

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

NOTIFICATION

19th December 2011

Final Findings

Subject: - Anti Dumping Investigation concerning imports of ‘Geogrid/Geostrips/ Geostraps made of Polyester or Glass Fiber in all its forms’ (including all widths and lengths) originating in or Exported from China PR.

No. 14/40/2010-DGAD: - Having regard to the Customs Tariff Act 1975 as amended (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 thereof, as amended (hereinafter referred to as the AD Rules);

2. Whereas M/s Techfab India Industries Ltd., filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Act and the AD Rules for initiation of Anti-Dumping Duty investigation concerning imports of “Geogrid/Geostrips/ Geostraps made of Polyester or Glass Fiber in all its forms”, including all widths and lengths (hereinafter also referred to as the subject goods) originating in or exported from China PR (hereinafter also referred to as the subject country) and requested for levy of anti dumping duties on the subject goods. The subject country was informed about receipt of application in accordance with the Rule 5(5).

3. And whereas, the Authority on the basis of sufficient evidence submitted by the applicant issued a public notice dated 20th December 2010, published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigation concerning imports of the subject goods, originating in or exported from the subject country, 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.

A. PROCEDURE

4. The procedure described herein below has been followed with regard to investigation after issuance of the public notice notifying the initiation of the above investigation by the Authority:

- i. The Authority sent a copy of initiation notification dated 20th December 2010 to the Embassy of the subject country in India, known exporters from the subject country, known importers/ users 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 a copy of the non-confidential version of the application to the known exporters and to the embassy of the subject country in India in accordance with Rule 6(3) of the AD Rules.

iii The embassy of the subject country in India was informed about the initiation of the investigation in accordance with Rule 6(2) of the AD Rules with a request to advise the exporters/producers from their country to respond to the questionnaires within prescribed time limit. A copy of the letter and questionnaires sent to the exporters was also sent to them along with the names and addresses of the known exporters/producers.

iv The Authority sent questionnaires to elicit relevant information to the following known exporters/producers in the subject country in accordance with Rule 6(4) of the AD Rules:

S.N.	Name of Producer/ Exporter
1	M/s Taian Modern Plastic Co.Ltd
2	M/s Feicheng Lianyi Engineering Plastic Co.Ltd
3	M/s Shandog Bolong Engineering Materials Co.Ltd
4	M/s Taian Fibtex trade Co.Ltd
5	M/s Taian Road Engineering Materials Co.Ltd
6	M/s Shandong Dageng Fiberglass Co.Ltd
7	M/s Taian Daringlion Engineering Plastic Co.Ltd
8	M/s Tai'an Sunshine fiberglass Products Co.Ltd
9	M/s Nanyang Jieda Geosynthetics Co.Ltd
10	M/s Taian City Hai Feng Earthwork Material Co.Ltd
12	M/s Tai'an Pole Geosynthetics Co.Ltd
13	M/s Tai'an Yongxing Ultrasonic Welding Equipment Factory
14	M/s Nuizhou Tong'an Road and Bridge
15	M/s Shanghai Credit International Trade Co.Ltd
16	M/s Hengshui Baoli Engineering Plastic Co.Ltd
17	M/s Tai'an Jiarui Building Material Co.Ltd
18	M/s Yixing Huadong Geotechnical Engineering Material Co. Ltd
19	M/s Lingxian Hualong Chemical Fibre Co.Ltd

v. In response to the above notification, none of exporters/producers/Association from the subject country has responded.

vi Questionnaires were sent 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 the Importer/users
1.	M/s Archyana Strutral Engg.(India) Pvt. Ltd , Mumbai -400 0706
2.	M/s B.G. Shirke Construction Technology Pvt. Ltd Pune -411036
3.	M/s Bridge and Roof(India)Ltd, Kolkata – 700 071
4.	M/s Continental Construction Ltd, New Delhi -110 019
5.	M/s East Coast Construction Industries LtdChennai -600 006
6.	M/s Engineering Projects(India)Ltd, New Delhi -110 003
7.	M/s Future Infraprojects Ltd Mumbai – 400 001
8.	M/s Gannon Dunkerly and Company Ltd New Delhi -110 020
9.	M/s Atlanta Infrastructure Ltd Mumbai -400 059
10.	M/s Bharat Infrastructure and engineering Ltd Mumbai -400 059
11.	M/s Centrodorsty (India)Pvt. Ltd New Delhi 110 020
12.	M/s Daelim Industrial Corporation Ltd, New Delhi 110 017
13.	M/s Emerald Industries New Delhi-110 048
14.	M/s Era Infra Engineering Ltd, New Delhi-110 014
15.	M/s Gammon India Ltd , Mumbai -400 025
16.	M/s Gayatri Projects Ltd , Hyderabad -500 082
17.	M/s B. Seenaiiah and Company(Projects Ltd) , Andhra Pradesh
18.	M/s Brahmaputra Infrastructure Ltd New Delhi -110 037
19.	M/s Caonart Engineers Ltd ,Mumbai -400 031
20.	M/s Dhingra Construction Company Gurgaon -122 201
21.	M/s ECI Engineering and Construction Co. Ltd Hyderabad -500 033
22.	M/s Essar Projects Ltd Mumbai – 400 070

23.	M/s GVER Engineers Ltd 101, Hyderabad -34
24.	M/s GVR Infraprojects Ltd , Hyderabad – 500 081
25.	M/s IJM(India)Infrastructure Ltd , Hyderabad -500 081(A.P)
26.	M/s J.Kumar Infraprojects Ltd Mumbai -400 053
27.	M/s Madhucon Projects Ltd , Hyderabad -500 033
28.	M/s MBL Infrastructurers Ltd Kolkata -700 001(W.B.)
29.	M/s Hindustan Construction Company Mumbai -400 083
30.	M/s Ircon International Ltd New Delhi -110 017
31.	M/s JMC Projects India Ltd Ahmedabad – 380 051
32.	M/s Lanco InfratechLtd Hyderabad -81
33.	M/s Marg Group Chennai – 600 041
34.	M/s McNally Bharat Engineering Comp. Ltd , Kolkata -700 156(WB)
35.	M/s IDEB Projects Pvt. Ltd (EPC) Sigma Bangalore -560 066,
36.	M/s ITD Cementation India Ltd East Mumbai -400 098
37.	M/s KNR Constructions Ltd Hyderabad -500 034
38.	M/s Leighton International, Chennai -600 113
39.	M/s Maytas Infra Pvt. Ltd Hyderabad -500 016
40.	M/s Mecon Ltd Ranchi -834 002 (Jharkhand)
41.	M/s M.K. Projects India Ltd Vadodara -390 005(Guj.)
42.	M/s Navyuga Engineering Co. Ltd Hyderabad -500 033(AP)
43.	M/s PBA Infrastructure Ltd Mumbai -400 071
44.	M/s PNC Infratech Ltd Agra -282 005(UP)
45.	M/s Progressive Construction Ltd Hyderabad -500 001(AP)

46.	M/s Rajdeep Bildcon Ahmednagar-414 003(Maha.)
47.	M/s Sadbhav Engineering Ltd , Ahmedabad -380 006
48.	M/s National Projects Construction Corp. Ltd Faridabad -121 004
49.	M/s NBCC Ltd New Delhi -110 003
50.	M/s Patel Engineering Ltd Mumbai- 400 102
51.	M/s Pranav Construction Systems Pvt. Ltd Navi Mumbai -400 705
52.	M/s P.D. Agarwal Infrastructure Ltd Indore -452 001(MP)
53.	M/s Rohan Builders Pvt. Ltd ,Pune – 411 004
54.	M/s Punj Lloyd Ltd. Gurgaon-122 001
55.	M/s Nagarjuna Construction Company Ltd Hyderabad -500 082
56.	M/s Oriental Structural Engineers Ltd , New Delhi 110 021
57.	M/s Tantia Constructions Ltd Kolkata -700 001
58.	M/s Pratibha Constructions Engineers & Contractors India Pvt. Ltd Kolhapaur -416 003
59.	M/s Ramky Infrastructure Ltd Hyderabad -500 082
60.	M/s RomanTarmat Ltd Navi Mumbai -400 705
61.	M/s SEW Infrastructure Ltd , Hyderabad-500 016
62.	M/s Subh Constrocare Products & Services Pune -411 040
63.	M/s Simplex Infrastructures Ltd Kolkata -700 017
64.	M/s Som Dutt Builders(SDB) Pvt. Ltd New Delhi 110 065
65.	M/s Soma Enterprise Ltd Pune -411 038
66.	M/s Unity Infracore Ltd Mumbai -400 025
67.	M/s Vishvaraj Infrastructure Ltd Nagpur -440 010
68.	M/s Backbone Enterprise Ltd Ahmedabad-380 015(Guj.)

69.	M/s C & C Constructions Pvt. Ltd Gurgaon -122 001
70.	M/s Sunway Construction India , New Delhi -110 016
71.	M/s Valecha Engineering Ltd Mumbai -400 053
72.	M/s Zoom Developers Pvt. Ltd , Mumbai -400 018
73.	M/s Bhageeratha Engineering Ltd Kerala
74.	M/s Tata Realty & Infrastructure Ltd. Mumbai-400 001
75.	M/s Vishal Infrastructure Ltd Bangalore -560 004
76.	M/s ARSS Infrastructure Projects Ltd Bhubaneshwar -751010 Orissa
77.	M/s Braithwait Burn and Jessop Construction Kolkata – 700 001(WB)

- vii. Responses to the Importer's questionnaire have been received from the following importers of the subject goods In India.

Only M/s P.D Agarwal Infrastructure Ltd., Indore has filed its Importer's questionnaire's response. M/s. Aspinwall Geotech Ltd. Cochin; M/s. ARSS Infrastructure Projects Ltd. New Delhi; M/s. Shakti Polyweave Pvt. Ltd. Ahmadabad, M/s Vishvaraj infrastructure Ltd, Nagpur; M/s Shri Jagdamba Polymers Ltd, Gujarat; have, *inter alia*, informed that they are not into the business of production, trading, or importing the subject goods. M/s Maccaferri Environmental Solutions Pvt Ltd, New Delhi evinced interest in the instant matter but did not file any response whatsoever.

viii. A Market Economy Treatment (MET) questionnaire was forwarded to all the known exporters/producers and the embassy of China PR. While for the purpose of initiation, the normal value in China PR was considered based on the constructed cost of production of the subject goods in China PR, the Authority informed known exporters/producers that it proposes to examine the claim of the Applicant in the light of para 7 and para 8 of Annexure I of AD Rules. The exporters/producers of the subject goods from China PR were therefore requested to furnish necessary information/sufficient evidence as mentioned in subparagraph (3) of paragraph 8 of the Annexure 1 of the AD Rule to enable the Authority to consider whether market economy treatment be granted to co-operative exporters/producers.

ix. 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;

x. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of the subject goods for the past three years, including the period of investigation.

xi. Optimum cost of production and cost to make & 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.

xii. Investigation was carried out for the period starting from **1st April 2009 to 30th June 2010 (15 Months)** (POI). The examination of trends, in the context of injury analysis, covered the periods April 2006-March 2007, April 2007-March 2008, April 2008-March 2009 and the POI.

xiii. In accordance with Rule 6(6) of the AD Rules, the Authority also provided opportunity to the interested parties to present their views orally in public hearing held on 29th June 2011. The parties, which presented their views in the public hearing, were requested to file written submissions of the views expressed orally. Interested parties were provided opportunity to file rejoinder submissions on the views expressed by the opposing interested parties. The arguments made in the written submissions / rejoinders received from the interested parties have been considered, wherever found relevant, in these findings.

xiv. Verification to the extent deemed necessary was carried out in respect of the information & data submitted by the domestic industry.

xv. In accordance with Rule 16 of the AD Rules, the essential facts considered by the Authority are being disclosed to the known interested parties and comments received on the same have been duly considered in these findings.

xvi. Information provided by the interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, the parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.

xvii. 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 recorded the findings on the basis of the 'facts available'.

xviii. *** in this notification represents information furnished by an interested party on confidential basis, and so considered by the Authority under the AD Rules.

B. Product under Consideration and Domestic Like Article

Submissions made by the Domestic industry

5. In the disclosure comments, the domestic industry has submitted that imports of product have been reported in a number of customs sub-headings and with various product descriptions and nomenclatures; hence the product reported in any subheading / nomenclature should attract anti-dumping duty so far as it is the product under consideration in the present investigation.

Examination by the Authority

6. The product under consideration in this investigation is “Geogrid/Geostrips/ Geostraps made of Polyester or Glass Fiber in all its forms” (including all widths and lengths).

7. Geogrid is a synthetic material having narrow elements in a regular, grid like pattern with voids (known as apertures). The major function of Geogrid is in the area of reinforcement. It is strength of the bands/ribs and size of apertures, which together lends stability to civil engineering structures. Geogrids are manufactured using different material and in various strengths (of bands/ ribs) and aperture sizes to meet specific end application/requirement. These can be made of polyester, polypropylene, glass fibre material, etc. Present application is against Geogrids made of polyester and glass fibre materials only. Polypropylene Geogrids are beyond the scope of the product under consideration. Polyester Geogrids are made of polyester yarn coated with polymeric compound. These can either be uni-axial or bi-axial. Uni-axial polyester Geogrids primarily exhibits strength in one direction, i.e., machine direction, while bi-axial polyester Geogrids exhibit strength in both directions, i.e., machine direction and cross direction. Fiber Glass Geogrids are made of glass fiber strands, coated with bitumen/ SBR/ Latex. Bitumen/ SBR/ Latex coating provides rigidness, and protects fiber glass Geogrid from coming in contact with undesirable chemicals/ rays, thereby, preventing wear and tear of the same. In case of polyester Geogrids, this feature is achieved using polymeric coating. Geogrids stuck to non-woven fabric are called non-woven Geogrid composites and are within the scope of product under consideration.

8. As per the applicant, product under consideration is produced and sold in a large number of different types/ forms which differ significantly in terms of composition of raw materials. Different product types can be categorized on the basis of type of yarn (polyester or glass), orientation (uniaxial or biaxial), cross direction strength (in case of uniaxial geogrids) and ultimate tensile strength. The Authority has considered these product parameters for the purpose of the present investigations, which are as follows:

- Yarn – the product under consideration are produced with two types of Yarns i.e. Polyester and Glass fiber. Cost and/or price of different forms made of different fabric differ significantly.
- Uniaxial and biaxial – In polyester Geogrids , Uniaxial Geogrids exhibit primary strength in one direction i.e. machine direction (MD), while biaxial Geogrids are those which exhibit strength in both directions i.e. Machine direction (MD) and cross direction (CD).
- Strength – product under consideration is produced to meet different requirements of strength for different end applications. The strength is expressed in terms of “ultimate tensile strength” measured in terms of kilo Newton per meter (kN/m). The ultimate tensile strength varies from 20 to 300 kN/m.

9. The Authority notes that cost and/or price of different strength differ significantly. Thus, in view of significant differences in various types of product under consideration on the basis of above parameters, a product classification system has been devised by adopting a product control number (PCN) system. For this purpose, a five digit classification system has been adopted as per the following details:

Yarn	Uniaxial and biaxial	Strength in MD (Machine Direction)
First digit – X	Next 1 digit –X	Next 3 digit- XXX
P- Polyester G- Glass Fiber X- Unkown	U- Uniaxial B- Biaxial N- None	For example 020=20 KN/m 090=90 KN/m 120= 120 KN/m Unknown/ Other: 000

For example -

A Polyester Uniaxial Geogrid of 40 KN/m strength = PU040

A Glass fiber Geogrids of 100 X 100 KN/m strength = GN100

A Non- woven polyester Geogrid composite of 125 KN/m strength = PN125

A Non- woven Geogrid composite of 125 KN/m strength where yarn is not known = XN125

Any other form of Geogrid = XN000

Thus, the first digit represents the yarn used. The next digit represents whether it is uniaxial or biaxial and the next three digits represent the strength. Hence, the product would bear a unique identity number of 5-digits.

The subject goods are classified under Chapter 39, 55, 56, 59 & 70 sub-headings 39021000, 39140090, 39201019, 39269099, 55034000, 56031300, 56039400, 56041000, 56049000, 56089090, 59031090, 59039090, 59111000, 59113150, 59113190, 59119090, 70194000, 70195900, 70199010 & 70199090 of the Customs Tariff Act. However, Customs classifications are indicative only and in no way binding on the scope of the present investigation.

Like Article

Submissions made by the Domestic industry

10. The domestic industry has claimed that the subject goods, which are being dumped 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 dumped imports and the domestically produced subject goods. The two are technically and commercially substitutable and hence should be treated as 'like article' under the AD Rules.

Examination by the Authority

11. With regard to like articles, Rule 2(d) of the AD Rules provides as under: -

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

12. The Authority notes that the claim of the domestic industry with respect to 'like Article' has not been disputed by any interested party. After considering the information on record, the Authority is of the view that there is no known difference in product under consideration exported from the subject country and the product produced by the Indian industry. The subject goods produced by the domestic industry is comparable to the imported subject goods in terms of chemical characteristics, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable.

13. Thus, the Authority is of the view that the subject goods produced by the applicant domestic industry is like article to the product under consideration in accordance with the AD Rules.

C. SCOPE OF DOMESTIC INDUSTRY & STANDING

14. Rule 2(b) of the AD Rules defines domestic industry as under: -

"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 only”

15. The Application has been filed by M/s Techfab India Industries Ltd. on behalf of the domestic industry. There is one more producer of the subject goods in India namely M/s Strata Geosystem India Pvt. Ltd., that has supported the present application. As per the evidence available on record, the production of M/s Techfab India Industries Ltd accounts for a major proportion of the total domestic production of the like article and is more than 50% of Indian production of the like article. The application thus satisfied the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. Besides, M/s Techfab India Industries Ltd is being treated as “domestic industry” within the meaning of Rule 2(b) of the AD Rules.

NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

16. The Authority sent questionnaires to the known exporters from the subject country, advising them to provide information in the form and manner prescribed. However, none of the producer/exporter from China PR has co-operated in this investigation by filing their Questionnaires’ responses.

Submissions made by the domestic industry

17. It has been contended by the domestic industry that China PR should be treated as non-market economy country, *inter alia*, stating that:

- Market economy status cannot be given in a situation where one of the major shareholders is a State owned/controlled entity – It has been contended by the Domestic industry that the European Commission has consistently held that possibilities of State interference cannot be ruled out in cases, where there is significant share of a State owned /controlled entity. It has been contended that it is not only the question of past interferences alone, but also possibilities of potential State interference in the future after the imposition of anti dumping duties that is relevant for granting market economy treatment.
- Market economy status cannot be given unless the responding Chinese exporters establish that the prices of major inputs substantially reflect market values: It has been contended by the Domestic industry that “substantially reflect market values” has been widely interpreted to mean that the price of these inputs must be comparable to the prices prevailing in the international market. The Domestic Industry contends that the fact that such prices are comparable to the price prevailing in China PR is grossly insufficient.
- Major inputs include utilities: It has been contended by the Domestic industry that production of the products concerned require power and fuel as a major item of utility. Admittedly, while the power supplier is a State owned entity,

insufficient information is available with regard to fuel supplier. It has not been established by the exporters that the price of utilities reflect fair market values.

- Market economy status cannot be given unless the responding exporters establish that their books are audited in line with international accounting standards: It has been contended by the Domestic industry that Chinese exporters have repeatedly disputed the treatment of European Commission to reject market economy treatment in such situations where Chinese exporters are unable to establish that their books are consistent with Chinese GAAP. Chinese companies in such cases have been contending that the requirement of insisting on compliance with International Accounting Standards is beyond law. The European Commission has held that the requirement on insisting compliance with International Accounting Standards is to ensure accuracy and adequacy of revenues and expenses, assets and liabilities expressed in the annual report. To quote the European Commission, reliability of the accounts is not established with regard to this aspect unless the books are consistent with International Accounting Standards.
- Market economy status cannot be granted even if one of the parameters is not satisfied: It has been contended by the Domestic industry that the European Commission has repeatedly insisted that market economy status cannot be granted unless the responding Chinese exporters pass the test in respect of each and every parameter laid down under the Rules.
- Onus/obligations: It has been contended by the Domestic industry that it is not for the Authority to establish that the responding companies are indeed operating under market economy environment and are entitled for market economy treatment. On the contrary, it is for the responding Chinese exporters to establish that they are operating under market economy conditions.
- Transformation: It has been contended by the Domestic industry that in a situation where the current shareholders have not set up their production facilities themselves but have acquired the same from some other party, market economy status cannot be granted unless process of transformation has been completely established through documentary evidence.
- It has been contended by the Domestic industry that failure to satisfy a number of conditions mentioned above by the responding Chinese exporters, is sufficient to hold that market economy status cannot be granted to responding Chinese companies and thus the Normal value should be determined in accordance with Para-7 of the Rules.
- Response from group as a whole – Market economy status cannot be granted unless the responding company and its group as a whole make the claim. If one or more companies forming part of the group have not filed the response, market economy status must be rejected, regardless of the fact whether or not the other companies of the group are involved in production or sale of the

product under consideration. Even the Designated Authority has applied such a test in the matter of Vitrified Tiles cases where the whole group has filed response in order to seek market economy status.

Examination of Market Economy claims in respect of China PR by the Authority

18. The Authority notes that in the past three years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. China PR has been treated as a non-market economy country subject to rebuttal of the presumption by the exporting country or individual exporters/producers in terms of the AD Rules.

19. As per Paragraph 8 of Annexure I of the AD Rules, the presumption of a non-market economy may be rebutted, if the exporter(s) /producer(s) from China PR provide information and sufficient evidence on the basis of the criteria specified in sub paragraph (3) of Paragraph 8 and establish the facts to the contrary. The co-operating exporters/producers of the subject goods from People's Republic of China are required to furnish necessary information/sufficient evidence as mentioned in sub-paragraph (3) of paragraph 8 in response to the Market Economy Treatment questionnaire to enable the Authority to consider the following criteria as to whether: -

- the decisions of concerned firms in China PR regarding prices, costs and inputs, including raw materials, cost of technology and labour, output, sales and investment are made in response to market signals reflecting supply and demand and without significant State interference in this regard, and whether costs of major inputs substantially reflect market values;
- the production costs and financial situation of such firms are subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts;
- such firms are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of the firms and
- the exchange rate conversions are carried out at the market rate.

20. The Authority notes that consequent upon the initiation notice issued by the Authority; none of Chinese producers/exporters has submitted the questionnaires' responses including the market economy questionnaire's response and sought to rebut the non-market economy presumption.

Determination of Normal value in respect of Exporters / Producers from China PR

21. As none of Chinese producers and exporters has submitted the questionnaires' responses; the Authority has estimated the Normal value in China PR on the basis of Para-7 to Annexure-I to the AD Rules.

22. Para 7 of Annexure I of the AD Rules provides that

“In case of imports from non-market economy countries, normal value shall be determined on the basis of the price or constructed value in the market economy third country, or the price from such a third country to other countries, including India or where it is not possible, or on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted if necessary, to include a reasonable profit margin. An appropriate market economy third country shall be selected by the designated authority in a reasonable manner, keeping in view the level of development of the country concerned and the product in question, and due account shall be taken of any reliable information made available at the time of selection. Accounts shall be taken within time limits, where appropriate, of the investigation made in any similar matter in respect of any other market economy third country. The parties to the investigation shall be informed without any unreasonable delay the aforesaid selection of the market economy third country and shall be given a reasonable period of time to offer their comments”.

23. The Authority had indicated, in the initiation notification that the applicant has claimed that China PR should be treated as Non Market Economy and therefore Normal value in case of China PR should be determined in accordance with Para 7 and 8 of Annex-I of the AD Rules. The applicant has submitted that India can be considered as an appropriate market economy third country for determination of Normal value in China PR, pleading that information for market economy third country is not available to them. This claim has not been contested by any other interested party.

24. Considering that there has been no response from any exporter/producer of the subject goods from China PR and further noting that information/data regarding appropriate market economy third country for determination of Normal value in China PR is not available on record; the Authority has determined the Normal value in China PR on available ‘reasonable basis’, in terms of second proviso of para 7 of Annexure 1 to the AD Rules. Accordingly, the ex-works Normal Value of the product under consideration has been determined based on constructed costs of production, duly adjusted. The Normal Value has been constructed as per the methodology described below:

General Methodology

25. Considering significant differences in various types of the subject goods, the Normal values have been determined PCN-wise to the extent feasible. Further, the dumping margins have been determined by comparing the Normal values with corresponding export prices. Whereafter, the weighted average dumping margin for the PUC as a whole has been determined.

Methodology adopted for constructing Normal Value in case of China PR

26. The Authority has constructed Normal value for the Chinese producers on the following basis –

- a. Prices of major inputs have been considered on the basis of prevailing international price.
- b. Consumption of raw materials per unit of production and the conversion costs have been considered on the basis of best information/data available on record, that is, on the basis of information/data of the domestic industry.
- c. Selling, general & administrative costs have been taken on the basis of best information/data available on record, that is, on the basis of information/data of the domestic industry.
- d. Profit has been taken @ 5% of ex-factory costs, excluding interest.

EXPORT PRICE

27. Since, no response has been received from any producer/exporter of the subject goods from China PR; the Authority has decided to determine their Export Price as per ‘facts available’ in terms of Rule 6(8) of the AD Rules. For this purpose, the volume of imports as per IBIS data has been relied upon. The adjustments to the CIF prices have been made as per facts available on record. As stated, the export prices have determined PCN-wise, to the extent feasible.

DUMPING MARGIN

28. Considering the Normal value and Export price as determined above, the dumping margin has been determined as follows:

Exporter/Producers	Country	Dumping Margin US\$ per Sq m	Dumping Margin as %	Dumping Margin % Range
All exporters/producers	China PR	***	***	40-50

E. INJURY AND CAUSAL LINK

Submissions made by the domestic industry

29. The following submissions, in brief, have been made by the domestic industry:
 - a) **Production** – The production of the domestic industry improved over the injury period; however, production for the domestic market increased up to 2008-09 and declined in period of investigation. It has contended that improvement in production till 2008-09 is on account of setting up of fresh production facilities in the country; whereas the decline in production in POI is on account of dumping in the country. Given that it had set-up production facilities in 2006-07 and the capacities were enhanced in 2007-08 and thereafter in 2008-09 by setting up of second and third production line, the production of the domestic industry for the domestic market should have increased throughout the injury period and in the POI. Further, the demand for

the product also increased in the period of investigation, despite which the production of the domestic industry for the domestic market declined significantly.

- b) **Sales** – The sales of the domestic industry in the domestic market shows the same pattern as that of production i.e. sales of the domestic market increased up to 2008-09 and declined in the POI, despite the fact that the demand for the product had increased significantly.
- c) **Capacity Utilization** – The capacity utilization was low in 2006-07 due to start-up operations, which improved in 2007-08; it, however, declined steeply thereafter despite the fact that the demand for the product had increased significantly. Further, even when domestic industry has undertaken some exports, the capacity utilization declined and remained low.
- d) **Inventories**- The inventories with the domestic industry have increased.
- e) **Profits** – The domestic industry suffered financial losses in 2006-07, which is largely due to setting up of a fresh production capacities and start up operations. The domestic industry, however, earned profits from production and sale of the product in the domestic market in 2007-08. However, the profits declined thereafter in 2008-09 and then in the POI, the domestic industry has once again suffered losses. Improvement in the profits in 2007-08 was a natural consequence of a new production facility getting fully commercialized; whereas the decline in profits in 2008-09 and financial losses in the POI is purely on account of dumping of the product in the country.

It is also relevant to point out that material cost forms a very significant proportion in the total cost of production. About 75% costs is on account of raw materials, while the fixed overhead cost (such as depreciation, SGA and interest on term loan) forms significantly low share in the total cost of production (about 10%). It is, thus, not a situation that the financial performance of the domestic industry was adversely impacted due to instance of high overhead cost.

- f) **Return on Investment** – The return on investment has followed the same trend as that of the profits, i.e. the company was earning negative returns in 2006-07 which is largely due to setting-up of fresh production capacities and start-up operations. The return on investments increased in 2007-08 but it declined thereafter in 2008-09 and in the period of investigation. The decline in the POI was very significant.
- g) **Imports** – Imports of the product under consideration increased significantly over the injury period in absolute terms and in relation to consumption in

India. As regards third country imports, the same increased significantly till 2008-09, but declined thereafter in the POI. Further, the import prices from third countries were higher than the import price from China PR.

- h) **Market share:** Market share of China PR in demand of the product declined in 2007-08. The same, however, increased continuously thereafter till the POI. Consequently, the market share of the domestic industry increased in 2007-08 and thereafter declined significantly till the POI. Its market share should have in fact increased continuously considering that the domestic industry is a new producer of the product in the country which has set-up production capacities in 2006-07.

30. It has thus been contended that imports of the product have increased significantly in absolute terms as also in relation to consumption of the product in the country. The imports are undercutting the prices of the domestic industry and the same is also resulting in significant price underselling. The performance of the domestic industry has first improved and thereafter deteriorated significantly over the injury period. While production for domestic market, sales volumes improved up to 2008-09 and thereafter declined in period of investigation; capacity utilization, profits, return on investment and cash profits improved till 2007-08 and declined thereafter significantly. The domestic industry has thus claimed that they have suffered material injury as a result of dumping from China PR.

Examination by the Authority

31. Considering significant differences in various types of the subject goods, the Injury analysis, including the determination of injury margins have been undertaken PCN-wise to the extent feasible.

32. Rule 11 of the AD Rules read with its Annexure-II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, "... taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on domestic producers of such articles...." While considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

33. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, stock, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the AD Rules.

Volume Effects of Dumped Imports:

Demand and market share

34. Demand of the product in the Country has been assessed as the sum of the domestic sales of the domestic producers and imports from all sources.

Particulars	Unit	2006-07	2007-08	2008-09	POI-(15 Months)	POI-Annualised
Imports from China PR	SQM	765,860	462,842	881,285	1,498,266	1,198,612
Imports from Other Countries	SQM	1,037,790	2,573,014	3,854,743	3,154,025	2,523,220
Merchant Sales of Domestic industry	SQM	***	***	***	***	***
Captive Sales of Domestic industry	SQM	***	***	***	***	***
Merchant Sales of Other Indian Producers	SQM	-	-	-	***	***
Captive Sales of Other Indian Producers	SQM	-	-	***	***	***
Demand in India	SQM	2,085,388	5,265,782	7,184,426	8,602,054	6,881,644
As compared to the base year	%		253	345	412	330
Market share						
Domestic industry	%	13.51	42.35	33.43	32.08	32.08
Other Indian producers	%	0.00	0.00	0.65	13.84	13.84
China PR	%	36.73	8.79	12.27	17.42	17.42
Other Countries	%	49.76	48.86	53.65	36.67	36.67

35. The Authority notes that there is a significant increase in the demand for the subject goods during the period of investigation as compared to the base year. However, the same has declined during the POI as compared to the previous year. The growth in the demand during the period of investigation was about 330% as compared to the base year and the same was 96% as compared to the previous year.

36. The Authority also notes that the market share of domestic industry has increased from 13.51% to 32.08% during the period of investigation as compared to the base year. However, the same has declined from 33.43% to 32.08% as compared to the preceding year. The share of other Indian producers has also increased during the injury period. It is noted that the product concerned is a new product in India. While the domestic industry started production in 2006; the other domestic producer started production in 2008-09. The Authority notes that being a new production set-up, the production of domestic industry has to increase, which would lead to increase in sales and market share. However, the domestic industry has not been able to make profits on its merchant sales.

Import volumes and market share

37. Annexure-II (ii) of the AD Rules provides that “while examining the volume of dumped imports, the said Authority shall consider whether there has been a significant increase in the dumped imports either in absolute term or relative to production or consumption in India ...” Thus, with regard to the volume of the dumped imports, it has been examined whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India.

38. The applicant has claimed that the product does not have a dedicated classification and are being imported in different Customs classifications. Further, the imports of the product under consideration reported in the IBIS data is significantly more than what has been reported in the DGCI&S data and therefore the volume of imports has been assessed on the basis of the IBIS data as per the table below:-

Particulars	Unit	2006-07	2007-08	2008-09	POI-15 Months	POI-Annualised
Imports from China PR	SQM	765,860	462,842	881,285	1,498,266	1,198,612
Indexed	SQM	100	60	115	157	157

39. The Authority notes that the imports from the subject country has increased significantly in absolute terms in the period of investigation as compared to the base year as per the above table.

40. Though the imports have declined in relation to consumption in India, it is noted that being a new industry in India, the sales of the domestic industry and its market share is expected to increase and corresponding market share of imports is likely to decline. During the period of investigation, the market share of the imports from the subject country has decreased from 36.73% to 17.42% as compared to the base year; whereas the market share of domestic industry has increased from 13.51% to 32.08%.

Economic parameters of the domestic industry

41. Annexure II to the AD Rules requires that the determination of injury shall involve an objective examination of the consequent impact of these imports on domestic producers of like article. With regard to consequent impact of these imports on domestic

producers of such products, the AD Rules further provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments.

42. The various injury parameters relating to the domestic industry are discussed herein below:-

Sales volumes

43. The Sales volumes of the domestic industry have been as follows:

Particulars	Unit	2006-07	2007-08	2008-09	POI-(15 Months)	POI-Ann
Merchant Sales of Domestic industry	SQM	***	***	***	***	***
Indexed	SQM	100	158	398	532	532
Captive Sales of Domestic industry	SQM	***	***	***	***	***
Indexed	SQM	100	2,389	2,000	1,417	1,417
Total Domestic Sale	SQM	281,738	2,229,926	2,401,566	2,759,204	2,207,363
Indexed	SQM	100	791	852	783	783

44. The Authority notes that the domestic merchant sales volume has increased throughout the injury period; whereas the captive sales has increased till 2008-09 but has declined during the POI as compared to the preceding year. It is seen that total domestic sales have increased till 2008-09 but declined thereafter during the POI.

Production, Capacity and Capacity Utilization

45. The production, capacity & capacity utilization of the domestic industry has been as follows:

Particulars	Unit	2006-07	2007-08	2008-09	POI-(15 Months)	POI-Ann
Capacity	SQM	2,995,200	4,742,400	6,824,040	10,614,240	8,491,392
Production	SQM	552,780	2,397,004	2,456,684	3,832,370	3,065,896
Capacity Utilization	%	18%	51%	36%	36%	36%

46. The Authority notes that the production of the domestic industry has increased throughout the injury period. However, the capacity utilization of domestic industry has increased from 18% during the base year to 36% during the POI. However, it declined in the POI as compared to 2007-08 period, inspite of sufficient demand in India. Further, in spite of increase in production, capacity utilization declined.

Factors affecting prices:

47. 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 to the price of the like articles 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. Due to the different grades/types of the subject goods, the price effect has been examined grade/type wise. It is noted that the landed value of the subject goods is significantly below the net selling prices of the domestic industry, resulting in significant price undercutting. The position is given as follows.

PCN	Landed value Rs. per/SQM	Net Sales price Rs. Per/SQM	Price Undercutting Rs. Per/SQM	Price Undercutting %
GN100	***	***	***	48.33
PU060	***	***	***	22.16
PU080	***	***	***	29.29
PU100	***	***	***	28.06
PU120	***	***	***	44.35
PU150	***	***	***	34.10
PU180	***	***	***	7.66
PU200	***	***	***	12.90
PU250	***	***	***	16.59
PU300	***	***	***	11.29
GN050	***	***	***	220.09
Total Identified	***	***	***	27.59
Unidentified	***	***	***	96.12
Total	***	***	***	36.11

48. The domestic industry has claimed that they could not increase its selling prices of the subject goods due to availability of dumped imports in India, as shown on the above table. This claim has not been disputed by any other interested party. It is seen that the price undercutting is significant.

Price Suppression/Depression

49. In order to assess whether the imports from the subject country were suppressing/depressing the prices of the domestic industry, the Authority has compared the cost of production and the net selling price of the domestic industry. Considering different types of the subject goods, the price effect has been examined type-wise.

50. The unit cost of sales, domestic selling price and unit profit/loss has been examined over the injury period. As stated, the cost of production of the domestic industry has been compared *vis a vis* its net sales realisation for some of the major PCN's, which were produced and sold over the injury period for assessing price suppression/depression effect, if any, on the domestic industry. The same is tabulated as follows:

PCN	Cost of goods /Net Sales Realisation of the Domestic Industry Rs. per SQM	2006-07	2007-08	2008-09	POI
PU100	Cost of goods	***	***	***	***
	Indexed	100	78.69	79.99	96.77
	Net Sales Realisation	***	***	***	***
	Indexed	100	70.59	68.31	67.46
PU200	Cost of goods	***	***	***	***
	Indexed	100	80.71	80.25	94.77
	Net Sales Realisation	***	***	***	***
	Indexed	100	65.81	64.87	59.36
PU250	Cost of goods		***	***	***
	Indexed		100	98.53	115.18
	Net Sales Realisation		***	***	***
	Indexed		100	101.64	96.23

51. It is seen that the imports have significant depressing effect on the prices of the domestic industry in the market. The net selling prices in PU 100 and PU 200 have fallen much more than the corresponding decline in the costs of goods, thereby indicating

significant price depression. Whereas in case of PU 250, even though there was increase in the cost of production, the net selling prices has significantly declined, resulting into significant price depression and as well as price suppression. Therefore, the effect of dumped imports on the domestic industry has been adverse and significant.

52. Besides, it is also seen that the landed value of the imports is significantly below the non-injurious price of the domestic industry, thus causing significant price underselling.

Profit/Loss, return on investment and cash profits

53. It is noted that the domestic industry has started production during 2006 and is not able to utilize its available capacity. The Authority has also examined profits and return on investment as per the records maintained by the company. Necessary adjustments for start-up costs have been duly considered, as shown below:

Before adjusting Start-up Cost

	Unit	2006-07	2007-08	2008-09	POI-15 M	POI-Ann
If start-up cost is not adjusted						
PBIT Merchant	Rs./Lacs	***	***	***	***	***
PBIT Captive	Rs./Lacs	***	***	***	***	***
PBIT Domestic	Rs./Lacs	***	***	***	***	***
ROI Merchant	%	-4.13%	14.00%	17.68%	-2.09%	-2.09%
ROI Captive	%	-8.00%	24.97%	17.31%	7.29%	7.29%
ROI Domestic	%	-5.23%	23.40%	17.43%	2.72%	2.72%
If start-up cost is adjusted						
PBIT Merchant	Rs./Lacs	***	***	***	***	***
PBIT Captive	Rs./Lacs	***	***	***	***	***
PBIT Domestic	Rs./Lacs	***	***	***	***	***
ROI Merchant	%	1.73%	16.16%	22.08%	1.29%	1.29%
ROI Captive	%	-2.13%	27.13%	21.71%	10.68%	10.68%
ROI Domestic	%	0.64%	25.56%	21.83%	6.11%	6.11%

54. It is seen that the profitability of domestic industry, in merchant market, has increased till 2008-09 but thereafter it has declined to negative levels during the POI as compared to the base year. The profitability, in captive market, has increased till 2007-08 but thereafter it has declined thereafter significantly. Same trend is seen in the overall profitability of the domestic industry. It is also seen that the return on investment of domestic industry, in merchant market, has increased till 2008-09 as compared to the base year and it became negative during the POI. The return on investment of domestic

industry, in captive market, has increased till 2007-08 but thereafter it declined. Same trend is seen in the overall return on investment of the domestic industry.

55. The Authority also examined profits and return on investment of domestic industry by adjusting start-up cost. It is seen that the profitability of domestic industry, in merchant market, has increased till 2008-09 but thereafter it declined as compared to the base year. The profitability, in captive market, has increased till 2007-08 but thereafter it declined. Same trend is seen in the overall profitability of the domestic industry. It is also seen that the return on investment of domestic industry, in merchant market, has increased till 2008-09 as compared to the base year and it declined significantly thereafter. The return on investment of domestic industry, in captive market, has increased till 2007-08 but thereafter it declined. Same trend is seen in the overall return on investment of the domestic industry.

56. It is seen that in spite of the adjustment of the start-up costs, the trend in performance of the domestic industry remains the same. However, its return on investment increased marginally.

Cash profits

57. It is noted from the table below that Cash profits of the domestic industry in merchant market has increased till 2008-09 but thereafter declined and became negative in the POI as compared to the base year. In case of captive market cash profits of the domestic industry has increased till 2007-08 but thereafter declined till POI. The overall cash profits has increased till 2007-08 as compared to the base year and thereafter declined. However, the cash profit in POI became positive as compared to the base year.

	Unit	2006-07	2007-08	2008-09	POI-15 M	POI-Ann
Merchant	Rs./Lacs	***	***	***	***	***
	Indexed	100	158	398	(532)	(532)
Captive	Rs./Lacs	***	***	***	***	***
	Indexed	100	2389	2000	1417	1417
Total Domestic	Rs./Lacs	***	***	***	***	***
	Indexed	100	791	852	783	783

Inventories:

58. The data relating to inventories is as follows:-

Inventories	Unit	2006-07	2007-08	2008-09	POI-15 M	POI-Ann
Opening	SQM	***	***	***	***	***
	Indexed	100	468	617	641	641
Closing	SQM	***	***	***	***	***

	Indexed	100	132	137	137	137
Average	SQM	***	***	***	***	***
	Indexed	100	191	222	226	226

59. It is noted that average inventories have increased throughout the injury period. Apparently, due to the presence of dumped imports of the subject goods from the subject country; the domestic Industry has not been able to sell the subject goods, resulting in increased inventories.

Employment, wages and productivity

60. The data relating to employment, wages and productivity is as follows:-

Periods		2006-07	2007-08	2008-09	POI-15 M	POI-Ann
Productivity						
Per Employee	No.SQM	***	***	***	***	***
	Indexed	100	233.49	214.55	323.54	323.54
Per Day	Day.SQM	***	***	***	***	***
	Indexed	100	433.76	444.52	554.78	554.78
Employment	Nos	***	***	***	***	***
	Indexed	100	185.74	207.14	171.43	171.43
Wages						
Merchant	Rs./Lacs	***	***	***	***	***
	Indexed	100	77.23	181.15	459.39	366.94
Captive	Rs./Lacs	***	***	***	***	***
	Indexed	100	1035.12	998.05	1041.13	832.90
Total Domestic	Rs./Lacs	***	***	***	***	***
	Indexed	100	337.39	402.37	616.91	493.52

61. It is seen that the number of employees have increased till 2008-09 and then declined in the POI. The wages paid have increased throughout the injury period. The productivity increased throughout the injury period.

Growth

62. It is noted that the growth of the domestic industry in respect of volume parameters such as sales, production was positive in absolute terms. However, the domestic industry could not sell the subject goods produced by it, leading to increased inventories and lower capacity utilisation, despite increased demand. It is also seen that in

spite of lowering the prices, the domestic industry has not been able to capture the market. The price parameters indicate a negative growth.

Ability to raise funds:

63. It is noted that the ability to raise capital investment of the domestic industry has been adversely affected. The domestic industry is not able to produce and sale at optimum levels by utilizing its available capacity inspite of sufficient demand in India.

Conclusion on material injury

64. It is noted that:-

- a) Imports of the subject goods from the subject country have significantly increased in absolute terms.
- b) The imports are significantly undercutting the prices of the domestic industry.
- c) The net selling prices of the domestic industry have been significantly depressed and as well as suppressed.
- d) The domestic industry's domestic sales increased over the injury period but the increase in the sales was proportionately lower than the increase in demand. Despite the increase in demand, the domestic industry was not able to sell the subject goods produced by it, leading to increased inventories.
- e) The profits, return on investment and cash profits of the domestic industry have deteriorated.
- f) Dumping margin of the imported goods is significant.

65. In view of the above, the Authority is of the view that the domestic industry has suffered material injury.

F. Causal Link

66. As per the AD Rules, the Authority is, obligated to also examine any known factors other than the dumped imports, which at the same time are injuring the domestic industry, so that the injury caused by these other factors is not attributed to the dumped imports. Factors which may be relevant in this respect include, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry.

67. It was examined whether these other parameters listed under the AD Rules could have contributed to injury to the domestic industry. It is seen that

- a. Imports from Third Countries: - The Authority notes that imports from third countries are negligible and thus could not have caused material injury to the domestic industry.
- b. Contraction in Demand: - The Authority notes that there is no contraction in the demand during injury period. On the contrary, overall demand for subject goods has shown significant positive growth during the injury period.
- c. Pattern of consumption: - No significant change in the pattern of consumption has come to the knowledge of the Authority, nor any interested party has made any submission in this regard.
- d. Conditions of competition: - The investigation has not shown that conditions of competition or trade restrictive practices are responsible for the claimed injury to the domestic industry.
- e. Developments in technology: - The investigation has not shown that there was any significant change in technology, which could have caused injury to the domestic industry.
- f. Export performance of the domestic industry: - The export volumes of the domestic industry increased till 2007-08 but it did not export the subject goods in 2008-09. The exports, however, increased during the POI. The price and profitability in the domestic and export market has been segregated by the Authority for the purpose of present injury assessment. Therefore, the analysis on injury is not misrepresentative due to possible inclusion of the export performance. In fact, the domestic industry has contended that they are being forced to export only because of lack of demand for their product in the country because of presence of the dumped imports in the market.

68. The Authority notes that while listed known other factors do not show injury to the domestic industry, following parameters show that injury to the domestic industry has been caused by the dumped imports:

- Imports of the subject goods from the subject country are available at prices lower than the domestic industry. Consequently, the consumers are increasingly switching over to the imports, thus leading to loss of market share of the Indian producers in general and domestic industry in particular.
- The domestic industry has lost its sales volumes and its market share has declined.
- The domestic industry's production & capacity utilization has deteriorated significantly. The deterioration in these parameters is apparently due to presence of the dumped imports.
- The imports are occurring at low & dumped prices and are undercutting and underselling the prices of the domestic industry. Besides, they are also causing significant price depression and price suppression as well.
- Consequently, the domestic industry has suffered injury in terms of profits, return on investment and cash flow.

69. The Authority is thus of the view that material injury to the domestic industry has been caused by the dumped imports.

Magnitude of injury and injury margin

70. The Authority has determined non-injurious prices of different grades/types of subject goods produced by the domestic industry taking into account the cost of production of the domestic industry. This non-injurious price of the domestic industry has been compared with the landed values of the subject imports to determine the injury margin. The injury margins have been worked out as follows:

Producer/Exporter	Injury Margin in US\$ / Sqm	Injury Margin %	Injury Margin % Range
All exporters/producers from China PR	***	***	40-50

G. Conclusions:

71. After examining the submissions made by the interested parties and issues raised therein; and considering the facts available on record, the Authority concludes that:

- (a) The product under consideration has been exported to India from the subject country below its associated normal value, thus resulting in dumping of the product.
- (b) The domestic industry has suffered material injury in respect of the subject goods.
- (c) The material injury to the domestic industry has been caused by the dumped imports of the subject goods from the subject country.

H. Indian industry’s interest & other issues

72. 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. Besides, the imposition of anti-dumping measures would not restrict imports of the subject goods from the subject country in any way, and therefore, would not affect the availability of the product to the consumers.

73. It is recognized that the imposition of anti-dumping duty might affect the price levels of the products manufactured using the subject goods and consequently might have some influence on relative competitiveness of these products. However, fair competition in the Indian market will not be reduced by the anti-dumping measures, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measures would

remove the unfair advantages gained by dumping practices, would prevent the decline of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods. With a view to minimize the impact on the downstream industry, the Authority has considered it appropriate to recommend anti-dumping duty based on the lower of the dumping and injury margins. The Authority notes that the imposition of anti-dumping measures would not restrict imports of the subject goods from the subject country in any way, and therefore, would not affect the availability of the product to the consumers.

I. Recommendations

74. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and causal link. Having initiated and conducted the investigation into dumping, injury and the causal link thereof in terms of the Act and the AD Rules and having established positive dumping margins concerning imports of the subject goods originating in or exported from the subject country and as well as material injury thereof to the domestic industry caused by such dumped imports; the Authority is of the view that imposition of definitive duty is required to offset the dumping and 'injury' in the instant matter. Therefore, the Authority considers it necessary to recommend imposition of definitive anti-dumping duties concerning imports of the subject goods from the subject country in the form and manner described hereunder.

75. 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. Accordingly, the antidumping duty equal to the amount indicated in Col 8 of the table below is recommended to be imposed concerning all imports of the subject goods originating in or exported from the subject country.

Duty Table

S. No.	Heading/ Subheading *	Description of goods	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount In US \$ per SQM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	39021000, 39140090, 39201019, 39269099, 55034000, 56031300, 56039400, 56041000, 56049000, 56089090 59031090, 59039090 59111000, 59113150, 59113190, 59119090, 70194000, 70195900, 70199010; 70199090	“Geogrid/ Geostrips/ Geostraps made of Polyester or Glass Fiber in all its forms” (including all widths and lengths)	China PR	China PR	Any	Any	0.55
2	-do-	-do-	Any other than China PR	China PR	Any	Any	0.55
3	-do-	-do-	China PR	Any other than China PR	Any	Any	0.55

* Please note that customs headings/subheadings are indicative only and the product description is dispositive for the purposes of duty recommended.

J. Further Procedure

76. An appeal against this order shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

(Vijaylaxmi Joshi)
The Designated Authority