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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)

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NOTIFICATION

NEW DELHI, the 9th May 2008

Final Findings

Subject: Antidumping investigations involving imports of Acetone originating in or exported from Korea-ROK.

F.No. 14/13/2006-DGAD: - Having regard to the Customs Tariff Act 1975 as amended in 1995 (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, (hereinafter referred to as the Rules) thereof:

2. Whereas M/s Hindustan Organic Chemicals Ltd., Mumbai and M/s Schenectady Herdillia Ltd., Mumbai (now renamed as SI Group-India Ltd.) (hereinafter referred to as the Applicant) have filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred as Rules), alleging dumping of Acetone (herein after referred to as subject goods), originating in or exported from Korea-ROK and Russia [hereinafter referred to as subject country(ies)] and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods. The Authority notified the High Commissions of Korea-ROK and Embassy of Russia about the receipt of dumping allegation in accordance with sub rule 5(5) of Rules.

3. The Authority on the basis of sufficient evidence submitted by the applicant on behalf of the domestic industry, issued a public notice dated 12th February 2007 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of the subject goods originating in or exported from the subject countries in accordance with the sub-Rule 6(1) of the Rules to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

4. The Authority on the request in writing of the applicant terminated on 14.3.2008 the anti-dumping investigation on imports of Acetone originating in or exported from Russia as per Rule 14(a).

A. General

5. Procedure described below has been followed with regard to this investigation after issuance of the public notice notifying the initiation of the above investigations by the Authority:-

- (i) The Designated Authority sent copies of initiation notification dated 12.02.2007 to the Embassy of the subject country in India, known exporters from the subject country, importers and the domestic industry as per the addresses made available by the applicant and requested them to make their views known in writing within 40 days of the initiation notification.
- (ii) The Authority provided copies of the non-confidential version of the application to the known exporters and to the Embassy of subject country in accordance with Rule 6(3) supra.
- (iii) The Embassy of the subject country in India, were informed about the initiation of the investigation in accordance with Rule 6(2) with a request to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time. A copy of the letter and questionnaire sent to the exporters were also sent to them, along with the names and addresses of the exporters.
- (iv) The Authority sent questionnaires, to elicit relevant information to the known exporters in subject country in accordance with Rule 6(4);
- (v) The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties;
- (vi) Transaction wise data of imports procured from Directorate General of Commercial Intelligence and Statistics (DGCI&S) has been relied upon for analysis in this investigation;
- (vii) The Authority verified the information provided by the domestic industry to the extent considered necessary.
- (viii) Optimum cost of production and cost to make and sell the subject goods in India based on the information furnished by the applicant on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if Anti-Dumping duty lower than the dumping margin would be sufficient to remove injury to Domestic Industry;
- (ix) Investigation was carried out for the period starting from 1st July 2005 to 30th June 2006 (POI). The examination of trends in the context of injury analysis covered the periods from April 2003-March 2004, April 2004-March 2005, April 2005-March 2006 and the POI.
- (x) The Authority sent questionnaire, to elicit relevant information, to the known exporters from subject country in accordance with the rule 6(4). However, no questionnaire response has been received from any exporters of the subject goods from the subject country. M/s Kumho P & B Chemicals, Korea ROK after taking extension to file the response stated that Kumho did not dispatch the subject goods to India during POI. On 13.11.2007. LG Chem Ltd. sought 40 days' time to submit the information on the exporter's questionnaire. However, the request of the exporter was not acceded to as time permitted for submission of information had already lapsed. M/s Mitsui & co. Ltd., Korea ROK in respect of 1015 MT of Acetone from Korea stated that the company was not involved in this transaction and was only giving cargo in-out schedule

notice to tank terminal which are the Mitsui's tanks for distribution to Asia. No other information has been provided by the company.

- (xi) Questionnaires were sent to the known importers and Consumers of subject goods in India calling for necessary information in accordance with Rule 6(4) by permitting time of 40 days. The response from M/s Kundan Rice Mills Ltd. as an importer was filed on 14.11.2007 i.e. after considerable gap of the permitted time. The same was not considered as having been filed after the permitted time. No questionnaire response has been received from any other importer of the subject goods from the subject country.
- (xii) The Authority held a Public Hearing on 8.2.2008 to hear the interested parties. The parties attending the Public Hearing were requested to file written submissions of the views expressed orally. The Designated Authority considered the submissions as received from the interested parties in the findings.
- (xiii) In accordance with Rule 16 of Rules Supra, the essential facts/basis considered for these findings were disclosed to known interested parties and comments received thereon have also been duly considered in these findings.
- (xiv) *** in this Notification represents information furnished by the applicant on confidential basis and so considered by the Authority under the Rules.

B. Product under Consideration

6. The product under consideration is 'Acetone'.

7. The Acetone is organic chemical also known as Dimethyl Ketone and used in the manufacture of bulk pharmaceuticals, agro chemicals, dye stuffs, certain explosives and downstream chemicals. Acetone is classified under Chapter 29 of Custom Tariff Act under the sub-heading 29141100.

8. It is a basic organic chemical produced in single grade. It is a colourless liquid with an agreeable ether-like odour. It is used in numerous organic synthesis either as solvent or as an intermediate. It is used in manufacture of bulk pharmaceuticals, agro-chemicals, dyestuffs, certain explosives and downstream chemicals. Acetone is specifically used in manufacture of Isophorone, Diacetone, Alcohol, Methyl Methacrylate and Bisphenol A. Besides this, it is used in manufacture of certain rubber chemicals or Oxy Acethylene Cellulose Acetate.

B.1 Like Article

9. The domestic industry manufactures 'Acetone' is identical to the product under consideration, therefore is being treated as like article for the purpose of this Investigation.

C. Standing of the Domestic Industry and initiation of the investigation

10. The application was filed by M/s Hindustan Organic Chemicals Ltd., Mumbai and M/s Schenectady Herdillia Ltd., (now renamed as SI Group-India Ltd.) Mumbai, which are the producers of the subject goods in India. The applicants account for 100% production of subject goods in India, therefore, constitute domestic industry within the meaning of the Indian Anti-dumping Rules. It has been informed by the

Domestic Industry that there was no production of Acetone during POI by producers of Acetone using sugar/alcohol route.

C.1 Imports made by M/s SI Group-India Ltd.

11. During the period of investigation, M/s SI Group-India Ltd. had imported *** MT of Acetone. The company stated that the imports were basically made under Duty Exemption Scheme for exports of goods manufactured out of imported Acetone. During verification process it was verified that the company had imported *** MT under duty exemption scheme and was under export obligation to export product produced from the Acetone. The Authority notes that imports under duty exemption scheme was approximately 83% of the total imports and were meant to manufacture other product for export purpose and were not intended for consumption in the country. Therefore, the Authority holds that imports made by M/s SI Group India Ltd. do not disqualify it from being part of domestic industry.

12. It has been stated by M/s Parasol Chemical Ltd. that the document concerning imports made for export purpose to be verified. The Authority in this regard notes that the document under which imports were made had already been verified.

D Other submissions and issues raised

D.1 Issue of *de minimis* imports from Korea ROK

13. It was represented by the Govt. of Korea ROK that Acetone imports originating from Korea should be regarded as negligible because it accounts for less than 3% of total imports during POI. It was stated that Korea export was 1959 MT according to Korean International Trade Association and not 2974 MT as proposed by the petitioner. It was further stated that the balance quantity of 1015 MT was re-exported to India after importing it from USA by Mitsui Korea co. Ltd. It was stated that this has been confirmed by Ulsan Custom Office of Korea ROK. It was also stated that the Korean share of imports in Indian market become 2.93% which should be considered as *de minimis*.

14. On the issue of *de minimis*, it was stated by M/s Kumho P & B Chemicals that *“Korean produced Acetone of about 959 MT, as per data furnished by Korean Embassy, was exported in June 2006 during the POI. Other exports in 2005 and/or in 2006 were outside POI. This is well below the de minimis threshold.”* It was further stated that transhipped material may be excluded from the total imports from Korea, however, even if it is not excluded for any reason, the total imports from Korea would be 1964 MT during POI which is less than 3% of total imports in India i.e. *de minimis*.

15. It has also been stated that in view of the judgment of Supreme Court in the matter of Reliance Industries Ltd. Vs. Designated Authority (Civil Appeal No.1294 of 2001) only one normal value is possible. Whereas, in case of trans-shipped material, the normal value has to be different and based on country of origin. This suggests two normal values *“hence in view of the said Reliance judgment it is not possible in this case of the Hon’ble Authority to determine separate NVs for the Korean produced Acetone and the trans-shipped Acetone as stipulated by the said S9A(1)c and its proviso, of the said Act”*.

Examination by the Authority

16. The Authority notes that imports from Korea ROK during POI was 2974 MT which include 1015 MT of trans-shipped material. The total imports during the same period was 63371. The imports from Korea ROK as a percentage of total imports was more than 3% by including as well as excluding the trans-shipped material. Therefore, the imports were more than de minimis. Regarding issue of separate normal value it is noted that proviso to Section 9A(i)(b) specifically provides for the method by which the normal value for the trans-shipped material is to be determined.

17. After issue of disclosure statement it has been stated by M/s Prasol Chemicals Ltd. *“that annual percentage figures be considered for ascertaining de minimis status and not a stand-alone chosen period of injury”*. It has been further stated *“that the imports by the petitioners from Korea ROK be excluded while ascertaining the de minimis status, since in the explained circumstances, both the petitioners had faced plant closures and hence were the largest importers themselves”*. In this regard the Authority notes that these statements have been made without citing any rules and justifiable reasons under which these statements are supposed to be examined. Therefore, the Authority holds that the *de minimis* status of the country has been decided correctly as per the Rules and Anti-dumping Agreement.

D.2 Submissions by M/s Kundan Rice Mills Ltd.

18. M/s Kundan Rice Mills Ltd. vide letter dated 2.11.2007 had submitted that M/s Kumho P & B Chemicals has not been notified about initiation of the investigation. It was requested that M/s Kumho P & B Chemicals, exporter and M/s Kundan Rice Mills Ltd, importer should be given opportunity and 4 weeks time should be given to them to prepare their representation. Subsequently, on 14th November, 2007 M/s Kundan Rice Mills submitted response on importer's questionnaire. Vide letter dated 20.11.2007 a request was made for personal hearing. The same was acceded to and the Authority granted opportunity for the personal hearing. In the meantime, M/s Kundan Rice Mills also filed a writ petition in Delhi High court (Writ Petition (Civil) No.8817/2007) which was disposed of on 13.12.2007. Shri Satish Kumar, Manager, M/s Kundan Rice Mills Ltd. appeared for personal hearing on 9.1.2008. He was intimated that questionnaire was submitted by them after the permitted time, however, he was also advised to make submissions in the Public Hearing which was to be held and in which all interested parties would be present. The Public Hearing was held on 8.2.2008; however, no representative of the company appeared in the public hearing. On perusal of importer's questionnaire, it has been noticed that while giving details about the total imports the imports from Korea ROK claimed to have been made. However, in the transaction wise details no import transaction shown to have been made from the subject country.

19. The disclosure statement was issued on 2.4.2008, no comments has been given on the facts disclosed, instead new statements on the current situation concerning demand, supply, import of acetone and end use of acetone have been made and has been stated that no anti-dumping duty be imposed on imports of acetone. In this regard, the Authority has taken a view that disclosure statement is issued to seek the comments on the facts already submitted by interested parties and not for the fresh submissions, therefore, the statements have not been examined.

However, the injury analysis has already captured facts and arguments about injury and issue relating to injury of the domestic industry.

Issue raised by M/s Kumho P & B Chemicals

20. After the disclosure statement, M/s Kumho P & B Chemicals has raised objections and questioned the exclusion of imports from Qatar on the basis of revised data and stated that exporter *“is astounded by the apparent acceptance by the hon’ble Authority to exclude the imports from Qatar based on apparently purchased (as per DGCI&S tariffs) revised import data. There is prima facie no basis for such exclusion in the said investigations.”* It has also been stated that *“as per NCV DI submissions another product in the same tariff code from Qatar was wrongly entered as acetone.”* And *“there is no material in the public file to show whether the hon’ble Authority has checked whether the company that imported the Ammonia normally imported Acetone or Ammonia”*. In this regard the Authority notes that the domestic industry had submitted the data procured from DGCI&S while submitting the application for initiation of investigation. Subsequently, the domestic industry sought clarification from DGCI&S about the imports made by Qatar. The DGCI&S after checking the records intimated that Acetone was not imported from Qatar. Thereafter the Authority sought the clarification from DGCI&S and it was confirmed that imports reported from Qatar was actually that of Ammonia and the corrections have been made in the data base. The correspondence was placed in the Public File. The Authority, for the purpose of the investigation, relied on the import data independently procured from DGCI&S. The Authority further notes that in another investigation concerning Acetone notified on 4.1.2008 revised imports data was taken for analysis purpose.

21. M/s Kumho P & B Chemicals has also raised objection about termination of investigation in respect of Russia. In this regard the Authority notes that the termination of investigation was done on the request of the domestic industry as per Rule 14(a). It has also been stated that period for conducting investigation were not extended in accordance with the law. The well established practice in the other leading jurisdictions is that extension of the investigation is notified to the public ahead of the date of completion of original investigations and not by e.mail or orally to the authorized representatives subsequent to the last date of the investigation. *“Thus, in law the proceedings in these investigations beyond 11th February 2008 are illegal and Kumho has participated under protest by way of abundant caution only and not in any manner acquiescing to the illegality.”* In this regard the Authority notes that the competent authority had extended the time period for completing investigation. The concerned document was placed in the public file and the information about the extension was also intimated to all interested parties including their counsels vide letter dated 4.2.2008.

D.3 Confidentiality

22. The Authority in this case has considered the data relating to customers, price and costing as confidential as the disclosure of the same may give the competitive advantage to the other interested parties. The data relating to volumes of domestic industry (all producers taken together) has not been treated as confidential.

E. Methodology for Calculation of Dumping Margin

E.1 Normal Value for Korea-ROK

23. A claim has been made that 1015 MT of exports from Korea ROK was trans-shipped material which had originated from USA. The Authority in this regard noted that from the data of importers who had cooperated in the investigation of the same product concluded on 4.1.2008, the same transactions shown to have been made from Korea ROK. The Authority, therefore, has not determined separate normal value for such claimed trans-shipped material.

24. No exporter has responded to the initiation notification and submitted any information. In absence of any data, the Authority has relied on the facts available as per Rule 6(8) of the Anti-dumping Rules to determine the normal value. The normal value has been constructed on the basis of facts available. For constructing normal value, the price of Benzene has been taken from the data of DGCIS and for Propylene it has been taken from ICIS LOR Asia. The consumption norms of the efficient producer of the domestic industry and SION have been relied upon. For utilities, consumption norm and prices of the efficient producer of the domestic industry have been taken except for power for which the rate has been taken as per the available information of power rate in the exporting country. Conversion cost and SGA including interest has been taken as per the efficient producer of the domestic industry. The profit @ 5% has been taken on the cost of production. By adopting this methodology, the constructed normal value for bulk material has been calculated as US\$ *** PMT.

E.2 Export price for Non-cooperating Exporters

25. The data reported by the DGCI&S for exports from Korea-ROK has been relied upon to calculate the ex-factory export price. The DGCIS data shows exports of bulk material during the POI. Adjustment on account of ocean freight @ US\$ 50 PMT, marine insurance @ 0.25%, inland freight @ 1%, port expenses @ 0.5%, bank charges @ 0.5% have been made to arrive at the ex-factory export price. By adopting the above method, the ex-factory export price has been calculated as US\$ *** PMT for bulk material.

E.3 Dumping Margin

26. On the basis of normal values and export prices as determined above, the dumping margin has been calculated as 32.77% for non-cooperating exporters. The dumping margin so determined is significant and above de minimis

F. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF CAUSAL LINKS

F.1 Views of the domestic industry

27. The followings are the views of domestic industry:-

- a) The sales of the domestic industry declined significantly after showing a significant increase up to 2004-05. It would be seen that the import volumes in absolute term increased vis-à-vis sales of domestic industry declined. There is

- direct relationship between the import volumes, import price, sales volumes and market share of the domestic industry. Import volumes increased because of availability of the material at dumped prices, due to which sales of domestic industry declined.
- b) Profits:- Profitability of the domestic industry has significantly eroded. Even when the domestic industry attempted to maintain its market, the impact of the same was very adverse in terms of profits, which declined significantly from a situation of profits to financial losses. Decline in profitability of the domestic industry continued throughout the investigation period. Should the performance of the domestic industry be examined on quarter by quarter basis, the same materially deteriorated in each quarter.
 - c) It would be worthy to mention that significant decline in profits is in spite of significant reduction in interest costs. In other words, whereas the profits should have improved on account of reduction in interest costs, the same has rather declined. Employment level with the domestic industry has declined.
 - d) Productivity:- Productivity of the domestic industry declined. Petitioners submit that so severe is the adverse impact of dumping that even productivity of the domestic industry has suffered in spite of the peculiar nature of the production process. Any producer of the product would like to increase production. Production restrictions/suspension are quite unusual in this kind of industry. However, so severe has been the impact of dumping that the domestic industry has been forced to cut production.
 - e) Return on capital employed:- For the purpose of calculation of return on investments, petitioners have considered sum of fixed assets and working capital and profit before interest and taxes. The information shows significant deterioration in the performance of the domestic industry, from a situation of positive return to negative return. The decline in ROI is a direct consequence of decline in profits.
 - f) Output and Capacity Utilization:- Domestic industry maintained its capacity for production of subject goods¹. However, severe pressure on domestic industry from dumped imports resulted in production cuts being resorted to by the domestic industry, resulting in decline in capacity utilization.
 - g) Output and capacity utilization of the domestic industry declined in spite of the fact that the domestic industry decided to offer sub-optimal prices.
 - g) Inventories:- Inventory level of the domestic industry increased. Increase in inventories is in spite of lower prices offered by domestic industry. Whereas domestic industry had inventories equal to about 3 days sales, the same increased to more than 17 days in proposed period of investigation.
 - i) Salary & wages:- Salary and wages with the domestic industry increased.
 - j) Cash Profit:- Deterioration in profits of the domestic industry adversely affected cash profits of the domestic industry, which directly affected cash flow. Petitioners have determined cash profits from the product under consideration and cash flow of the company as a whole.
 - k) Demand and market share:- Whereas the market shares of the imports have increased, that of the domestic industry has declined.
 - l) Growth:- Growth of the domestic industry in a number of parameters shows negative trend.

28. It is thus evident that the domestic industry has suffered material injury. Thus, it can be concluded that the domestic industry is trapped in a vicious cycle of volume effect and price effect. First with the increase of the imports of the subject good from the subject countries into the Indian market as a result of excess capacity with the Foreign Producers, the domestic industry suffered from loss of sale and loss of market share. This resulted in adverse volume effect. This loss of sale forced the domestic industry to reduce their domestic selling price in order to sell the subject good in the domestic market. This resulted in adverse price effect. The exporters further reduced the selling price. As a result, the domestic industry reduced the selling price further and the process continued. Resultantly, domestic Industry faced adverse volume effect and adverse price effect as a result of distortive and unfair trade practices of the exporting countries.

F.2 Threat of Material Injury

29. In addition to the material injury already being suffered by the domestic industry, imports from subject countries are posing threat of material injury to the domestic industry.

30. There is significant increase in the import volumes in absolute term as is evident from the enclosed *pro forma*, and as would be seen from the increase in import volumes. This increase in imports is in spite of best efforts of the domestic industry to sell their material even at sub-optimal prices. The increase in imports would have been more, had the domestic industry not made efforts to curtail the same by offering lower prices;

31. The price undercutting is significant as is evident from the enclosed *pro forma*. At any point of time and in spite of offering matching prices, there is a positive price difference between the domestic product and imported product. Given nature of the product involved, any price difference between the domestic product and imported product is not acceptable to the consumers and the domestic industry is under constant pressure for price reductions. It may be noted that it is not such a product that the domestic industry can afford to sell at prices significantly higher than the imported prices. The only option with the domestic industry is to sell at matching prices. Therefore, it should be noted that small price difference is in fact huge in this kind of product;

32. Capacities created by the producers in the subject countries are far more than their respective domestic demand. These producers are in fact saddled with excess capacity. Capacities in Taiwan, Korea and USA are 300000 MT, 100000 MT and 3175000 MT respectively, which is significantly higher than consumption in their respective markets. Due to excess capacity in China, producers have been forced to reduce their prices.

33. While inventories of the article with the domestic industry are showing increase in spite of significant reduction in the selling prices by the domestic industry, petitioners understand that the producers in subject countries are saddled with higher inventories. However, no published information is available in this regard and the Authority is requested to call for relevant information;

34. Petitioners conducted extensive analysis of exports from subject countries to world over. The analysis was shocking in terms of its likely impact on the domestic industry. World exports of subject countries are showing increasing trends, clearly implying surplus unutilized capacities with the Foreign Producers.

F.3 Issue raised by Interested Parties

Submissions made by M/s Prasol Chemicals Ltd.

35. The petitioners had filed petition for safeguard duty in the year 1999-2000. The final findings based on which safeguard duties were notified were clear that these levies need to be progressively liberalized to facilitate positive adjustments by domestic industry. The adjustment plan undertaken by the domestic industry was also spelt out very clearly. The plan to improve competitiveness essentially comprised following major elements:-

1. Building economies of scale to reduce fixed costs.
2. Up gradation of technology and debottlenecking to reduce operational costs.
3. Captive power generation to reduce power costs.
4. Better logistics and port infrastructure (only step outside the industry control).
5. Setting up World scale Greenfield Plant with state-of-art technology.

36. Neither of petitioners had done anything significant towards adjustments and in fact flouted their own solemn undertaking to the Government. Under the circumstances, that anti-dumping petition should not have been considered. The petitioners had stated that plant capacity of Korean manufacturers is about half a million tones per annum and is more than 10 times production capacity of both the petitioners put together. Petitioners cannot choose not matching any standards despite enjoying safeguard duty for a period of 3 years and no implementing committed improvements and now turning to anti-dumping duty for protection. Loss on account of uneconomic planning, plant sizing and unmatched process technologies and scale of operations cannot be considered to be injury on account of dumping.

37. The petitioners have always been profitable on manufacturing Phenol/Acetone due to very high local demand. The SI Group India Ltd. has been importing cumene, and intermediate in the manufacturing of phenol/acetone to the tune of 10000 MT per annum at 5% duty. Manufacturing of phenol/acetone has been profitable based on cumene import.

38. During the period of injury – July 2005 to March 2006 (9 months), operations were closed for SI Group in July 2005 due to flood for about 2 months. Likewise, HOCL plant was affected due to disruption of raw material supplies, plant upgradation and hence plant was shut down for 2 months. It has been that no plant can attain 100% production after such a major change. For attaining full utilization, it may require additional 6-8 weeks' time. Therefore, even if we consider operations were affected for 3 months out of 9 months' period of injury, then, injury is more on account of abnormal situations and it is not normal loss on account of dumping. Hence point of injury stated incorrectly. Hence, all subsequent arguments need to be ignored.

39. The claim of SI Group of loss of profit to the extent of 8.3 crores as per their annual report 2005-06, therefore, the company was making profit without any dumping duty and by their admission, the loss was due to flood only.

40. During the financial year 2005-06 (POI), SI Group in spite of 14% drop in production due to heavy flood during July 2005 in the area still had an operating profit (PBIDT) of Rs.17.62 crores.

41. The production of both the petitioners is about 40-45% of the total domestic demand. In such a situation, there cannot be injury and imports are inevitable and even the petitioners are importing regularly.

42. Acetone is used by SI Group to make other products. Anti-dumping duty may result in unfair trade practice. As SI Group makes acetone and sells downstream product. This will result in monopoly trade and price adjustment to choke other SME units.

43. SI Group has admitted in the Annual Report that year after the sales of Diacetone Alcohol (DAA) has gone up substantially and hence there is a drop of Acetone sale in market.

44. SI Group represented that they are unable to meet the cost of manufacturing Acetone. Up to cleavage (crude mixture of Acetone and Phenol) there is common expense on Phenol and Acetone and only after when Phenol is separated Acetone is received as a co-product. Hence all cost up to cleavage are considered in Phenol manufacturing and not repeated under Acetone manufacturing as it is a co-product. Again we cannot have anti-dumping duty both on Phenol and Acetone.

45. Due to anti-dumping duty on acetone, imports of its downstream products viz. Diacetone Alcohol and Isophorone have shot up by more than 100% in last six months of Daicetone Alcohol (DAA) and 50% of Isophorone as compared to last year which clearly indicates that if anti-dumping is imposed on raw material and no on finished products, local SME industries will not remain viable. Hence, acetone prices worldwide are correct for them to export finished goods at old prices. Indian industries cannot serve our own manufacturers in India as of now acetone downstream products have easy access to end users as raw material in India not viable.

46. After the levy of anti-dumping duty on acetone in the domestic tariff prices are maintained at a far lower level than the landed imported cost with anti-dumping duty. Hence, the price levels of acetone are only marginally more than the pre anti-dumping duty regime. The petitioners are not indeed affected by any injury as claimed, otherwise they would have matched their price level more closer to the landed cost of imported acetone post anti-dumping duty selling price of Acetone before anti-dumping duty.

47. The losses have been mounting from 1997-98 to 2003-04 and thus base period fixed in the investigation is in itself a loss period to start with and period of investigation would show the maximum injury. HOCL is a company referred to the BIFR even prior to the period of investigation and the reasons for reference is complete erosion of funds i.e. accumulated losses. It makes it clear that the poor

performance of the company is on account of their inherent difficulties which have been acknowledged in several reports of the government. Even after receiving the benefits under the BIFR Scheme, the company has not been able to stabilize their business operations and this anti-dumping application seems to be recourse to capitalize. The injuries cannot be co-related and attributed to dumping but to their own inefficiencies.

48. The Prasol Chemicals started as small scale unit and now fall in SME category. If anti-dumping duty is imposed, this will benefit only larger units making acetone and downstream products, killing smaller units. All economic policies should be export oriented and helping the smaller unit and not larger units. There should be special consideration for SME units regarding anti-dumping duty particularly when the local industry is not able to meet the country's requirements.

Examination by the Authority

49. The Authority has taken note of various arguments raised by various parties in their submissions. Concerning issue of safeguard duty, the Authority notes that anti-dumping investigation is against unfair trade of dumping by exporters of other countries. The previous petition by the applicant would not be relevant unless it can be shown that injury during POI has not been caused by the dumped imports. On the issue of production data, profits and other economic parameters on the basis of which injury is to be analyzed, the Authority has not relied on statements of domestic industry and other interested parties but has taken cognizance of only verified data of product under consideration for domestic industry as a whole. Regarding the argument that anti-dumping duty will result in unfair trade practice and monopoly, the Authority notes that anti-dumping investigation is conducted against unfair trade practice of dumped imports; by imposition of anti-dumping duty, the exports from the subject countries are not banned and no monopoly is created, it only intend to neutralize the effect of the dumped material. It has been pointed out that SI Group has claimed loss of profit from the insurance. In this regard, it has been noted that the company has claimed the benefit from insurance on the basis of previous profitable period whereas the injury analysis has been made for the POI on the basis of actual data of the company and domestic industry. Concerning issue that HOCL was incurring losses from 1997-98 to 2002-03 and it was referred to BIFR even prior to the period of investigation, it has been noted that unit of HOCL concerned with the production of Phenol and Acetone were making profits during 2002 to 2006, however, the profit was considerably reduced during 2005-06. The Authority in this regard holds that declaration of the company as a sick company under SICA would not make it ineligible to seek relief under anti-dumping investigations.

50. While submitting comments on the disclosure statement, M/s Prasol Chemicals Ltd. reiterated their earlier submissions and also stated that SI Group has admitted in their Annual Report that sales of Diacetone Alcohol (DAA) has gone up substantially and hence there is a drop of Acetone sale in the market. Quality of Acetone produced by SI Group was low Benzene Acetone which is required by high and premium paying users like the pharma industry. Obviously imported Acetone was substituted by the said petitioner against their exports made from the captive consumption of Acetone. And the imported low benzene Acetone of higher quality was directly sold in the high-end domestic premium market. The Authority in this regard note that while analyzing volume injury the analysis has been made by including and

excluding captive consumption of Acetone which has been used for producing other products. Regarding higher realization by the SI Group for imports of low benzene Acetone, in case it is true, the same has been captured in the net sales realization as the analysis has been done for the weighted average sale of the company.

F.4

51. Article 3.1 of the ADA and Annexure II of the AD Rules provide for an objective examination of both, (a) the volume of dumped imports and the effect of the dumped imports on prices in the domestic market for the like products; and (b) the consequent impact of these imports on domestic producers of such products, with regard to the volume effect of the dumped imports. The authorities are required to examine whether there has been a significant increase in imports, either in absolute term or relative to production or consumption in the importing member. With regard to the price effect of the dumped imports, the authorities are required to examine whether there has been significant price undercutting by the dumped imports as compared to the price of the like product in the importing country, or whether the effect of such imports is otherwise to depress prices to a significant degree, or prevent price increase, which would have otherwise occurred to a significant degree.

52. For the purpose of injury analysis the Authority has examined the effect of dumped imports of the subject goods on the domestic industry and its effect on production, capacity utilization, sales, prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any.

53. Since positive dumping margins have been established for the exports from the subject country, therefore, entire exports from the subject country have been treated as dumped imports for the purpose of injury analysis and causal links examination.

(A) **VOLUME EFFECT:** Volume Effect of dumped imports and Impact on domestic Industry

53. The Authority has procured transaction wise details of imports of subject goods from DGC I&S. As per the data, imports from subject country is more than de minimis. The Authority notes that the share of subject country in imports was 0.18% in 2003-04 increased to 3.44% in 2005-06 and 4.69% in POI. The Authority observed that the share of imports from other countries (excluding countries in respect of which anti-dumping investigation have been concluded on 4.1.2008) was 10.27% in 2003-04 which declined to 7.63% in POI.

i) Import Volumes and share of subject country

Imports	Units	2003-04	2004-05	2005-06	July 05-June06
Korea ROK (subject country)	MT	44	0	2141	2974
Trend	Indexed	100	2532	4867	6761
Countries already attracting ADD	MT	21757	27920	56609	55562
Other countries	MT	2495	1762	3426	4835
Total Imports	MT	24295	29682	62175	63371
Trend	Indexed	100	122	256	261

Market Share in Imports					
Korea ROK (subject country)	%	0.18	0.00	3.44	4.69
Countries already attracting ADD	%	89.55	94.06	91.05	87.68
Other countries	%	10.27	5.94	5.51	7.63
Trend	%	100.00	100.00	100.00	100.00

ii) Demand, Output and Market shares

a) Growth In Demand

Growth in Demand including Captive Consumption

Demand	Unit	2003-04	2004-05	2005-06	July05-June06
Domestic Industry	MT	46636	51567	37751	38314
Total Imports	MT/Lacs	24295	29682	62175	63371
Total Demand	MT/Lacs	70931	81250	99926	101685
Trend	Indexed	100	115	141	143

Growth in Demand excluding Captive Consumption

Demand	Unit	2003-04	2004-05	2005-06	July05-June06
Domestic Industry	MT	41405	50122	36134	37256
Total Imports	MT/Lacs	24295	29682	62175	63371
Total Demand	MT/Lacs	65701	79804	98310	100627
Trend	Indexed	100	121	150	153

54. Demand of subject goods has been determined by addition of domestic sales (including captive consumption) of domestic industry and all imports from all countries. From the data, trend indicates that demand for the subject goods had been growing from base year to POI. It grew by 43% during POI as compared to base year i.e. 2003-04.

55. The growth in demand of subject goods excluding captive consumption also shows similar trends. However, as compared to base year it grew by 53%.

b) Production of the Domestic Industry

Capacity	Unit	2003-04	2004-05	2005-06	July05-June06	Adjusted
DI	MT	45500	45500	45500	45500	45500
Trend	Indexed	100	100	100	100	100
Capacity Utilisation						
DI	%	102	114	80	85	91
Trend	Indexed	100	112	79	83	90
Production						
DI	MT	46422	52036	36477	38736	41569
Trend	Indexed	100	112	79	83	90

56. Data of domestic industry on capacity, production and capacity utilisation reveals that the capacity of the domestic industry was 45500 MT during 2003-04 and had not changed during POI. The production of subject goods was 46422 MT during

2003-04 after rising in 2004-05 declined to 36477 MT during 2005-06 and was 38736 MT during POI. The trend indicates the production rose by 12% in 2004-05 and declined to 83% of the base year during POI. The capacity utilisation of domestic industry was 102% during 2003-04 declined to 85% during POI as compared to the base year.

57. The plant of M/s SI Group India Ltd. was out of operation for 49 days during POI due to floods in that area. The data on production and capacity utilisation has also been analysed by adjusting the actual data to capture the effect of 49 days. The adjusted data reveals similar trends, however, production and capacity utilisation declined to 90% during POI as compared to base year.

c) Sales of Domestic Industry

Domestic Sales	Unit	2003-04	2004-05	2005-06	July05-June06
Domestic Industry	MT	41405	50122	36134	37256
<i>Trend</i>	<i>Indexed</i>	100	121	87	90
Domestic sales including Captive consumption					
Domestic Industry	MT	46636	51567	37751	38314
<i>Trend</i>	<i>Indexed</i>	100	111	81	82

58. The data on sales indicates that the domestic industry sold 46636 MT of subject goods during 2003-04 and it declined to 38314 MT during POI. The sale of domestic industry fell to 82% during POI as compared to base year. The data on sales excluding captive consumption indicates that the domestic industry sold 41405 MT of subject goods during 2003-04 and it declined to 37256 MT during POI. The sale of domestic industry fell to 90% during POI as compared to base year. The average inventory of the domestic industry indicates that the average stock was 867MT in 2003-04 and it rose to 1878 MT during POI. The average stock rose by 117%. In term of number of days of sales it was equivalent to 8 days of sales in 2003-04 and rose to 14 days of sales during POI as compared to base year. The decline in production, sales, capacity utilization and growth of average stock during POI indicate difficulty in selling the subject goods

Demand and Market Share including captive consumption

Domestic Sales	Unit	2003-04	2004-05	2005-06	July05-June06
Domestic Industry	Mt	46636	51567	37751	38314
Total Imports	Mt	24295	29682	62175	63371
Total Demand	Mt	70931	81250	99926	101685
<i>Trend</i>	<i>Indexed</i>	100	115	141	143
Market share in Demand					
Domestic Industry	%	65.75	63.47	37.78	37.68
<i>Trend</i>	<i>Indexed</i>	100	97	57	57
Korea ROK	%	0.06	0.00	2.14	2.92
Subject country	%	0.06	0.00	2.14	2.92
<i>Trend</i>	<i>Indexed</i>	100	0	3455	4716

Countries in respect of which ADD has been imposed	%	30.67	34.36	56.65	54.64
Trend	Indexed	100	112	185	178
Other countries	%	3.52	2.17	3.43	4.75
Trend	Indexed	100	62	97	135
Total	%	100.00	100.00	100.00	100.00

d) Demand and Market Share excluding captive consumption

Domestic Sales	Unit	2003-04	2004-05	2005-06	July05-June06
Domestic Industry	Mt	41405	50121	36134	37256
Total Imports	Mt	24295	29682	62175	63371
Total Demand	Mt	65701	79804	98310	100627
Trend	Indexed	100	121	150	153
Market share in Demand					
Domestic Industry	%	63.02	62.81	36.76	37.02
Trend	Indexed	100	100	58	59
Korea ROK	%	0.07	0.00	2.18	2.96
Subject country	%	0.07	0.00	2.18	2.96
Trend	Indexed	100	0.00	3253	4414
Countries in respect of which ADD has been imposed	%	33.11	34.99	57.58	55.22
Trend	Indexed	100	106	174	167
Other countries	%	3.80	2.21	3.48	4.80
Trend	Indexed	100	58	92	127
Total	%	100.00	100.00	100.00	100.00

59. The demand (including captive consumption) of subject goods has shown rising trend. It grew by 43% during POI as compared to the base year. The trend indicates that the share of domestic industry which was at 65.75% in 2003-04 declined to 37.78% during POI. During the same period the share of subject country which was 0.06% in 2003-04 rose to 2.14% in 2005-06 and 2.92% during POI. The share of imports from other countries has also risen from 3.52% in the base year to 4.75% during POI. The share of imports of countries in respect of which anti-dumping investigation has been concluded on 4.1.2008 was 30.67% in 2003-04 and increased to 54.64% during POI.

60. The demand (excluding captive consumption) of subject goods shows similar trend. It grew by 53% during POI as compared to the base year. The trend indicates that the share of domestic industry which was at 63.02% in 2003-04 declined to 37.02% during POI. During the same period the share of countries in respect of which anti-dumping investigation has been concluded on 4.1.2008 was 33.11% in 2003-04 rose to 57.58% in 2005-06 and 55.22% during POI. The share of other countries was 3.80% in 2003-04 and increased to 4.80% during POI.

(B) Price Effect of the Dumped imports on the Domestic Industry

61. The impact on the prices of the domestic industry on account of the dumped imports from the subject countries have been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any. For the purpose of this analysis the weighted average cost of production, weighted average Net Sales Realization (NSR) and the Non-injurious Price (NIP) of the Domestic industry have been compared with the landed cost of imports from the subject country.

(i) Evaluation of Export Price over period under consideration

Export price (CIF)	Unit	2003-04	2004-05	2005-06	July05-June06
Korea	Rs/Mt	32410	0	40471	33725
Trend	Indexed	100	0	125	104
Countries in respect of which anti dumping duty has been imposed	Rs/Mt	26405	39664	36202	32698
Trend	Indexed	100	150	137	124

62. The data on prices reveals that prices from Korea ROK increased by 4% in POI as compared to base year. It has, however, been noted that prices had increased in 2005-06 and the same declined significantly during POI.

(ii) Price undercutting and underselling effects

	Unit	2003-04	2004-05	2005-06	July05-June06
Selling Price - DI	Rs/Mt	***	***	***	***
Trend	Indexed	100	131	119	113
Customs Duty	%	25	20	14.79	14.17
Landed value					
Korea	Rs/Mt	40594	0	46517	38550
Price undercutting	Rs/Mt	***	***	***	***
Price undercutting	%				***
Non injurious price	Rs/Mt				***
Price underselling	Rs/Mt				***
Price underselling	%				***

63. In determining the weighted net sales realization of the domestic industry, the rebates, discounts and commissions offered by the domestic industry and the central excise duty paid have been rebated.

64. The trend of selling price indicates that it has risen by 31% in 2003-04, 19% in 2005-06 as compared to base year, however, it rose by 13% during POI as compared to base year. During the same period, the cost of production had risen by 21% 2004-05 and 31% during POI as compared to base year.

65. Price undercutting has been determined by comparing the weighted average landed value of dumped imports from the subject country over the entire period of investigation with the weighted average net sales realization of the domestic industry for the same period. For this purpose landed value of imports has been calculated by

adding 1% handling charge and applicable basic customs duty to the value reported in the DGCI&S data of import prices from the subject country. The price undercutting from subject country was in the range of 1-5% during POI.

66. For the purpose of price underselling determination the weighted average landed prices of imports from subject country have been compared with the Non-injurious price of the domestic industry determined for the POI. It shows that underselling was in the range of 5-10%.

(iii) Price suppression and depression effects of the dumped imports:

67. The price suppression effect of the dumped imports has also been examined with reference to the cost of production, net sales realization and the landed values from the subject country.

68. The trend of cost of production shows that weighted average cost of production rose by 35% during POI as compared to base year whereas the selling price had increased only by 13% during POI indicating that the domestic industry could not realize the selling price commensurate with the increase in cost of production.

F.4 Examination of other Injury Parameters

69. After having examined the effect of dumped imports on the volumes and prices of the domestic industry and major injury indicators like volume and value of imports, capacity, output, capacity utilization and sales of the domestic industry as well as demand pattern with market shares of various segments in the earlier section, other economic parameters which could indicate existence of injury to the domestic industry have been analysed hereunder as follows:

ii) Profits and actual and potential effects on the cash flow

Sales(NSR)	Unit	2003-04	2004-05	2005-06	July05-June06	Adjusted
Domestic Industry	Rs/MT	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	131	119	113	113
COP						
Domestic Industry	Rs/MT	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	121	141	135	135
Profitability						
Domestic Industry	Rs/MT	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	196	-38	-40	-44
Profits - PBIT						
Domestic Industry	Rs/Lacs	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	216	-19	-21	-27

70. The data indicate that weighted average cost of production of the domestic industry rose by 21% in 2004-05, 41% in 2005-06 and 35% during POI as compared to base year whereas the weighted average net selling price increased by 31 % in 2004-05,19% in 2005-06 and 13% during the same period. The profit per unit which was 100 (indexed) in the base year increased by 96% during 2004-05 and turned into

loss of 40 during POI. The profit of domestic industry on the domestic sales(PBIT) which was 100 (indexed) in 2003-04 increased by 116% in 2004-05 and turned to loss of 21% during POI..

iii) Return on investment and ability to raise capital

Assets(NFA)	Unit	2003-04	2004-05	2005-06	July05-June06	Adjusted
Domestic Industry	Rs/Lacs	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	96	105	100	100
Capital Employed (NFA)						
Domestic Industry	Rs/Lacs	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	120	115	109	109
PBIT						
Domestic Industry	Rs/Lacs	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	216	-19	-21	-27
ROCE(NFA)						
Domestic Industry	%	***	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	180	-17	-19	-25

71. The data on capital employed shows that it increased by 20% in 2004-05, 15% in 2005-06 and 9% during POI as compared to base year. The increase of capital employed was mainly because of increase of the working capital. The return on capital employed with base as 100 (indexed) in 2003-04 increased by 80% in 2004-05 and turned to -19% during POI.

i) Productivity

72. The data on production per employee shows that the productivity increased by 14% in 2004-05 before declining to 86% during POI as compared to base year.

Employment and wages

Employees	Unit	2003-04	2004-05	2005-06	July05-june06
DI	No	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	98	98	97
Salary & wages					
DI	Rs/Lacs	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	112	121	135

73. Acetone and Phenol are produced together in a same process. Therefore, the number of employees and their wages have been taken for the plant as a whole. The employment level does not show significant change. In indexed form it declined to 97% during POI as compared to base year. The wages increased by 35% during POI as compared to base year.

viii) Inventories

Average Inventory	Unit	2003-04	2004-05	2005-06	July05-June06
DI	MT	***	***	***	***
<i>Trend</i>	<i>Indexed</i>	100	110	113	217

74. The data indicates the average inventory almost doubled during POI from the 100 of the base year. The stock was equivalent to 8 days of sales in 2003-04 and increased to equivalent of 14 days during POI

Growth

75. The growth in demand shows positive trend from base year to POI on year to year basis. The growth in production and sales were positive in 2004-05, negative in 2005-06 and was positive during the POI. The cost of production show positive trend in 2004-05 and 2005-06, however, it was negative in POI. Growth of selling price shows positive trend in 2004-05 and negative in 2005-06 and POI. Growth of profits shows positive trend in 2004-05 and negative in 2005-06 and POI.

v) Investment

76. The authority notes that the domestic industry had not changed the capacity of subject goods from base year to POI. There has been no fresh investment by the domestic industry during the period of investigation and there is no plan for further investment as submitted by them.

vi) Magnitude of Dumping

77. Magnitude of dumping as an indicator of the extent to which the dumped imports can cause injury to the domestic industry shows that the dumping margins determined against the subject country, for the POI, is significant.

vii) Factors affecting prices

78. Change in cost structure if any, competition in the domestic industry and prices of competing substitutes have been examined for analyzing the factors might be affecting the prices in the domestic market. The weighted average cost of production has increased by 35% during POI. The weighted average net selling prices increased by 13% during the same period. The Authority notes that Landed values of imported material from subject country was significantly below the selling price of the domestic industry, causing price undercutting in the Indian market. The undercutting during POI was in the range of 1-5% and underselling was in the range of 5-10% during POI.

F.5 Conclusion on injury parameters

79. The examination of above injury parameters indicates that growth in demand was 43% (including captive consumption) during POI as compared to base year. The production of the domestic industry declined to 83% during POI as compared to the base year. The sales including captive consumption of the domestic industry declined to 81% during POI as compared to the base year. During the same period, the imports of subject goods increased significantly from 44 MT in 2003-04 to 2974 MT during POI. The share of the imports from subject country increased from 0.18% in 2003-04 to 4.69% during POI whereas the share in demand of the domestic industry declined from 65.7% to 37.68% during the same period. The capacity of the domestic industry despite growth in demand declined and remained unutilized during POI. The profitability during POI turned to -44 during POI from base of 100 in 2003-

04. Similarly, profits (PBIT) turned to -27 during POI as compared to base of 100. The return on net capital employed turned to -25 during POI as compared to 100 of base year.

F.6 Other Known factors and Causal Link

80. The foregoing analysis indicates that the volume of dumped imports from the subject country has increased substantially both in absolute terms as well as in relation to the share in demand. Despite strong growth in demand the growth of imports from subject country has displaced the market share of the domestic industry. The landed value of dumped imports from the subject country also show a significant price undercutting and underselling on the prices of the domestic industry compelling the domestic industry to benchmark its prices to imports thereby incurring losses. This establishes causal link between dumping of the subject goods and injury to the domestic industry.

81. The Authority has also examined the issue of causal link and other non-attribution factors as laid down in the Rules to segregate injury if any caused by other factors. In this regard the following indicative factors as laid down in the Rules have been examined.

i) Volume and prices of imports from other sources

82. The Authority notes that the volume of imports from the countries in respect of which anti-dumping investigation has been concluded on 4.1.2008 is 87.68% of the total imports. In the investigation it has been found that imports from such countries were causing injury to the domestic industry. The imports from other countries including Russia are 7.63%. The investigation was also initiated in respect of imports from Russia and it has been noticed that the imports were undercutting the prices of the domestic industry, however, the investigation was terminated on the request of the domestic industry as it was felt by the domestic industry that market situation does not demand that investigation against Russia should continue.

ii) Contraction in demand and / or change in pattern of consumption

83. The subject goods have shown robust growth during the injury period. The total demand of subject goods has shown growth of 43% (including captive consumption) during Period of Investigation as compared to the base year. There is also no significant change in consumption pattern of the product in the domestic market which could be attributed to the injury to the domestic industry.

iii) Trade restrictive practices of and competition between the foreign and domestic producers

84. The Authority notes that there is no restricted practice prevalent in the industry which could be attributed to the injury to the domestic industry.

iv) Development of technology

85. The Authority notes that technology for production of the product has not undergone any change. Development of any other technology, therefore, cannot be attributed to the injury to the domestic industry.

v) Export performance

86. The Authority notes that the export volume of the domestic industry is insignificant during the entire injury period. Therefore, this factor is not attributable to the injury to the domestic industry.

vi) Productivity of the Domestic Industry

87. Productivity of the domestic industry in terms of production per employee has shown decline during POI as compared to base year because of the decline in production during the same period.

88. The other factors which could have possibly caused injury to the domestic industry and brought to the knowledge of the Authority have already been analysed.

89. On the basis of the above examination it is concluded that the subject goods exported from the subject country are at prices below their normal values, Non Injurious Price of the domestic industry and the average sales realization of the subject goods of the applicants, and have caused injury to the domestic industry indicating causal links between dumping of subject goods and injury to the domestic industry.

G. Magnitude of Injury Margin

90. The non-injurious price determined by the Authority has been compared with the landed value of the exports for determination of injury margin. The weighted average landed price of the exports from the subject country and the injury margins have been worked out as follows:

Injury margin Calculations	
	USD./MT
Name of company	Injury Margin (Bulk)
Exporters from Korea ROK	***

H. Conclusions

91. The Authority has, after considering the foregoing, come to the conclusion that:

- A. The subject goods have been exported to India from the subject country below its normal value;
- B. The domestic industry has suffered material injury;
- C. The injury has been caused by the dumped imports from subject country.

I. Indian industry's interest & other issues

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

J. Recommendations

93. In view of the above, the Authority considers it necessary and recommends definitive anti-dumping duty on imports of subject goods from the subject country in the form and manner described hereunder.

94. Having regard to the lesser duty rule followed by the authority, the Authority recommends imposition of definitive anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry. In this case Injury margin is lesser than dumping margin, accordingly, definitive antidumping duty equal to the amount indicated in Col 8 of the table below is recommended to be imposed from the date of notification to be issued in this regard by the Central Government, on all imports of subject goods originating in or exported from the subject country.

Duty Table

Sl. No	Tariff Item	Description of Goods	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit of Measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	29141100	Acetone	Korea ROK	Korea ROK	Any	Any	67.33	MT	USD
2.	Do	Do	Korea ROK	Any country other than Korea ROK	Any	Any	67.33	MT	USD
3.	Do	Do	Any country other than subject country and subject countries notified vide findings no14/4/2006 dtd 4.1.08	Korea ROK	Any	Any	67.33	MT	USD

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

R. Gopalan
Designated Authority