation concerning the impact of ADD on immediate downstream products such as PSF and intermediate products such as polyester melt. However, none of the users have provided impact of ADD on the end product.

144. On the other hand, the domestic industry has submitted computation for impact of ADD on different end consumer products, namely PET bottles and garments (men's shirts and women's sarees). The same has been illustrated below:

End Product	UoM	PET Based End Product		UoM	Yarn Based End Product	
		Drinking Water	Carbonated Drink		Men's Shirt	Saree
Volume / Length	ml	1000	750	m	2.5	6
Retail Price	Rs	20	40	Rs	350	300
Polyester GSM	gm/m	NA	NA	gm/m	110	90
Weight	gm	18	25	gm	275	420
MEG Norm	kg/kg	0.35	0.35	kg/kg	0.35	0.35
MEG Price	Rs/kg	44.00	44.00	Rs/kg	44.00	44.00
MEG in end product	gm	6.3	8.75	gm	96.25	147
MEG value in end product	Rs	0.28	0.39	Rs	4.24	6.47
MEG % in End Product	%	1.4%	1.0%	%	1.2%	2.2%
MEG ADD Rate	\$/MT	***	***	\$/MT	***	***
MEG ADD Rate	Rs/kg	***	***	Rs/kg	***	***
MEG ADD Impact	Rs	0.06	0.09	Rs	0.95	1.45
Impact % end product price	%	0.31%	0.22%	%	0.27%	0.48%

145. Based on the above, the Authority notes that imposition of ADD would have an impact of less than 1% impact on end product price which it considers can easily be passed on to the end consumers.

146. Other interested parties have also commented that imposition of ADD will lead to monopoly of RIL in the country. The Authority notes that apart from RIL, there are two other producers of MEG in India, namely IOCL and IGL. IOCL has recently carried out

an expansion of MEG at its Panipat Plant and has also operationalized new MEG plant at Paradip Complex. Further, based on response of the user industry, the Authority notes that the Indian users have purchased PUC from both RIL and IOCL in significant quantities.

147. Other interested parties have also contended that they are already under pressure due to cheap imports of downstream products from China and that imposition of ADD will only further aggravate the situation. The Authority notes that imports of PET Resin, a downstream product, from China are already subject to anti-dumping duties. Further, if imports of other downstream products are being dumped in India, they may approach this Authority for appropriate remedy.
148. The other interested parties have contended that due to imposition of QCO on the subject goods, access to Indian market has been restricted, limiting MEG supply to India, which would further be exacerbated with imposition of anti-dumping duties. The Authority notes that the QCO is a regulatory measure, intended to ensure the quality and safety of imports and domestic production and sales, advancing the interest of user industry and does not prevent imports from subject countries or elsewhere. Further, none of the participating exporters have claimed that they have not received the requisite certification.
149. The other interested parties have also pointed out that there exists significant demand supply gap for the PUC in India. As examined in sections above, subsequent to the commissioning of IOCL's new capacity at the end of the POI, the Authority notes that there exists sufficient capacity to cater to the growing Indian demand. Further, imposition of ADD would not in any manner prevent imports of subject goods from subject countries into India, but only correct prices ensuring fair competition in the Indian market. Moreover, such goods can also be imported from non-subject countries, thereby, making the Indian MEG market more competitive.

L. POST-DISCLOSURE SUBMISSIONS

L.1 Submissions by other interested parties

150. The following submissions have been made by the other interested parties:

- i. The Authority has not analysed imports made by RIL during the entire injury investigation period, including post-POI, neglecting the full impact of such imports on the injury determination.
- ii. Reliance on IGL's data is misplaced as it has not provided cost or injury data. India Glycol Limited has not filed information as per Trade Notice No. 13/2018 and 14/2018.
- iii. The Authority lacks jurisdiction to entertain the present anti-dumping application.

- iv. The principle of lesser duty rule requires the Authority to impose the lowest of the weighted average / individual producer's dumping margin and injury margin.
- v. The Authority in para 46 (a) of the disclosure statement has indicated that it has accepted Sharq's cost of production but it has not mentioned that whether costs reported by other producers have been accepted or not.
- vi. The Authority has disregarded the actual data of the respondents even though such data reconciles with records of the respondents and has been verified through necessary system dump.
- vii. The Authority has replaced the actual data of respondents with undisclosed adjusted data without providing any justification.
- viii. The cost of production for Equate and TKOC have been increased by *** % and *** % respectively. For the same product and same company, the Authority did not make any adjustments in the previous investigation. Given the absence of any difference between the two investigations, the Authority should have accepted the cost of production of the exporters as claimed by the exporters.
- ix. The Authority has not disclosed essential facts to the respondents as required under Rule 16 of Anti-dumping Rules, 1995 and is contrary to the decision of the Panel in *Russia – Commercial Vehicles*. Manual of SOP requires detailed disclosure of normal value with workings.
- x. Art. 2.2.2 of the Agreement on Anti-dumping requires the Authority to compute SGA and profit margin based on actual data of the exporters. The Authority has made certain undisclosed adjustments to the exporter's actual costs and thus, has violated the principles of natural justice as laid down by the Hon'ble Supreme Court, High Court and Tribunals.
- xi. The SGA and profits determined by the Authority is far higher than actual data maintained in records of the company. The Authority has not explained whether or not the SGA & Profits adopted for the computation of the normal value exceeds the profit normally realized by producers of the same general category of products in the domestic market.
- xii. The Authority should as per its practice adopt 5% profit margin for computing normal value of exporters.
- xiii. The Authority has seemingly added SGA costs twice for determining the normal value for Petrokemya, Saudi Kayan and United.
- xiv. The Authority should adjust the trader's profit margin and indirect SGA must be added to the export price.
- xv. In *China – HP- SSST (EU)*, the Appellate Body held that it is not sufficient for the Authority to merely refer to the data which forms the basis for its computation, but must disclose the data.
- xvi. Art. 2.2.1.1 obliges the Authority to use the exporter's records for calculation of cost of production if such information meets the requirements laid down in the article. In the present case, information provided exporters from SABIC fulfil such conditions and therefore, the Authority should have relied on such information unless it found compelling reasons to disregard such information.

- xvii. The Authority should not disregard inventory adjustments while computing the cost of production as such adjustments includes other adjustments such as adjustments allowed ***.
- xviii. The Authority has failed to call for data from other producers including IOCL and thus, the Authority has not followed due process. Excluding IOCL's data and response undermines the objectivity of the injury and causation analysis.
- xix. The user industry believes that IOCL is earning profits on the PUC. Accordingly, respondents believe that IOCL's performance in market contradicts injury claims by the RIL.
- xx. There is a steep decline in export sales of the PUC from FY 2021-22 when overall demand of the PUC is on the rise globally since 2020-21 contributing to negative economic parameters of RIL.
- xxi. RIL accounts for 75-90% of market share, despite IOCL's recent capacity expansion. Injury analysis solely based on RIL's performance cannot be considered as representative of domestic industry.
- xxii. If imports were the cause of injury, sales of other domestic producers would have reduced in tandem with those of domestic industry. However, the divergence in sales trends calls into question the causal link between the alleged dumping and injury to the domestic industry.
- xxiii. RIL imported 14,330 MT from Saudi Arabia and Singapore during POI and in post-POI, it has imported 22,392 MT MEG from Saudi Arabia and USA.
- xxiv. The Authority has considered 19% decline in volume of imports as insignificant while referred to decline in 16% production as significant.
- xxv. The Authority's comparison with base year is incorrect as the same coincided with COVID-19 pandemic when demand and supply were atypically depressed.
- xxvi. The Authority has overlooked the fact that domestic industry's sales have declined despite decline in volume of imports, whereas sales of other domestic producers have increased. Thus, imports are not the cause of injury.
- xxvii. Price undercutting must be assessed for the entire injury period and not only the POI.
- xxviii. Imports from subject countries have not exerted sustained downward pressure on during the injury period as import prices have indeed increased from 100 to 113 in the POI. The volume of imports in POI has not increased compared to 2022-23, but has rather declined
- xxix. The domestic industry's cost of sales has followed the trend of ethane prices. Accordingly, decline in profitability is attributable to the increase in price of ethane purchased from affiliate.
- xxx. Profitability of domestic industry did not improve when import prices from Kuwait increased in 2021-22 compared to 2020-21, but rather worsened. If imports were truly responsible, domestic industry's profitability would have improved in 2021-22.
- xxxi. Further, with decline in import prices in the POI, the domestic industry's profitability has improved, which further establishes that there is no causal link between the alleged injury and imports.

- xxxii. With respect to decline in Indian prices due to decline in international benchmarks, the Authority has ignored the commodity cycle in chemicals.
- xxxiii. With respect to market share, the Authority has dismissed the impact of other Indian producers and held that the DI lost share to dumped imports. The data shows that non-captive sales of both the Domestic Industry and other producers increased in the POI compared to 2022–23 (from 84 to 156), reflecting redistribution within Indian suppliers rather than capture by imports. To ignore this element and attribute the entire decline of the applicant’s market share to dumped imports is analytically unsound.
- xxxiv. The Authority has concluded that profitability declined only because landed values did not rise “commensurately” with the domestic industry’s costs. This logic effectively shifts the burden of the Domestic Industry’s own cost increases onto imports.
- xxxv. The domestic industry has not disputed the respondent’s assertion that purchase of ethane from affiliate is not at arm’s length and appears to be artificially inflated. Merely asserting that ethane prices are based on international benchmark is insufficient.
- xxxvi. The domestic industry’s purchase price of ethane from its affiliate may be examined to determine whether the same is at arm’s length.
- xxxvii. The Authority’s dismissal of RIL’s investor presentations is unjustified. These presentations are not casual statements but official disclosures made to shareholders under strict corporate and securities law obligations, and they reflect the company’s considered assessment of industry conditions.
- xxxviii. The production of the Exporters from Kuwait increased by a mere *** % in the POI when compared to 2022-23 and these were operating at near full capacity utilization (i.e., *** %) in the POI.
- xxxix. The existence of limited surplus capacity by itself is not sufficient to establish a threat; producers in the Kuwait and the other Subject Countries export globally and have diverse markets.
- xl. The conclusion that exports to India constituted 53% of Equate Group’s production is misleading. These exports include trading sales and reflect longstanding supply relationships with Indian customers, not any sudden diversion of surplus capacity. The fact that exports to third countries declined in the POI – by a mere *** % does not indicate diversion to India; it is simply a reflection of global trade.
- xli. If Kuwait were truly seeking to offload surplus capacity into India, one would expect a surge in import volumes during the POI. Instead, exports to India from Kuwait actually declined from *** MT in 2022–23 to *** MT in the POI, undermining the very basis of the Authority’s threat finding.
- xlii. The Authority should adopt transfer price of captive inputs and not artificial prices for determining NIP.
- xliii. The expansion by IOCL only partially addresses the demand-supply gap as has been admitted by IOCL on its website. There are supply constraints and users are dependent and are forced to import.

- xliv. RIL is not only the largest producer of the PUC but also the largest manufacturer of downstream textile industry. Thus, RIL has significant control over the raw material and PUC. There is an inherent and direct conflict of interest with other downstream users. Imposition of ADD will only further interests of RIL as it utilizes nearly 70% of its production for captive consumption.
- xlv. Imposition of anti-dumping duty would burden textile industry and jeopardize national economic growth and employment. Imposition of ADD would have the effect of substantially curtailing access to imported MEG.
- xlvi. The Authority has stated that MEG represents only ~16% of PSF value and has presented a table showing a 3.6% impact, the precise assumptions and calculations underlying these conclusions remain undisclosed. In particular, the methodology adopted for allocating MEG costs, the values used for PSF pricing, and the conversion norms applied are not revealed. This prevents parties from meaningfully commenting on or verifying the correctness of the figures.
- xlvii. The cumulative effect of ADD, GST differentials, and existing import duties will materially worsen the cost structure of user industries. Ignoring this systemic burden vitiates the Authority's analysis.
- xlviii. The Authority has summarily dismissed this concern regarding RIL's monopoly on the ground that other producers such as IOCL and IGL exist and have recently expanded capacity. The Authority must recognize that a healthy and competitive market structure is indispensable to the long-term interests of Indian downstream industries and consumers.

L.2 Submissions on behalf of the domestic industry

151. The following submissions have been made on behalf of the domestic industry:

- a. The Authority in para 26 of the disclosure statement has simply observed that each investigation is to be carried out in view of the facts of that particular investigation. However, it remains undisputed that the exporters from the subject countries in the previous investigation were found to be dumping. Accordingly, the domestic industry requests the Authority to conclude that exporters from the subject countries have been dumping subject goods since 2020.
- b. The domestic industry reiterates its submissions seeking rejection of user questionnaire response of PTA Industries Association, Bombay Dyeing, Filatex India and Indorama Synthetics. The user questionnaire response was circulated to the applicant only at the stage of written submissions. Accordingly, we request the Authority to reject such submissions.
- c. The Authority in para 33 of the disclosure statement has confirmed its previous findings concerning the existence of PMS in KSA. However, the Authority has noted that there is insufficient evidence on record to establish that such distortion affects comparability between the export price and domestic price. Accordingly, the Authority did not carry

out any adjustments based on PMS allegation to the cost of production of producers from KSA.

- d. The domestic industry recalls the Panel Report in *Australia – A4 Copy Paper*, wherein the Panel had expressly acknowledged that even when the same distorted input is used to manufacture goods for both domestic and export markets. Accordingly, it cannot be presumed that PMS does not affect price comparability between the export price and domestic price. Rather, the Authority should have carried out market-wise assessment of profitability and examined the impact of raw material distortion across the different segments prior to concluding that raw material distortion does not affect the price comparability of the responding producers.
- e. Based on para 47 of the disclosure statement, the domestic industry understands that the Authority has considered the same distorted input price for determination of constructed normal value for the responding producers. Having accepted that raw material price distortion does exist in KSA's market, the Authority should replace the distorted ethylene and utility prices with undistorted prices within KSA for determination of constructed normal value for computation of dumping margin.
- f. The domestic industry has already provided *prima facie* evidence to substantiate the existence of PMS in SOK, and the burden of proof accordingly shifts on the exporters from SOK to demonstrate that PMS does not exist. It is reiterated the Government of Kuwait has issued a royal decree allowing the two exporters from Equate Group to procure key feedstock at significantly low rates. Therefore, the domestic industry requests the Authority to recognize the existence of PMS in SOK as well, consistent with the Panel decision in *Australia – A4 Copy Paper* and adjust the constructed normal value for producers in SOK to reflect the undistorted input price.
- g. The Authority has failed to consider the fact that the key raw material supplier for Equate Group and SABIC Group is a related entity and therefore, even in absence of PMS, the Authority ought to have examined whether such raw material prices are at arm's length. The domestic industry understands that none of these related suppliers have been called upon to provide information relevant for such examination. Accordingly, the Authority should consider the international market price of key raw materials, particularly ethylene, for computation of constructed normal value.
- h. The Authority has found positive evidence of Absolute and relative increase in imports, positive and significant dumping from the subject countries, decline in volumetric and financial parameters of the domestic industry, decline in the state of domestic industry is on account of dumped imports from the subject countries and that the exporters in the subject countries are structurally export-oriented, with more than 95% of domestic production being surplus to domestic consumption in the subject countries.
- i. While examining the profitability of the domestic industry, the Authority has ignored the Order of the Hon'ble CESTAT in *Reliance Industries Ltd. v. Designated Authority & Ors.* (Final Order No. 51370/2023), wherein relying upon the Supreme Court's decision in *Reliance Industries v. UOI* [2006 (202) E.L.T. 23 (S.C.)], it was held that for injury assessment the Authority must consider the market price of captive inputs and not internal transfer prices.

- j. The aforementioned judgment of the Supreme Court was in relation to injury assessment as well as for determination of NIP. The subsequent addition of Annexure-III to the AD Rules, 1995 for determination of NIP does not dilute or override the Supreme Court's interpretation of Annexure-II to the AD Rules, 1995, which continues to govern injury examination.
- k. The allowed NIP of the domestic industry is significantly lower than the NIP claimed by the domestic industry. It is submitted that several unwarranted adjustments have been made to the NIP. Accordingly, the domestic industry submits that the Authority should re-examine the NIP of the domestic industry.

L.3 Examination by the Authority

- 152. The Authority has examined the post disclosure submissions made by the domestic industry and the other interested parties and notes that several submissions are reiterations of issues which have already been examined suitably and addressed adequately in the relevant paras of the final findings. The issues raised for the first time in the post-disclosure comments/submissions by the interested parties and the domestic industry and those backed up with evidence have been considered relevant by the Authority are examined below.
- 153. With respect to imports made by RIL during the injury period, the Authority notes that RIL has imported the subject goods only during the POI and such imports account for less than 1% of its total production and sales which is minuscules quantity. RIL did not import the subject goods during the previous years of the injury period.
- 154. With respect to IGL's data, the Authority notes that supporters need to file information pertaining to installed capacity, production, sales quantity and sales value as per Note 2 of the Trade Notice 04/2021. The Authority notes that IGL has indeed provided data as per the format. Further, IOCL had also filed a support letter with the Authority, however, it did not provide the required data as per the trade notice.
- 155. With respect to lack of jurisdiction of entertain the present application, the Authority notes that Hon'ble High Court of Delhi had remanded the matter back to the Authority, subsequent to which the Authority after receiving a request for termination of investigation in terms of Rule 14(a) of the AD Rules, 1995 terminated the investigation. In any event, the present investigation is against a different subject country mix and pertains to a different injury period. The application was duly documented and made a prima facie case concerning dumping, injury and causal link. Accordingly, the Authority initiated the present investigation.
- 156. The participating exporters have claimed that their cost of production has been arbitrarily revised and that such revisions were not made in the previous investigation concerning the PUC. The Authority notes that each investigation is carried out on the basis of specific facts, submissions made, and information provided and substantiated with relevant supporting evidences during the course of the investigation.
- 157. The Authority further notes that several interested parties have claimed that essential facts have not been disclosed. It is noted that all essential facts have been disclosed as per the Authority's consistent practice.

158. During the course of desk verification, the Authority found several inaccuracies and deficiencies in Equate Group's response such as the cost for ethylene (captive input) reported for PUC was significantly lower than the cost for ethylene reported at the company level (PUC and NPUC). In their original response, Equate Group had also claimed double deduction for by-product credit for which no reasonable justification was provided. Similarly, freight reported by Equate Group for exports to India was revised multiple times. Further, the claim of inventory adjustment in Appendices was revised. Thus, substantial revisions were made by Equate Group during the verification, which the Authority has taken on record.
159. The Authority has determined the cost of production based on the revised response submitted by Equate Group to the extent the same could be verified. It was noted that both Equate and TKOC purchased raw material (ethane) for production of captive input ethylene from their related party, Kuwait Petroleum Corporation ("KPC"), however, the same was not reported by them in Appendix 10 submitted in original response. Further it was noted that there was significant difference in ethane purchase price reported by the two producers in Equate Group. Equate Group refused to provide copy of Feedstock Supply Agreements with KPC to substantiate their claimed purchase price mentioning that "*the said agreement contains very highly confidential and commercially extremely sensitive information, and as such, cannot be submitted on record*". The Authority notes that under Rule 7 of AD Rules, 1995 confidentiality of information cannot be claimed *qua* the Authority itself. On account of refusal of information, the Authority has relied on best information available on record to compute the cost of production.
160. Further, Equate Group failed to provide sufficient justification for not allocating certain costs, which should have been allocated to PUC. The explanation provided by Equate Group was found to be at variance with information submitted for verification. Accordingly, the Authority has allocated such cost, based on the information available on record for this investigation, for determining the cost of production.
161. With reference to submissions made by exporters from Saudi Arabia concerning non-consideration of inventory adjustments while computing the cost of production as such adjustments includes other adjustments such as adjustments allowed under ***, the Authority notes that such adjustments have been accounted for in computation of cost of production where the same have been substantiated. Accordingly, the Authority has computed the cost of production as per its consistent practice.
162. With respect to claims made concerning the SGA & profits adopted by the Authority, the Authority notes that same was based on the verified cost of production and sales information of the individual exporters in terms of para 4 of Annexure I to the AD Rules, 1995. The Authority further clarifies that SGA costs were not added twice in case of Petrokemya, Saudi Kayan and United.
163. With respect to adjustment of trader's profit margin and indirect SGA to SABIC Group's export price, the Authority notes that ex-factory export price has been determined at the level of each producer.
164. With respect to PTA User Industries and Mitsubishi's claims disputing the objectivity of the Authority's examination on account of non-participation of IOCL and the non-examination of IOCL's data, the Authority notes that it had requested all domestic producers including IOCL to submit information. However, the Authority did not

receive any information from IOCL as per the prescribed format within the established timeline. Accordingly, the Authority has carried out injury examination based on the facts available on record.

165. Equate Group has alleged that RIL has imported the subject goods in the post-POI period. It is noted that no evidence has been provided to substantiate the same. The present investigation being an original investigation, the Authority does not consider it necessary to examine post-POI developments.
166. With respect to decline in domestic industry's sales despite decline in import volumes during the POI, the Authority recalls its examination in para 96 of the disclosure statement wherein it was clearly observed that non-captive sales of the domestic industry and other producers had increased in the POI. Thus, while imports of subject goods from the subject countries declined in the POI, domestic sales of the domestic industry and other Indian producers of MEG increased.
167. With regards to Equate Group's submissions concerning the re-distribution of market share within Indian suppliers, the Authority notes that despite an increase in total sales of the Indian MEG industry, the Authority notes that market share of Indian Industry as a whole has also declined in the POI compared to 2021-22.
168. Equate Group has submitted that that domestic industry's performance declined during 2021-22, despite an increase in landed price of subject imports from Kuwait. In this regard, the Authority recalls its findings in paras 102-103 of the final findings, wherein it has been noted that while landed value of subject imports from subject countries increased in 2021-22, the same was not commensurate to the increase in cost of sales of the domestic industry.
169. SABIC Group has claimed that the domestic industry has not disputed the fact that ethane purchases from its related supplier are not at arm's length. In this regard, the Authority notes that it has obtained and examined quarter-wise invoices and the relevant benchmarks from the domestic industry for the injury period. Upon examination of the same, the Authority indeed found the transactions to be at arm's length.
170. The performance of the domestic industry has indeed improved in the POI compared to 2022-23. However, the domestic industry has claimed that the same was on account of QCO imposition.
171. PTA User Industries Association has contended that it believes IOCL is making profits, which contradicts the domestic industry's claims of injury. PTA User Industries has not submitted any data on record concerning IOCL's level of profitability. As mentioned above, the Authority had called for data for all Indian producers. However, IOCL did not provide the same. Accordingly, the Authority has carried out the present examination based on available facts.
172. With reference to determination of price undercutting for the entire injury period, the Authority notes that price undercutting is to be determined for the POI.
173. Equate Group has claimed that its production only increased marginally in the POI compared to previous year and existence of limited surplus capacity cannot be construed to constitute threat of material injury. Equate Group has further contended that there is

no evidence of sudden divergence of production to India and that producers in Kuwait and other countries export globally and have diverse markets. In this regard, the Authority notes that it has carried out a cumulative assessment of subject countries in reaching its findings of threat of material injury. The Authority further notes that it has only pointed out the structural export dependency of exporters from the subject countries. Further, the Authority is well-aware of the fact that export sales as reported by Equate Group indeed include traded sales by Equate Group, a fact which was recorded in para 114 of the final findings. However, such trading sales constitute less than 1% of total sales made by Equate Group. Moreover, such traded sales also originate from the subject countries.

174. SABIC Group has submitted that NIP should be computed based on books of the domestic industry and not notional prices of captive input. Further, the domestic industry has also alleged that the Authority has made unwarranted adjustments to its non-injurious price. The Authority notes that NIP has been computed based on records of the domestic industry as per the principles laid down in Annexure-III to AD Rules, 1995.
175. Equate Group has disputed the 3.6% impact on PSF on account of anti-dumping duties and has claimed that it is not aware of how MEG constitutes 16% of PSF value. The Authority recalls para 137 of the final findings, wherein it has been clearly mentioned that calculation provided by Bhilosa Industries have been examined. All assumptions considered by the Authority for impact of anti-dumping duties are based on assumptions provided by Bhilosa Industries. Landed price of MEG has been considered as per DGCI&S data.
176. The Authority further notes that none of the users of the PUC have disputed or provided any further calculation for impact of anti-dumping duties on the end user provided in the disclosure statement.
177. Equate Group has commented that existing GST differential along with import duties and anti-dumping duties would worsen cost structure for user industries. The Authority notes that the issue related to inverted GST structure is not within the scope of the Authority's determination. In any case, appropriate GST rate revisions have recently been made by the Central Government to address such inverted duty structure issue.

M. CONCLUSIONS & RECOMMENDATIONS

178. Based on the submissions made, substantiated information provided by the interested parties and the facts available before the Authority as recorded and examined in the aforementioned paragraphs and on the basis of determination of dumping and consequent injury to the domestic industry, the Authority concludes the following:
 - i. The subject goods exported from the subject countries and the article manufactured by the domestic industry are 'like article' to each other in terms of Rule 2 (d) of the AD Rules, 1995.
 - ii. Reliance Industries Limited accounts for 70-80 % of the eligible domestic production, and accordingly, the applicant satisfies the requirements stipulated under Rule 2 (b) of the AD Rules, 1995 and application satisfies the standing requirements under Rule 5(3) of the AD Rules, 1995.

- iii. The application contained all information relevant for the purpose of initiation of the anti – dumping investigation and necessary evidence in terms of Rule 5(2) of the AD Rules, 1995 to justify the initiation of the present investigation for determination of dumping and material injury to the domestic industry in terms of Rule 5 (3) of the AD Rules, 1995.
- iv. The claims regarding confidentiality were accepted wherever warranted and in case, where such confidentiality claims were found to be excessive, the interested parties were directed to disclose the same or provide appropriate non – confidential summary of the same in terms of Rule 7 of the AD Rules, 1995. Where interested parties did not provide information or refused access to information, the Authority has considered facts available in terms of Rule 6(8) of AD Rules, 1995.
- v. **Dumping margin:** Based on the information provided by the exporters from the subject countries, and the normal value/ constructed normal value (where applicable), the dumping margin for exporters was determined to be positive and significant.
- vi. **Volume effect:** The volume of imports and the dumping margin of the subject goods from the subject countries were found to be above de minimis thresholds as stipulated under para (iii) of Annexure – II to the AD Rules, 1995. With respect to the volume effect of the dumped imports on the state of the domestic industry as required to be assessed under para (ii) of the AD Rules, 1995, it was found that such imports have increased in absolute as well as relative terms to the production and consumption of the PUC in India. Imports of subject goods from the subject countries have increased by 200% in the POI.
- vii. **Price effect:** As regards the price effect of such dumped imports, it was found that price undercutting from all three subject countries was positive. It was further found that such dumped imports were depressing and suppressing the prices of the domestic industry.
- viii. As regards the effect of such dumped on the economic parameters of the domestic industry, the following conclusions were reached:
 - a. **Production, capacity, capacity utilisation, sales, and market share:** The production and capacity utilisation of the domestic industry has declined even though capacity has remained constant throughout the injury period. Non-captive sales have declined until FY 2022-23, with a marginal increase in POI, on account of decline in volume of imports due to imposition of QCO. However, volume of imports has doubled over the injury period.
 - b. **Market Share:** Non-captive market share of the domestic industry has declined by *** % over the injury period whereas market share of the subject imports from the subject countries increased by *** % indicating that imports from the subject countries have captured the market share of domestic industry. Indian industry i.e., the domestic industry and other domestic producers have also collectively lost market share over the injury period.
 - c. **Cost of sales, selling price, profitability, and return on capital employed:** The selling price of the domestic industry has declined in the POI compared to 2022-23 and 2021-22. The profitability of the domestic industry has shown a minor improvement in the POI compared to previous year, however, the same

has declined compared to 2020-21 and 2021-22. The domestic industry has earned *** % profit on cost of sales during the POI.

- d. **Inventories:** Inventories have increased in the POI.
 - e. **No. of employees, productivity, and wages:** Productivity has declined throughout the injury period and reached its lowest level in the POI as a result of decrease in the production of the domestic industry.
 - f. **Growth:** Upon comparison from the base year, it is noted that production, domestic sales, profit and ROCE have declined and have shown negative growth in the POI compared to the base year.
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- ix. **Threat of material injury:** Exporters from the subject countries are structurally export oriented. With stagnant demand in third countries, it is likely that imports may be diverted to India.
 - x. **Injury margin:** Upon comparison of the non – injurious price determined as per Annexure – III to the AD Rules, 1995 and the landed price of subject imports from the subject countries as required under Rule 17 (3) (b) to the AD Rules, the injury margin for the participating exporters was found to be positive.
 - xi. **Causal link:** The domestic industry has suffered material injury due to the dumped imports and there are no other known factors were found to be the cause of the injury. There has been an increase in the volume of the dumped imports during the POI compared to the base year and 2021-22. The presence of dumped imports in the Indian market forced the applicant to sell at non-remunerative prices which has adversely affected the profitability parameters of the domestic industry.
 - xii. **Indian industry issues:** None of the interested parties have disputed the end user duty impact calculation, which is less than 1%. The presence of several suppliers including a vibrant Indian domestic industry de-risks the user from supply chain disruptions and thus enables the user industry to procure the subject goods from several sources more competitively in the long run.
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179. 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 positive information on the aspect of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and causal link in terms of the provisions laid down under the Anti-Dumping Rules, the Authority is of the view that imposition of anti-dumping duty is required to offset dumping and injury. Therefore, Authority considers it necessary and recommends imposition of anti-dumping duty on imports of subject goods from the subject countries.
180. Having regard to the lesser duty rule followed by the Authority, the Authority recommends imposition of anti-dumping duty equal to the lesser of margin of dumping and the margin of injury, so as to remove the injury to the domestic industry. Accordingly, the Authority recommends imposition of anti-dumping duty on the imports of the subject goods, originating in or exported from the subject countries, from the date of notification to be issued in this regard by the Central Government, equal to the amount indicated in Col. 7 of the duty table appended below for a period of 5 years.

Duty Table

S.No.	Heading	Description	Country of Origin	Country of Export	Producer	Amount (\$ /MT)
1	2	3	4	5	6	7
1	2905 31 00	Mono Ethylene Glycol	State of Kuwait	Any country including State of Kuwait	EQUATE Petrochemical Company K.S.C.C	102
2	do	do	State of Kuwait	Any country including State of Kuwait	The Kuwait Olefins Company K.S.C.C.	102
3	do	do	State of Kuwait	Any country including State of Kuwait	Any producer other than S.No. 1 to 2	165
4	do	Do	Any country other than subject countries	State of Kuwait	Any	165
5	do	Do	Kingdom of Saudi Arabia	Any Country including Kingdom of Saudi Arabia	Arabian Petrochemical Company	118
6	do	do	Kingdom of Saudi Arabia	Any Country including Kingdom of Saudi Arabia	Saudi Kayan Petrochemical Company	118
7	do	do	Kingdom of Saudi Arabia	Any Country including Kingdom of Saudi Arabia	Eastern Petrochemical Company	118
8	do	do	Kingdom of Saudi Arabia	Any Country including Kingdom of Saudi Arabia	Jubail United Petrochemical Company	118
9	do	do	Kingdom of Saudi Arabia	Any Country including Kingdom of Saudi Arabia	Saudi Yanbu Petrochemical Company	118
10	do	do	Kingdom of Saudi Arabia	Any Country including Kingdom of Saudi Arabia	Yanbu National Petrochemical Company	118
11	do	do	Kingdom of Saudi Arabia	Any Country including Kingdom of Saudi Arabia	Rabigh Refining & Petrochemical Company	118
12	do	do	Kingdom of Saudi Arabia	Any country including Kingdom of Saudi Arabia and State of Kuwait	Any producer other than S.No. 5 to 11	173
13	do	do	Any country other than subject countries	Kingdom of Saudi Arabia	Any	173
14	do	do	Republic of Singapore	Any country including Republic of Singapore	Any	137
15	do	do	Any country other than subject countries	Republic of Singapore	Any	137

N. Further Procedure

181. An appeal against the determination of the Designated Authority in these final findings shall lie before the Customs Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act/ Rules.



**(Siddharth Mahajan)
Designated Authority**