

To be published in the Part 1 Section 1 of Gazette of India, Extraordinary

**Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti Dumping & Allied Duties)
Jeevan Tara Building, 5, Parliament Street
New Delhi 110001**

Date: 8th October, 2015

Notification

Final Finding

Subject: - Sunset Review of Anti-Dumping duty on imports of all kinds of plastic processing or injection-moulding machines, also known as injection presses, having clamping force not less than 40 tonnes and not more than 1000 tonnes, originating in, or exported from the People's Republic of China.

No. 15/02/2014-DGAD: - Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the Rules);

A. Background of the case:

2. The original investigation concerning imports of the subject goods from the subject country was initiated by the Authority vide Notification No. 14/12/2008- DGAD dated 8th July, 2008. The Preliminary Finding was issued by the Authority vide Notification No. 14/12/2008-DGAD dated 10th February, 2009 and the provisional anti-dumping duty was imposed by the Department of Revenue vide Notification No. 47/2009-Customs on 12th May, 2009. The Final Findings Notification was issued by the Authority vide Notification No. 14/12/2008-DGAD dated the 31st December, 2009, recommending imposition of definitive duty. On the basis of the recommendations made by the Authority in the final findings, a definitive antidumping duty was imposed by the Central Government vide Notification No. 39/2010- Customs dated 23rd March, 2010 on the imports of the subject goods, originating in or exported from the subject country.

3. M/s. Plastics Machinery Manufacturers Association of India, along with its members, viz. (a) M/s Toshiba Machine (Chennai) Pvt. Ltd., (b) M/s Ferromatik

Milacron India Pvt. Ltd, (c) M/s Windsor Machines Limited and (d) M/s Electronica Plastic Machines Ltd have filed a duly substantiated application before the Authority, in accordance with the Act and the Rules, alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from Subject Country and consequent injury to the domestic industry and have requested for review and continuation of the anti-dumping duties, imposed on the imports of the subject goods, originating in or exported from the subject country.

4. In view of the duly substantiated application filed and in accordance with Section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority initiated a sunset review investigation, vide Notification No.15/2/2014-DGAD, dated 9th May, 2014, to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from the China PR (hereinafter also referred to as the subject country) and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

B. Procedure:

5. The procedure described below has been followed with regard to the investigation:

- i. The Authority sent copies of the initiation notification dated 9th May, 2014 to the embassy of the subject country in India, known exporters from the subject country, known importers and other interested parties, and the domestic producers, as per available information. The known interested parties were requested to file the questionnaire responses and make their views known in writing within the prescribed time limit. Copies of the letter and questionnaires sent to the exporters were also sent to embassy of the subject country along with a list of known exporters/producers, with a request to advise the exporters/producers from the subject country to respond within the prescribed time.
- ii. Copy of the non-confidential version of the application filed on behalf of the applicant was made available to the known exporters, other domestic producers and the embassy of the subject country in accordance with Rule 6(3) of the AD Rules.
- iii. The Authority forwarded a copy of the public notice initiating the sunset review to the following known producers/exporters in the subject country and gave them opportunity to make their views known in writing within forty days from the date of the letter in accordance with the Rules 6(2) & 6(4) of the Rules:

1. Kee Hing Cheung Kee Co Limited

2. Hubei Hengda Machinery Import & Export Co., Ltd
 3. Ningbo Hengrun Plastic Machinery Co., Ltd
 4. Jining Tongjia Machinery Co., Ltd
 5. Jingjiang Jinyuan International Trade Co., Ltd.
 6. Mitstrong Mould & Machine Co., Ltd.
 7. Ningbo Economic & Technological Development Zone Haitong Machinery Equipment Co., Ltd.
 8. Hangzhou Tederic Machinery Co Limited
 9. Guangzhou Borch Machinery Co Limited
 10. Zhejiang Golden Eagle Plastics Machinery Co Ltd.
 11. Liguang Machinery Co Ltd
 12. Ningbo Haixing Machinery Manufacturing Co Ltd
 13. Qingdao Sanyl Plastics Machinery Ltd
 14. Zhangjiangang New Wanda Machinery Co Ltd
 15. Zhejiang East Zhouqlang Plastics & Mould Industry Co Ltd
 16. Zhangjiangang King Machine Co Ltd
 17. Shanghai GS Machinery Manufacture Co Ltd
 18. Suzhao Fosita Science and Technology Co Ltd
 19. Quindao Runjia Plastic Machinery Co Ltd.
- iv. In response to the initiation of the subject investigation, only M/s ENGLE Machinery (Shanghai) Co. Ltd & their sister company Engel Machinery (Changzhou) Co. Ltd., China, have responded. However the company has not filed any questionnaire response in the form and manner prescribed. China Plastic Machinery Industry Association (CPMIA) has also filed comments to the petition and initiation of the investigation without filing any questionnaire response.
- v. Questionnaires were sent to the following known importers / users of subject goods in India calling for necessary information in accordance with Rule 6(4) of the Anti-dumping Rules:

- a) Electronic Plastic Machine Ltd.(Tal Mulshi, Pune)
- b) Plastics Machinery Manufacturers Association of India.(New Delhi)
- c) Ferromatik Milacron India Pvt. Ltd. (Ahmedabad)
- d) Windsor Machines Ltd.(Thane)
- e) Toshiba Machines Pvt. Ltd.(Chennai)
- f) Bharat Box Factory Ltd.(Punjab)
- g) Kunstocom (India) Ltd.(New delhi)
- h) Sumi Motherson Group (Noida)
- i) Supreme Industries Ltd.(Mumbai)
- j) Vidyut Metallics Ltd (Mharashtra)
- k) Prince Plastics International Pvt. Ltd.(Thane)
- l) Prince Plastics International pvt. Ltd.(Mumbai)
- m) Arun Plasto Moulders India Pvt. Ltd.(Tamil Nadu)
- n) Mouldwell Products (Tamil Nadu)
- o) Salzer Electronics Ltd.(Tamil Nadu)
- p) Riya Moulders(Chennai)
- q) CJ Polytech Pvt. Ltd.(Tamil Nadu)
- r) Tech Plastic Industries (Chennai)
- s) Sakkthi Polymers(Tamil Nadu)
- t) Tooling Temple (Tamil Nadu)
- u) Victorious Engineering Works (U.P)
- v) Ejobs Info Tech India Pvt .Ltd.(Coimbatore)
- w) Electronica Machine tools Ltd.(Pune)
- x) Moldwell Products India Pvt. Ltd.(Tamil Nadu)
- y) All India Plastic Manufactures Association (Mumbai)

- vi. In response to the above notification, none of the importers/ users has filed importer questionnaire response.
- vii. Exporters, producers and other interested parties who have not responded to the Authority, nor supplied information relevant to this investigation, have been treated as non-cooperating interested parties.
- viii. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, including the period of investigations, which was received by the Authority. The Authority has, relied upon the DGCI&S data for computation of the volume of imports and required analysis.
- ix. Optimum cost of production and cost to make & sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) 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. The NIP has been determined by the Authority in terms of the principles laid down under Annexure III to the Anti-dumping Rules.

- x. Investigation was carried out for the period starting from October, 2012 – December, 2013 (POI). However, injury examination was conducted for a period from 2010-11, 2011-12, 2012-13 and POI.
- xi. In accordance with Rule 6(6) of the Anti-dumping Rules, the Authority also provided opportunity to all interested parties to present their views orally in a public hearing held on 17th March 2015. The parties, which presented their views in the oral hearings, were requested to file written submissions of the views expressed orally, followed by rejoinder submissions.
- xii. The submissions made by the interested parties during the course of the investigation have been considered by the Authority, wherever found relevant, in this disclosure. Verification to the extent deemed necessary was carried out in respect of the information & data submitted by the domestic industry and the co-operating producers/exporters.
- xiii. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xiv. 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 disclosure statement on the basis of the facts available.
- xv. In terms of Rule 16 of the Rules the Authority disclosed the essential facts of the case through a disclosure statement issued on 30th July 2015 and the comments to the said disclosure was also received from the interested parties on 4th August 2015. However, due to change in the Designated Authority in the meanwhile, necessitating a fresh hearing, the period for completion of the investigation was extended by the Central Govt. till 7th November 2015.
- xvi. The Authority held a fresh hearing on 19th August 2015 to provide an opportunity to all interested parties to present their case before the new Designated Authority.

- xvii. The Authority also issued a fresh disclosure statement on 14th September 2015, incorporating all essential facts and submissions made by the interested parties for comments of all interested parties.
- xviii. Submissions made by the interested parties in response to the first disclosure statement dated 30th July 2015 and post public hearing dated 19th August 2015 and the second disclosure statement dated 14th September 2015 have been considered and incorporated in this finding to the extent they were considered relevant and backed by reliable information/data/evidence.
- xix. *** in this finding represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.
- xx. The average exchange rate of 1US\$ = Rs 58.05 prevailing during the POI has been adopted by the Authority in this finding.

C. Scope of Product under consideration and like article:

6. The product under consideration in the original investigation was defined as “all kinds of plastic processing or injection moulding machines, also known as injection presses, having clamping force not less than 40 tonnes and not more than 1000 tonnes (clamping force), used for processing or moulding of plastic materials.” The following types of products are however, excluded from the scope of the product under consideration:

- i. Blow moulding Machines classified under Customs Tariff Classification No. 847730;
- ii. Vertical injection moulding machines;
- iii. All electric injection moulding machines wherein the mechanical movements such as injection, mould closing, mould opening, ejection, screw-drive, etc. are controlled by independent servo motors and having digital control system and without Hydraulic Unit;
- iv. Multi-colour/ multi-mould machinery for making footwear, Rotary injection moulding machinery for making footwear and footwear sole/strap/heel injection moulding machine classified under the Customs Tariff Classification No. 8453.

7. None of the producers, exporters or importers of the subject goods has filed any questionnaire response. However, Engel Machines in its submissions, has argued that “Two Platen Design” of Engel machines (for up to 1000MT clamping force) has not been made in India by any company in the past and during the original period of investigation. One domestic manufacturer has started recently manufacturing machines with this design and manufactured very few numbers. But those are of more than 1000 Tonne. Therefore, DA has to verify and exclude such category of machines which are not produced by the DI, from the scope of PUC.

8. In its post disclosure submissions Engel has further argued that the 'two platen' Design is an evolution of technology and is considered a milestone of machine performance in terms of several performance parameters and therefore, cannot be simply a feature as performance of these machines is much higher compared to all other designs. It has been further argued that all electric machines have been excluded from the scope of the investigation on similar technology improvement lines. It has been further argued that domestic machines are much cheaper compared to the Engel's machines and therefore, import of Engels machines would not damage Indian Industry.

9. CPMIA, in its submission, has argued that the scope of PUC covers wide types of machines which highlight the chances of wrong calculations of dumping and margins claimed by the petitioners. Even certain types included in the scope of PUC are not produced by the petitioner. The Authority should exclude such types of PUC which has never been manufactured by the petitioner even after five years of duty from the scope of PUC.

10. The domestic industry, in its submissions, has argued that the present investigation being for sunset review of existing duties, the scope of the product under consideration remains the same as that of original investigations. In any case, the DA cannot consider generic statements made by the interested parties with regard to the scope of the product under consideration. Interested parties are required to identify a product type for which like article is not produced by the domestic industry.

11. The Authority notes that the present investigation being a sunset review, the product under consideration should normally remain the same as in the original investigation. It is also noted that the plastic processing machines are manufactured in various sizes and capacities described in terms of clamping forces. The domestic producers as well as the foreign producers manufacture different types of plastic processing machines with different clamping forces and different additional features and the machines with different capacities are used for moulding certain group of products. Domestic industry produces machines with different clamping forces and within those ranges the machines produced by the producers in the subject country are like articles and clearly technically and commercially substitutable. Therefore, these product types are *inter se* like products within their clamping force ranges and for the purpose of like to like comparison Plastic Processing Machines of different capacities/clamping forces were treated as different product types in the original investigation and comparisons were made on like to like basis to the extent possible. The same methodology is proposed to be used in the present investigation. Therefore, arguments of the interested parties that certain product types manufactured and supplied by them should be excluded are not tenable.

12. As far as the arguments of Engel Machines that 'Two Platen' Injection Moulding Machine should be excluded from the scope, the Authority notes that the issue was raised in the original investigation also and the Authority did not consider it necessary to exclude two plated injection moulding machines on the ground that the number of platens (2 platens or 3 platens) in the clamping unit of injection moulding machine is merely a physical parameter in one of the sub-assemblies (Clamping unit) of the injection moulding machine and therefore existence of 2 or 3 platens in the clamping unit does not result in different types of injection moulding machine. Therefore, the Authority did not recommend the exclusion of injection moulding machines on the basis of number of platens in clamping units. Engel has reiterated its arguments in the post disclosure submissions for exclusion of these machines on the grounds of improved performance and price differentials for but has not provided any evidence which could establish that these machines are not like articles to the subject goods in terms of physical characteristics, technical and commercial substitutability etc. Therefore, Authority does not find any reason to deviate from its earlier stand in this investigation. Accordingly, the Authority confirms the scope of the product under consideration as in the original investigation.

13. The definitive Anti-dumping Duty has been imposed by the Central Government vide Customs Notification No.39/2010-Customs dated 23rd March 2010 under the Customs Head 8477.1000 of the first schedule of the Customs Tariff Act, 1975. The, customs classification is indicative only and not binding on the scope of the present investigation.

D. Domestic Industry and Standing:

14. The application for the review has been filed by Plastics Machinery Manufacturers Association of India (hereinafter referred to as petitioner or PMMAI) on behalf of the producers of Plastic Processing Machines in India. Four of its members,(i) M/s Toshiba Machines; (ii) M/s Ferromatic Milacron; (iii) M/s Windsor India; and (iv) M/s Electronica Machines, who are domestic producers of the product under consideration in India, and commanding over 90% of the total production of the subject goods in India, have provided relevant information in the application seeking continuation of anti dumping duty in force on imports of PPMs from subject country.

15. As per the records, it is noted that M/s Ferromatik Milacron India Pvt. Ltd. is related to a Chinese company named M/s Milacron Plastics Machinery (Jiangyin) Co. Ltd. It is also noted that M/s Toshiba Machine (Chennai) Pvt. Ltd. is related to a Chinese producer namely M/s Toshiba Machine (Shanghai) Co. Ltd. However, M/s Toshiba Machine (Shanghai) Co. Ltd. is a group company and manufactures only electric injection moulding machines which is not a subject matter of proposed investigation.

16. The domestic industry has submitted that it is an established position of law that the Authority may, in its discretion, exclude a producer who is either related to the producer/exporter of the subject goods or imported the subject goods, within the scope of domestic industry. It has been submitted that though Ferromatik Milacron India Pvt. Ltd. is related to Milacron Plastics Machinery, China who manufactures the subject goods Milacron, China has not exported any of these machines to India and Milacron, India has not imported subject goods. Therefore, Ferromatic Milacron (India) and Toshiba Machine (Chennai) should be treated as part of the domestic industry.

17. CPMIA, in its submissions, has argued that as per information available in the public domain that Milacron India's relation to Chinese exporter falls under explanation (i) (b) of Rule 2 (b) under as both of them are directly or indirectly controlled by a third person i.e., Milacron LLC which is apparently based in USA. Therefore, the Authority should call detailed information from the concerned petitioner company to determine the nature of relation and their eligibility.

18. The Authority notes that though M/s Toshiba Machine (Chennai) Pvt. Ltd. is related to M/s Toshiba Machine (Shanghai) Co. Ltd., M/s Toshiba Machine (Shanghai) Co Ltd manufactures only electric injection moulding machines, which is not a subject matter of proposed investigation. As far as M/s Ferromatik Milacron India Pvt. Ltd is concerned, it is related to Milacron Plastics Machinery, China through common holding of Milacron LLC, USA. But Milacron, China has not exported the subject goods to India. Therefore, the Authority holds that these two domestic producers and petitioners are eligible to be treated as part of the domestic industry within the meaning of the term in the Rules and accordingly, all the four domestic producers as above have been treated as the domestic industry for the purpose of this investigation.

E. Other Issues raised by the domestic industry and other interested parties:

E.1 Submissions made by exporters/importers and other interested parties

19. The Authority notes that none of the exporters or importers has filed any questionnaire response. However, China Plastic Processing Machinery Association, in its submissions, has inter alia submitted

- That CPMIA falls under the category of business association and all 38 members of the CPMIA are producers, exporters of the subject goods which fulfils the second condition in Rule to qualify them as interested party to this investigation;

- That CPMIA has offered full cooperation by providing rebuttals and relevant information to the Authority. EQR was not filed by its members because they did not export to India during POI or injury period;
- That Indian Antidumping Rules do not prescribe any format for filing questionnaire response by the Exporter's Associations. However, CPMIA has provided relevant information such as capacity in China, demand, third country export volume, price, etc. in its written submissions and offered the same for verification;
- That Haitian is a member of CPMIA and CPMIA's submissions are relevant and applicable to Haitian also;
- That the domestic industry has not mentioned in the transaction-wise imports data whether such information pertains to PUC only or covers all the transactions including non-PUC items reported in a particular customs subheading;
- That according to CPMIA petitioners have provided only non-PUC items in transaction wise data; apart from the said data they identified imports of 42 machines to be PUC during the said POI;
- That the Members of CPMIA have not exported the subject goods to India during the POI. This alone puts the credibility of import statement submitted by the petitioner in question. Therefore, the petitioner should be directed to show which transactions are identified as the product under consideration. Unless such transactions are identified and earmarked in the raw data itself CPMIA and also the Authority would not be in a position to examine the authenticity of the claims of the petitioner with regard to their claims of import;
- That the application does not contain information to satisfy the conditions set out in Rule 23. The information available in the application clearly shows that the expiry of the duty is not likely to lead to continuation or recurrence of dumping and injury to the domestic industry;
- That CPMAI has provided relevant information to show that there is no excess capacity in China PR. The industry is operating above 90% capacity utilisation;
- That excessive confidentiality maintained by the DI which is against the provisions of AD Rules. Therefore, Authority should not to allow the claim of

the petitioner to treat weighted average cost and price information cumulatively for the domestic industry as confidential.

20. Apart from CPMIA, M/s Engel Machinery India Pvt. Ltd., in its brief submission on behalf of Engel Machinery (Shanghai) Co. Ltd, China and Engel Machinery (Changzhou) Co. Ltd. China, has *inter alia* argued

- That Engel machines are designed and manufactured at its main factory in Austria. They are also assembled in Asia at the above mentioned factories but most engineered components are manufactured in Western Europe (Engel Austria, Germany, etc);
- The two platen design of Engel machines for up to 1000MT has not been made in India by any company in the past and during the original period of investigation. One domestic manufacturer has started recently manufacturing machines with this design and manufactured very few numbers but that is more than 1000MT;
- That in no way Engel export to India causes injury to the local industry. Our export prices are at least 50% higher than the Indian manufacturers. This is due to a very high content of components designed and made in Western Europe (Engel Austria, Germany etc);
- That Engel machines from Engel factory in China to India till date have been all above 1000MT. However, under the Government of India “Make in India” campaign and the entry of Top line Global producers to India, there will be demands for high performance machines also in the below1000 MT sizes;
- Engel machines feature precision, high performance and technology orientation. Customers who require this value addition are prepared to pay the premium but again to pay on top anti dumping duty is very difficult for the customers;
- That Engel would like to export machines below1000MT from China but due to the antidumping duties it is quite impossible to do so;
- That Price difference in between Engel Machinery Austria & Engel Machinery Shanghai or Engel Machinery Changzhou, China is approx.15-20% this is just because of over head cost is much higher in Austria than in China;

- That Engel Machinery China plant assembly capacity for below 1000 MT machines per annum is 380 machines, whereas China domestic market requirement for below 1000 MT machines per annum is about 28,350 machines;
- That Engel Machinery had started assembling in China in 2007 to focus on entire Asia market and not only in China market. This is to cater for the Asian market in a better way;
- That Engel has over 30 fully owned subsidiaries worldwide and the business is run on a professional and transparent SAP based accounting and management platform where pricing is uniform and published in English. The price list used in all of Asia is also the one used in India and China and the pricing is fixed by the headquarter in Austria;
- Therefore, Engel Machinery (Shanghai) Co. Ltd, China and Engel Machinery (Changzhou) Co. Ltd. , China should be exempted from the antidumping duty.

E.2 Submissions by the Domestic Industry:

21. The domestic industry, in its various submissions, has refuted the arguments of the other interested parties and has *inter alia* submitted:

- That the Chinese Association should not be treated as an interested party as it has not preferred to make its members to cooperate with the Authority and file questionnaire response. Not only the Association preferred not to give any information relevant to the investigation; but also, the Association made false and misleading statement that there were no exports of the PUC from China to India during the relevant period;
- The Authority had specifically raised certain queries to the Association at the time of hearing regarding their membership, production and capacity and exports to third countries etc. which they have miserably failed to provide. CPMIA has also not filed any meaningful information, except certain estimation/information about the production and capacities, demand of the subject goods in China and exports from China, without any supporting documents.
- That the petitioners have provided complete list of imports which includes not only the PUC but also non PUC and therefore, complete information is available in the petition;
- That nothing excessive has been claimed confidential by the petitioners. The petitioners have provided sufficient non confidential version of the information filed on confidential basis;

- That Haitian, one of the major producers in China, who had cooperated with the Authority in the original investigation, has preferred not to file any response in the present investigation. This is despite the fact that Haitian is claiming to set up assembly line facility in India and is engaged in production of PUC in Vietnam, one of the countries under the investigation. Evidently, Haitian has set up assembly line facilities in Vietnam to avoid anti dumping duties imposed on China and now setting up assembly line operation in India to avoid anti dumping duties that may be imposed by Vietnam;
- That the Chinese demand calculated by Engle is substantially different from demand claimed by the Association. This clearly shows that the parties are not bringing verifiable facts before the Authority and are giving misleading information;
- That if Engle considers that the goods are of Chinese origin, reference to Western Europe is irrelevant and if goods are substantially Western Europe origin and are being assembled in China, the cost and price cannot be as low as the price at which goods are being imported from China;
- In response to Engel's submissions the domestic industry has argued that no response, in the form and manner prescribed, has been filed by the exporter. The Designated Authority cannot consider a claim merely based on statements. Even if it is considered that the exporter has not exported the product under consideration to Indian market, even then, the exporter is obliged to file questionnaire response in the form and manner prescribed by the Authority. In the absence of questionnaire response in the form and manner prescribed containing information for the POI for exports to India as well third countries and duly supported by market economy questionnaire response, the Designated Authority cannot consider whether dumping and consequent injury to the domestic industry is not likely from exports by the company;
- That despite the existing anti dumping duty, the Indian industry could not get fair market opportunity with the imposition of anti dumping duty and the Indian market continued to witness dumped imports. Difficulties for the domestic industry got compounded by the decline in demand for the product in the Country. Under these circumstances, cessation of present anti dumping duty would result in continuation/intensification/recurrence of dumping of subject goods from subject country.

22. Further to the above, the domestic industry, in its comments to the first disclosure statement, has submitted that the Authority should provide conclusions in the disclosure statement based on facts and evidence provided by the interested parties.

E.3 Examination by the Authority:

23. The Authority notes that China Plastic Processing Manufacturers Association (CPMIA) is a business association of Chinese producers, exporters of the subject goods with a membership of 38 members. However, none of its members has filed any questionnaire response. The Association has also not filed any meaningful information, except certain estimation/information about the production and capacities, demand of the subject goods in China and exports from China, without any supporting documents, to help the Authority in various determinations.

24. Notwithstanding the above, the issues raised by the Association with regard to the investigation have been noted. The Authority has examined the import data as per the import statistics available with it to exclude products other than the products under consideration for various determinations. The product under consideration has been identified from the transaction-wise data to the extent it was feasible based on the descriptions and other details and therefore, the concerns of the other interested parties have been adequately addressed. However, the claims of the Association that the subject goods have not been exported from China is also not borne out of the evidence on record as the import statistics examined by the Authority shows that 17 machines have been imported from China during the POI. The data has also been placed in the Public File.

25. As far as confidentiality issues are concerned, the Authority notes that Information which are confidential in nature and provided by the interested parties on confidential basis have been treated so wherever warranted after due examination of the confidentiality claims as per the general practice followed by the Authority. To the extent possible, parties providing information on confidential basis are directed to provide sufficient non-confidential version of the information filed on confidential basis. Therefore, the concerns of the interested parties have been adequately addressed.

26. As far as submissions of Engel Machine, China is concerned, the Authority notes that it has so far exported only machines above 1000 MT clamping force, which are not the subject goods in this investigation. Therefore, they are not exporters of the subject goods to India at the moment. The submissions of exemption in anticipation of exports in future cannot be considered. There is a separate provision of new shipper review under the Rules which they may avail if they wish to export the subject goods in future. Therefore, other submissions made by them do not merit consideration at this moment.

27. As far as the arguments of the domestic industry that the disclosure statement should also contain conclusions drawn by the Authority based on the facts and evidence provided by the interested parties the Authority notes that the Rule 16 of the Rules provides that before giving its final findings the Authority shall inform all

interested parties of the essential facts under consideration which form the basis for its decision. Therefore, the disclosure statement contains all essential facts and the methodologies proposed to be adopted by the Authority. Final conclusions are drawn after getting the comments of the interested parties to the disclosure. Since conclusions are not drawn at the stage of the disclosures, it cannot be a part of the disclosure statement.

28. All other submissions made by the interested parties with regard to dumping and injury determination etc. have been addressed in their respective sections in this finding.

F. Determination of current Dumping and likelihood of continuation or recurrence of dumping:

F.1 Legal Positions

29. Section 9A (5) of Customs Tariff Act, 1975 provides that:-

“The anti dumping duty imposed under this Section shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition:

Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension;

Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the Anti dumping duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.”

30. Accordingly, a sunset review investigation is to examine:

- Whether the dumping continues after imposition of the antidumping duty and if so, whether it is likely to continue;
- In cases where dumping did not continue, whether the dumping would recur in the event of revocation of anti dumping duties;
- Whether the domestic industry continued to suffer material injury and if so, whether injury to the domestic industry is likely to continue if the duties are removed;
- In cases where the domestic industry has not suffered continued injury, whether injury to the domestic industry is likely to recur in the event of revocation of anti dumping duties.

31. Therefore, the Authority has first proceeded with the examination whether dumping of the subject goods continues from the subject countries and whether the domestic industry continues to suffer material injury on account of such dumped imports before examining whether dumping is likely to continue or recur if the duties are revoked, and injury is likely to continue or recur in such a situation.

F.2 Examination of Continuation of Dumping: Determination of Normal Values, Export Prices and Dumping Margins:

32. The Authority notes that none of the exporters of the subject goods from China has submitted any questionnaire response for determination of Normal values and export price of the subject goods from that country. Only the CPMIA and the responding importer have argued that the Designated Authority should resort to type wise comparison for a like to like comparison in order to determine injury and dumping margin.

33. The domestic industry, in its submissions, has argued that China being a non market economy, normal value of the subject goods cannot be determined on the basis of price prevailing in that country and therefore, needs to be constructed. With regard to determination of a normal value in China the domestic industry, has inter alia argued that market economy status cannot be granted unless the responding exporter/company and its group as a whole make a claim. In the present case, there is no claim for market economy treatment. None of the Chinese exporters have filed questionnaire response, nor claimed market economy treatment. In the original investigations, the Authority had not granted market economy treatment to any of the exporters from China and determined the normal value in China on the basis of the constructed normal value based on the estimated cost of production of the subject goods in China with reasonable profit in terms of Para 7 & 8 of the Annexure 1 to the said Rules as amended. Therefore, the petitioner has argued that the Authority should consider the same methodology to calculate the normal value for China PR in the current investigation.

34. It has been further argued by the domestic industry that under the above circumstances the normal value in China can be determined on the basis of (a) price in India, and (b) cost of production in India, duly adjusted, including selling, general and administrative expenses and profit.

35. The petitioners, in their petition, have provided estimates of separate normal values of machines having different clamping forces (product types) based on the methodology adopted in the previous determination of the Authority and have submitted that the Authority had examined the issue in detail in the previous investigation and had concluded that dumping margin determination at weighted average level would not be appropriate in this case and therefore, dumping margins

were determined in that case at product type level for each different clamping force. There is no challenge to the final findings notified by the Designated Authority before CESTAT. Therefore, determination methodology adopted earlier has been validated.

36. None of the producers/exporters from China have cooperated with the information in the form and manner prescribed. The domestic industry has further submitted that even if it is considered that there was no export by a company to India, the same does not imply that the company need not file questionnaire response. The company is still required to file questionnaire response, as it is both actual dumping and likelihood that are important in a sunset review. Domestic industry argues that exporters from China PR are continuing to dump the subject goods in the Indian market and the dumping margins are significant and above *de minimis* levels.

37. CPMIA, in its submissions before the Authority, has argued that the allegation of significant dumping margin coincided with low volume is an unfounded claim. Correcting the import data would show no import from China PR. Based on this alone there is no case for continued dumping made up by the petitioner. CPMIA has further argued that the Authority should subject the type wise comparison/determination of dumping margin and injury margin to very strict scrutiny. A fair and accurate comparison of PUC type wise to like article type wise will show negative dumping and injury margin in the present case;

38. In its comments on the first disclosure statement CPMIA has brought certain discrepancies in the import data adopted in the first disclosure. It has been pointed out that the disclosure statement shows an import of 17 PPMs from China PR during the POI at an average CIF price of Rs10, 59,453/- per machines. The import data shows consistent increase in price between base year and immediate previous year to the POI and thereafter a huge dip in price during the POI and once again significant increase in the immediate post POI period. It has been submitted that closer scrutiny of the transaction-wise import data by them clearly shows many of such transactions are not of PUC and various Non PUC items have been wrongly construed as PUC and this has resulted in unusually low import price for the PUC during the POI and the dip only during the POI is also very notable and the same needs to be cured.

39. In this connection CPMIA has submitted the product catalogues of the respective machines, as available in the website of the manufacturers in respect of few machines, to establish that the machines are either very small capacity machines or are components or sub-assemblies of the machinery and not the product under consideration.

40. In view of this positive evidence provided by the interested parties the import data used for determination have been subjected to further scrutiny and it is found that machines identified as having clamping force 60, 75 and 100 MT in the earlier disclosure are actually machines with clamping forces of 1 to 2 MT or components. Therefore, the data has been corrected and the pruned import list has been used in this disclosure.

F.3 Examination by the Authority and Determination of Normal Values:

41. At the stage of initiation, the Authority proceeded with the presumption that China PR is a non-market economy country and advised the producers/exporters in China to respond to the notice of initiation and provide information relevant to determination of their market economy status. The Authority sent copies of the MET questionnaire to all the known producers/exporters for rebutting presumption of non-market economy in accordance with criteria laid down in Para 8(3) of Annexure-I to the Rules. The Authority also requested Government of China to advise the producers/exporters in China to provide the relevant information. However, none of the Chinese producers/exporters has filed response. The Authority notes that in the past years China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. In view of the above position and in the absence of rebuttal of non-market economy presumption by any Chinese exporting company, the Authority considers it appropriate to treat China PR as a non-market economy in the present investigation and proceeds with para-7 of Annexure-I to the Rules for determination of normal value in case of China PR. Para 7 of Annexure I of the Anti-dumping Rules provide that:

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

42. Authority notes that none of the interested parties have provided any meaningful information for selection of an appropriate third country as a surrogate for construction of the normal value on the basis of cost and prices in that country or price from such country to other countries, including India as the normal value in China as per the first two alternatives in the Para-7 referred above. The Authority further notes that the product under consideration includes a number of product types, corresponding to different clamping forces. In view of the above, it is not appropriate to determine the Normal Value of the product based on the import price from third countries to India or a surrogate country without their cost and price details for the product types identified. Hence prices from no other country could be adopted for determination of the Normal value in China as per the above provision. Therefore, the Authority finds it appropriate to determine the normal value of the product in China as per the third alternative provided in the Rules referred above. Thus, the Authority has constructed the normal values of each product type by taking into account cost of production in India plus a reasonable profit as per its consistent practice.

43. The Authority notes that the associated costs and prices of machines with different clamping forces vary depending upon the clamping force and configurations. The different types/ sizes however, do not establish that they are not like products. Only below mentioned product types/ machines with different clamping forces have been imported to India during the POI. Therefore, for fair comparison on like to like basis the Normal Values have been determined for these product types. Wherever the domestic industry did not produce a matching product type with identical clamping force a conservative approach has been adopted by determining the normal value based on the cost of the machine with nearest lower clamping force to enable like to like comparison after making due allowance for any differences that affect price comparability.

44. Accordingly, the constructed normal values for each product type imported during the POI from China have been determined as follows:

Product Types/ Clamping Force (Tons)	Constructed Normal Value (CNV) Rs Per Piece	Constructed Normal Value CNV (US\$/ Piece)
120	****	****
125	****	****
128	****	****
150	****	****
380	****	****

F.4 Export Prices:

45. As none of the exporters of the subject country has provided any information that can be used for determination of the export price, the Authority proposes to determine the export prices for all exporters from subject country on the basis of CIF price of imports to India as per DGCI&S data. In this regard the Authority has noted the arguments of the interested parties that the product under consideration should be appropriately identified. The DGCI&S data has been carefully examined and only those machines which fall within the definition of the product under consideration have been taken into consideration for dumping margin and all other determinations.

46. Accordingly, export prices from the China PR have been determined on the basis of CIF price of product types with comparable clamping forces from the DGCI&S data with applicable adjustments for Ocean freight, Marine insurance, Port expenses, Commission, Inland transportation and Bank Charges as per best information available, in the absence of concrete information from the respective exporters in the subject country, to arrive at the ex-works prices as follows:

Product Types/ Clamping Force (Tons)	Numbers	Export Price (Rs) Per Machine	Export price (USD) Per Machine
120	8	****	****
125	1	****	****
128	2	****	****
150	1	****	****
380	1	****	****
Total/Weighted average	13	****	****

F.5 Dumping Margins:

47. For the purpose of determination of dumping margin for the product as a whole first dumping margins at product types level have been worked out by comparing the ex-works normal values constructed as above for individual product types with the corresponding ex-works export prices at the same level of trade. Thereafter weighted average dumping margin has been worked out for the product as whole as follows:

Product Types/ Clamping Force (Tons)	No of Pieces	Constructed Normal Value (US\$/ Machine)	Ex-Works Export Price US\$/ Machine	Dumping Margin US\$/Machine	Dumping Margin %
120	8	****	****	****	
125	1	****	****	****	
128	2	****	****	****	
150	1	****	****	****	
380	1	****	****	****	
Total/Weighted Average	13	****	****	****	55-65%

48. The above assessment indicates that the subject goods continue to enter the Indian market, from China PR, at dumped prices and the margin of dumping is significant though the volume is low.

49. The Authority has also assessed the likelihood for continuation or recurrence of dumping of the subject goods as follows:

G. Likelihood of Continuation or Recurrence of Dumping:

50. Having determined that the subject goods are being exported from the subject country at dumped prices the Authority has examined the likelihood of continuation or recurrence of dumping in the event of revocation of the duty.

G.1 Views of the Domestic Industry:

51. The domestic industry, in its various submissions, has inter alia argued:

- a) That according to News Reports, Haitian International Group, China, one of the leading producers and exporters of these machines in China has delivered a record injection moulding machines in recent years. In 2012 the Haitian delivered about 22,000 machines. Approximately 32.2% of sales was for export to over 130 countries;
- b) That global demand for plastics processing machinery is forecast to rise by 6.0% annually, reaching USD 28.9 billion in 2015, reversing the declines experienced in the 2005 to 2010 period. As per this forecast China is projected to account for over 40% of all additional global demand up to 2015 as gains in developing nations become the driving force for plastics processing equipment market growth;
- c) That Haitian has set up assembly line facilities in Vietnam to avoid anti dumping duties imposed on China and is now setting up assembly line

operation in India to avoid anti dumping duties that may be imposed by Vietnam

- d) That if the Chinese producers do not have any surplus capacities, their producers would not have undertaken assembly line operations in India; nor the Association or the Embassy would have contested the present proceedings.
 - e) That the Chinese association, at the time of hearing, stated that the Chinese production was about 30,000 machines and domestic consumption was about 25,000. This is simply not possible when production of one company alone in the recent period must be more than 30,000 machines. Evidently, the association made a misleading statement at the time of hearing.
 - f) That China is a largest producer and exporter of the product under consideration and the producers in China are holding huge surplus production capacities and the Chinese producers are highly export centric;
 - g) The Govt. of China and the Association claimed that there is no surplus capacity available in China and the current demand in China and third countries are sufficient to meet the current capacities of the industry. If that is true the Chinese producers would not have undertaken assembly line operations in India; neither the Association nor the Embassy would have contested the present proceedings. Evidently, the investigation is being opposed only with a view to intensify dumping in the Indian market;
 - h) That China's position as one of the biggest producer of subject goods in the world coupled with India's position as a lucrative, rapidly growing market for subject goods makes the situation ripe for increased dumping in India from China;
 - i) That Chinese demand calculated by Engle is substantially different from demand claimed by the Association. This clearly shows that the parties are not bringing verifiable facts before the Authority and are giving misleading information;
 - j) That on the one hand, Engle and the Association has claimed that there are no imports from China. On the other hand, Engle has claimed that its price list is the same for India and China. The argument is clearly contradictory
 - k) That Dumping Margin determined in previous investigations and present petition are significant and clearly shows likelihood of continuation of dumping in the event of cessation of anti dumping duty;
52. Disputing the claims of the Govt. of China and CPMIA that there is no excess capacity available in China and the current demand in China and third countries are

sufficient to meet the current capacities of the industry, the domestic industry in its comments to the first disclosure has argued that had that been the case the Govt. of China and the Association would not have opposed this proceeding and the producers from China would not have set up assembly line in India. The investigation is being opposed with a view to intensify dumping.

53. The domestic industry further argues that while the representatives of Association informed the Designated Authority at the time of hearing that the production of PUC in China was about 30000 machines and the domestic consumption was about 25000 machines as against the figures submitted by the Association which indicates production of PUC in China as 78,998 Nos and Capacity as 86000 Nos. Such huge deviation in the information provided by the Association during the public hearing, where the petitioners were present, compared to the information provided to the Authority, which was not provided to the petitioners; clearly indicates the intensions of the Association to misguide the petitioners and Designated Authority. Therefore, the Authority should discard such information and treat the Association as non cooperative.

54. The domestic industry further argues that it would be seen from the information provided by the Association that there exist excess capacities in China and the demand in China is only 80% of the total available capacities. With demand in India to be only 2,760 Nos, China can easily cater the whole demand in India and at the same time exports to other countries. In the event of revocation of anti-dumping duty, producers and exporters are likely to utilize their excess capacities to export to India.

G.2 Views of other interested Parties:

55. CPMIA, in its post-public hearing submissions has provided the following information as best available information with them to show no likelihood or recurrence of dumping and injury in the event to expiry of present duties.

S. No	Particulars	POI Annualized	POI (15 Months)
1	Demand for the Product in China	Volume in Nos	Volume in Nos
	Domestic Sales by members of CPMIA	****	****
	Domestic Sales by non members of CPMIA (Estimated)	****	****
	Imports from other countries to China (Estimated)	****	****
	Total	68,310	85,388

2	Capacity for the Product in China		
	Capacity of the members of CPMIA	****	****
	Capacity of non members of CPMIA (Estimated)	****	****
	Total	86,000	1,07,500
3	Production of the Product in China		
	Production by members of CPMIA	****	****
	Production by non members of CPMIA (Estimated)	****	****
	Total	78,998	98,747
4	Export to India during POI		
	Exports by members of CPMIA	Nil	Nil
	Exports by non members of CPMIA	Nil	Nil
5	Exports to other countries during POI		
	Exports by members of CPMIA	****	****
	Exports by non members of CPMIA	****	****
	Total	12,598	15,748
6	Export Price to Third Countries		
	Export value as per members of CPMIA US\$	****	****
	Average Exports price as per members of CPMIA US\$ per machine (FOB China PR)	****	****
7	Capacity Utilization	92%	92%

56. CPMIA has argued that the above data shows that there is no excess capacity in China PR. The industry is already operating at above optimal levels and also entire Chinese domestic demand is not met by the Chinese producers alone. There are imports of the same product into China. Any claims of probabilities of increasing capacity utilization beyond the present levels would be nothing short of an absurd and skewed argument. Importantly, the prices offered to third countries would be much higher than the net sales realisation and non-injurious price of the domestic industry at the landed levels in India. There is no reason whatsoever for the Chinese producers to sell their goods at a price less than what they are achieving in other countries.

57. CPMIA further argues that the above data clearly shows absence of any excess or surplus capacity or low priced exports to third countries which can be

diverted to India in the event of revocation of anti dumping duties. This when seen along with the robust position of the domestic industry, rules out even the minute possibility of likelihood or recurrence of dumping and injury in the present case.

58. In response to the first disclosure statement issued by the Authority CPMIA has reiterated its arguments that the Chinese producers are operating above optimal level and they are achieving higher price in third countries. Since the petitioner's data itself shows decline in domestic demand in India, it cannot remain lucrative for the Chinese exporters even by a figment of imagination.

G.3 Examination by the Authority:

59. The Authority notes that though the volume of imports from China has dropped significantly during the investigation period and volume of import during the POI is low, the estimated dumping margin based on the import data is substantial. Therefore, Authority has examined the likelihood of continuation of dumping of the subject goods taking into account facts available before it and as per the above submissions of the Domestic industry and the other interested parties.

60. The Authority notes the submissions made on behalf of the CPMIA and the domestic industry. CPMIA has provided certain information about the production capacities, production volumes and demand of the plastic processing machines in China purportedly based on the data of its members and estimated figures for the non-members. But these figures are not supported by any evidence and without breakup of various capacities to examine whether the figures pertain to the product under consideration in this investigation or not. However, even this aggregate data indicates that Chinese Capacity is approximately 26% higher than the domestic demand as indicated by CPMIA and about 16% of the total production is being exported. There are also about 10% spare capacities, though the Association claims that the industry is operating at optimal level. Therefore, availability of capacity to export and export orientation is visible even in the data provided by the Association. Moreover, data in respect of M/s Haitan, one of the major producer and exporters of these Machines in China, available in public domain, indicates that this group delivered about 27,000 machines in 2013, far exceeding previous year's figure of 22,000 and their exports have exceeded 32% mark. This indicates export intensity of the Chinese producers.

61. Further the price level of exports to third countries, as an indication of future price to India, indicated by the Association is at the gross level. The product under investigation covers a wide range of capacities with wide price variation. Therefore, the information on the price level provided by the Association at the gross level do not provide any meaningful understanding of the likely price scenario of export of the

goods to India. The import data analysed by the Authority indicates that few machines of different sizes have been imported into India from China during the POI and the prices as per the import statistics indicates that these goods are entering the Indian market at much lower prices and the exports were found to be at dumped prices. Therefore, there is reasonable indication that if the duties are removed the Chinese producers shall be able to export more machines to the Indian market at similar price levels. Further, the post POI import data examined by the Authority shows a significant increase in import in that period. Considering all these aspects the Authority is of the view that the dumping is likely to continue or recur if the duties are removed.

H. Determination of Injury and Causal Link; and Likelihood of Continuation or recurrence of Injury to the domestic industry:

H.1 Legal Position

62. As stated in the previous sections in a sunset review investigation, with regard to injury examination the Authority is required to examine:

- Whether the domestic industry continues to suffer injury due to dumped imports and if so, whether injury to the domestic industry is likely to continue if the duties are revoked; or
- In cases where the domestic industry has not suffered continued injury, whether injury to the domestic industry is likely to recur in the event of revocation of anti dumping duties.

63. Therefore, the Authority first proceeds with the examination whether the domestic industry continues to suffer material injury on account of dumped imports from the subject country. Thereafter, the likelihood of continuation or recurrence of injury to the domestic industry, in the event of revocation of the duties from the subject country, has been examined. Examination of material injury to the domestic industry is in accordance with the manner as laid down under Article 3 of the AD Agreement and Annexure II to the AD Rules, 1995.

H.2 Examination of Current injury to the domestic industry and Causal Links:

H.2.1 Submissions by the domestic industry

64. In their various submissions regarding injury and causal links the domestic industry has *inter alia* submitted:

- i. That the entire purpose of the review inquiry is not to see whether there is a need for imposition of anti-dumping duty but to see whether in the absence of continuance of the duty dumping would continue and the domestic industry would suffer injury;

- ii. That after the imposition of anti-dumping duty on imports of product under consideration from China; Malaysia, Philippines, Taiwan and Vietnam started dumping the product under consideration into India. The domestic industry has filed an application seeking imposition of anti dumping duties on imports from these countries and the Designated Authority is at present conducting investigation though the scope of product under consideration in other petition under investigation includes much higher tonnage machines as well;
- iii. That the demand for the product under consideration has declined over the injury period. Auto sector growth has declined by about 16%, due to which the machines used in this sector are idle. Resultantly, these machines are being used for packaging and other sectors. Thus, while decline in demand in auto sector has led to lower demand in this sector, at the same time, it has triggered a decline in demand in other sectors as well;
- iv. That low volume of imports during the current period is due to (a) imposition of anti dumping duty on one hand and (b) ability of major Chinese producers to export from other countries by setting up facilities in other countries;
- v. That the performance of the domestic industry has not improved despite existence of anti-dumping duty due to continued presence of dumped imports from China PR and other countries in the Indian market;
- vi. That the Domestic Industry enhanced its capacity in the years 2011-12 and further in 2012-13 in anticipation of growth in the market keeping in view the projections. However, unfortunately, demand for the products being produced by the consumers saw a significant decline, as a result of which demand for product under consideration declined significantly in the last four years;
- vii. That with continuous presence of dumped imports in the Indian market the domestic industry, in order to sustain in the market, were left with no option but to sell the goods at sub-optimal prices. The domestic industry was prevented from raising its prices in proportion to increase in costs;
- viii. That the Imports were significantly undercutting the prices of the domestic industry. Further, the imports were depressing the domestic prices;
- ix. That the performance of the domestic industry deteriorated in terms of production, domestic sales, capacity utilization, profits, return on investments, cash flow. Consequent impact of dumping on the domestic industry has been significantly adverse.
- x. That the domestic industry has suffered injury during the relevant period. The mere fact that injury to the domestic industry in the current period is because of dumped imports from other countries does not imply that injury to the

domestic industry from China is unlikely in the event of cessation of anti dumping duty:

- xi. That the imports from China are lower than import price from countries under investigation at present and third countries. This clearly establishes that the domestic industry shall suffer significant intensified injury in the event of cessation of anti dumping duties.
- xii. That PUC is a capital goods item and therefore, the domestic industry is required to plan its capacity expansion keep future outlook. All future projections at that point in time were showing promising future outlook. However, demand for the product has declined significantly and therefore the domestic industry is now suffering injury both from dumping from other sources as also decline in demand.
- xiii. That if there is no demand for a particular type, it follows that the domestic industry shall not produce the product. If there is a demand for product in the country in future, the domestic industry shall cater to the same appropriately;

H.2.2 Submissions by producers/exporters/importers other interested parties

65. The other interested parties, in their submissions, have argued
- i. That no injury or continued injury has been caused to the domestic industry on account of the alleged dumped imports from China PR.
 - ii. That DA should examine whether there are continuous imports during the POI from China PR, thereby causing any injury to the Domestic industry. As per the information in the petition the Imports have declined from 949 to 42 machines in present POI. Though the demand of the subject product has significantly increased during present POI in comparison to POI of original case, in comparison to base year i.e., 2010-11 the demand has declined from 3,634 to 2,794 machines. The decline in demand is about 23%.
 - iii. That the capacity of the domestic industry has gone up by 647% during present POI in comparison to POI of original case and increased by 34% in comparison to base year 2010-11 while the demand has declined by about 23%. Further DI production has declined to 12% during present POI. Capacity utilization of DI has declined during the POI because of huge increase in plant capacity.
 - iv. That the sales volume of the domestic industry in domestic market during present POI has significantly increased as compared to POI of original case. But in comparison to base year 2010-11 it was declined by 18%. However, during the same period demand was declined by 23%. Therefore, there is no continued injury to the domestic industry due to alleged dumped imports.

- v. That as per the petition net sales realization of domestic industry has been higher than non injurious price. Therefore, there is no continued material injury to the domestic industry according to its own claims.
- vi. That information available in the petition shows that the performance of the domestic industry showed declining trends when the alleged imports from China PR were almost negligible and nonexistent and Chinese imports are attracting AD duties as high as 174%. Even the third country import prices (major countries such as Vietnam and Taiwan) were much higher than the prices offered by domestic industry. If the domestic industry was still suffering material injury, then the reason for that has to be something other than imports of subject goods into India. Thus, there is no nexus between imports of PUC into India and performance of domestic industry.
- vii. That injury, if any, is due to other reasons such as decline in demand, huge surplus capacity with the petitioner vis-à-vis Indian demand etc and any effort to attribute injury or likely injury on account of other reasons to imports from China PR should be turned down by the Authority.
- viii. That DA should make type wise comparison in order to determine injury and dumping margins.

66. In their comments to the first disclosure statement issued by the Authority the CPMIA has argued that the domestic prices are unaffected by the landed price of PUC claimed by the petitioner as is evident from the disclosure statement. It has been further argued that the domestic industry's performance has increased significantly even though the demand for the product has shown some declines over the years. The selling price of the domestic was higher than the non injurious price as per disclosure statement which establishes there was not any price injury to the domestic industry.

H.2.3 Examination by the Authority

67. In the light of the various submissions made by the domestic industry the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of injury on account of dumped imports from the subject country.

68. Rule 11 of Anti-dumping Rules read with 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...." In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped

imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree.

69. For the examination of the impact of the dumped imports on the domestic industry in India, the Authority considers 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. in accordance with Annexure II of the rules supra.

70. For the purpose of current injury analysis, the Authority has examined the volume and price effects of dumped imports of the subject goods on the domestic industry and its effect on the prices and profitability to examine the existence of injury and causal links between the dumping and injury, if any.

71. The Authority notes that the subject goods are at present attracting anti dumping duty from the subject country and antidumping investigations have been initiated for alleged dumping of the plastic processing machines with a wider capacity ranges from Malaysia, Philippines, Taiwan and Vietnam. The authority has, therefore, considered the volume and price impact of imports from the subject country along with other sources for determination of injury and causal link, including the likelihood scenario, if the anti dumping duties are withdrawn in respect of the subject country. Accordingly, the volume and price effect of dumped imports have been examined to assess the impact of current as follows:

a) Volume effect of dumped imports and impact on the domestic industry

(i) Import Volume & Share of the subject county

72. The Authority notes the arguments of other interested parties that there is no export of the subject goods from China during the POI. For examination of the volume and prices of the imports from various sources the Authority has relied upon the transaction wise data from DGCI&S and individual transactions have been examined based on the product descriptions to identify the product under consideration. As per this examination the summarised import data for subject goods during the injury period are as follows:

Particulars	Unit	2010-11	2011-12	2012-13	POI (Oct12-Dec13)	POI (Annualized)	Share in Imports (POI) %	Jan-Jun 14 (Post POI) Annualized
Subject country China PR	Nos.	73	23	26	13	10	1.06%	40
Countries under investigation	Nos.	194	315	374	488	390	39.97%	368
Malaysia	Nos.	102	87	107	134	107	10.97%	122

Thailand	Nos.	19	0	0	11	9	0.90%	2
Vietnam	Nos.	0	77	226	248	198	20.31%	174
Philippines	Nos.	73	151	41	95	76	7.78%	70
Other Countries	Nos.	1235	1090	637	716	573	58.97%	482
Total Import	Nos.	1502	1428	1037	1,217	974	100.00%	890

73. The above data indicates that contrary to the claims of the other interested parties, there are imports of subject goods from China PR during the injury examination period, including the POI though the numbers have declined. However, there is significant import during the same period from Malaysia, Thailand, Vietnam and Philippines against which separate antidumping investigations are in progress.

(ii) Demand and Market Share

74. The demand and market share of the domestic industry and the subject country in the subject goods in India has been assessed taking into account the production and sales of the domestic industry and imports.

Demand	Unit	2010-11	2011-12	2012-13	POI (Oct12-Dec13)	POI (Annualized)	Jan-Jun 14 (Post POI) Annualized
Sales of Domestic Industry	Nos.	1,990	1,940	1,737	2,026	1,621	1934
	Trend	100	97	87		81	97
Sales of Other Indian Producers	Nos.	199	194	174	203	162	193
	Trend	100	97	87		81	97
Subject country	Nos.	73	23	26	13	10	40
	Trend	100	32	36		14	55
Countries under investigation	Nos.	194	315	374	488	390	368
	Trend	100	162	A92	251	201	190
Other Countries	Nos.	1235	1090	637	716	573	482
	Trend	100	88	52	58	46	39
Total Demand/Consumption	Nos.	3,691	3,562	2,948	3,446	2,757	3,017
	Trend	100	97	80		75	82

75. The above data indicates that during the period of investigation the demand and sales of domestic industry for product under consideration have started declining since 2012-13 and there is a significant fall in demand by about 25% in POI compared to the base year. Volume of imports of product under consideration from the subject country has also declined over the years. However, there is a sudden drop in imports from the subject country in 2011-12 apparently due to the

impact of antidumping duty as trend in imports from other sources do not show any significant drop in that year. There is a drop in sales of the domestic industry as well as other domestic producers by about 20% compared to the base year which seems to be due largely to the impact of decline in demand.

76. As far as the demand scenario is concerned, the domestic industry has submitted that the demand of the subject goods have been adversely affected by the general economic slowdown and specifically the demand glut in the auto component industry sector during the last few years, which is one of the largest users of these machines. However, this being a global phenomenon, the plastic processing machine industry everywhere is under pressure and therefore, dumping has started from several sources to use up these capacities. A significant part of the demand has been occupied by dumped imports from several sources, including the subject country.

77. The general trends in demands have been examined along with the trend in market share of various players in the domestic market.

Market Share	Unit	2010-11	2011-12	2012-13	POI (Annualized)	Jan-Jun 14 (Post POI) Annualized
Sales of Domestic Industry	%	54%	54%	59%	58.8%	64%
Sales of Other Indian Producers	%	5%	5%	6%	5.9%	6%
Subject country	%	2%	1%	1%	0.4%	0.5%
Countries under investigation	%	5%	9%	13%	14.2%	14%
Other Countries	%	33%	31%	22%	20.8%	16%
Total Demand/Consumption	%	100%	100%	100%	100%	100%

78. The above data indicates that the market share of the domestic industry has increased during the POI as compared to the base year though in absolute term the sales have substantially declined. This aberration is due to the decline in demand. The volume of import from the subject country and its market share during the injury investigation period is insignificant. The market share vacated by the subject country, after imposition of the duty, has been occupied by the countries under investigation.

79. Since the imports from the subject country are very insignificant, the injury examination in terms of volume parameters for assessing the current injury to the domestic industry will be misleading and inappropriate. The authority notes that this being a sunset review investigation the volume of import during the injury investigation period may not reflect the true picture of the likely situation of imports and condition of the domestic industry in the event of revocation of the duty.

b) Price effect of dumped imports and impact on domestic industry

80. The impact on the prices of the domestic industry on account of dumped imports of the subject goods from the subject country have been examined with reference to price undercutting, price underselling, price suppression and price depression. For the purpose of this analysis the cost of production, net sales realization (NSR) and the non-injurious price (NIP) of the domestic industry have been compared with landed value of dumped imports of subject goods from the subject country.

81. The non-injurious prices have been determined for the domestic industry as per the consistent practice of the Authority by appropriately considering the cost of production for the product under consideration during the POI. Since the cost and prices of the machines vary depending upon the clamping force, separate Non-injurious prices have been determined for individual capacities for a fair comparison. Accordingly, price undercutting and underselling effects have been analysed at individual capacity level as follows:

(i) Price undercutting effect

82. 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 each machine (based on clamping force tonnage). For this purpose landed value of imports has been calculated by adding 1% handling charge and applicable customs duty to the value reported in the DGCI&S import data.

83. In order to determine the net sales realization of the domestic industry, any rebates, discounts, commissions, etc. offered by the domestic industry and the central excise duty paid have been deducted from the total sales realization. For the purpose of price underselling determination the weighted average landed price of imports from subject country has been compared with the Non-injurious selling price of the domestic industry determined for the POI.

Clamping Force (MT)	No of Machines	Net Selling price Rs/Machine	Landed Value Rs/Machine	Price undercutting (Rs./Machine)	Price undercutting (%)
120	8	****	****	****	

125	1	****	****	(****)	
128	2	****	****	(****)	
150	1	****	****	****	
380	1	****	****	****	
Total/ Weighted average	13	****	****	****	30-40%

84. The above data indicates price undercutting, without taking into account the antidumping duty in force, is significant for several product types and the weighted average undercutting level is also significantly positive.

(ii) Price underselling effect

85. The price underselling is an important indicator of assessment of injury; thus, the Authority has worked out non-injurious prices of the subject goods for each product types and compared the same with the landed values of the imported goods at product type level to arrive at the extent of price underselling. For examining the underselling effects of the dumped imports the landed value of imports, without taking into account the antidumping duty in force, has been compared with the Non-Injurious Price determined for the corresponding product types as follows:

Clamping Force (MT)	No of Machines	NIP (Rs./ Machine)	Landed Value Rs/Machine	Price underselling (Rs./Machine)	Price underselling (%)
120	8	****	****	****	
125	1	****	****	****	
128	2	****	****	****	
150	1	****	****	****	
380	1	****	****	****	
Total/ Weighted average	13	****	****	****	25-35%

86. The above data shows that the landed values of the dumped imports are significantly below the non-injurious prices of the domestic industry for most of the product types and the weighted average margin is also significant.

(iii) Price Suppression, Depression effects

87. To examine whether the domestic prices are suppressed or depressed due to the presence of dumped imports from subject country the trend of weighted average sales realization of the domestic industry has been compared with the cost of sales and the landed values at weighted average level.

Particulars	Unit	2010-11	2011-12	2012-13	POI (Annualized)	Jan-Jun 14 (Post POI) Annualized
Cost of Sales	Rs./No.	****	****	****	****	****
Trend	Index	100	112	125	125	120
Net Sales Realisation	Rs./No.	****	****	****	****	****
Trend	Index	100	103	112	111	106
Landed Value of Imports without ADD	Rs./No.	17,92,987	21,50,412	21,80,647	13,95,407	27,13,504
Trend	Rs./No.	100	120	122	81	151

88. The above data indicates that while the weighted average cost of sales have increased significantly in the injury investigation period the weighted average selling price has not increased at the same rate indicating price suppression.

89. However, the Authority notes that the cost and prices of the subject goods vary significantly depending upon the capacity and other configurations and therefore, any comparison based on weighted average basis may not provide any meaningful understanding of the situation.

H.3. Examination of other economic parameters of the domestic industry

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

91. The various injury parameters as above relating to the domestic industry have been examined as follows:

(a) Actual and potential impact on capacity, production, capacity utilization and sales

92. The table below shows the capacity, production, capacity utilization and sales of the domestic industry for the product under consideration during the injury investigation period.

Particulars	Unit	2010-11	2011-12	2012-13	POI (Oct12- Dec13) (Annualized)	Jan-Jun 14 (Post POI) Annualized
Capacity	Nos	3,650	4,200	4,600	4,600	4,600
Production	Nos	2,260	2,229	2,053	1,997	2,380
Capacity Utilization	%	62	53	45	43	52
Sales Volume						
Domestic	Nos	1,990	1,940	1,737	1,621	1,934
Export	Nos	****	****	****	****	****
	Trend	100	121	123	149	190
Total sales	Nos	****	****	****	****	****
	Trend	100	99	99	88	106

93. The Authority notes that after imposition of antidumping duty the domestic industry has enhanced its capacities in 2011-12. Domestic industry has submitted that the demand for plastic processing machines between 2004-05 and 2010-11 was quite significant and registered good growth during this period. As per the demand projections based on the outlook of various user industries given in Plast-India Report of 2012 the demand for plastic processing machines was expected to reach a level of about 1,50,000 machines per year by 2020. Considering the growth in the industry that was taking place and the potential growth for the product in the Country, major PPM producers in India expanded their capacities with significant fresh investments. However, unfortunately, because of general economic slowdown demand for the products being produced by the users of these machines, specifically auto-component sector saw a significant decline, as a result of which demand for product under consideration declined significantly in the last four years. Consequently, production and domestic sales were affected. There is a significant improvement in the production, sales and capacity utilization of the domestic industry in the post POI period.

(b) Actual and potential impact on profit/loss, cash flow, return on capital employed, inventory, productivity

94. Performance of the domestic industry with respect to the profitability parameters are as follows:

Particulars	Unit	2010-11	2011-12	2012-13	POI Annualised	Jan-Jun 14 (Post POI) Annualised

Profit/ Loss	Rs. Lacs	****	****	****	****	****
Trend	Index	100	43	21	19	12
Profit/ Loss before Tax & Interest	Rs. Lacs	****	****	****	****	****
Trend	Index	100	50	26	23	17
Cash Profits	Rs. Lacs	****	****	****	****	****
Trend	Index	100	49	31	28	24
Capital Employed	Rs. Lacs	****	****	****	****	****
Trend	Index	100	138	166	182	171
Return on capital employed	%	****%	****%	****%	****%	****%
Trend	Index	100	36	16	13	10

95. The above data indicates that though the domestic operations of the domestic industry have remained profitable during the entire injury investigation period the net profit of the Company and the return on capital employed has declined sharply since 2012-13. The cash profit has also declined significantly during the injury period.

(c) Actual and potential impact on Employment and Wages

96. The data on employment and wages given below indicates increase in employment and wages though the productivity remains more or less same. The Authority notes that the domestic industry produces plastic processing machines of wide range of capacities and some of them are not included in this investigation. Therefore, the information on employment and wages may not provide a very clear picture of the condition of the industry with respect to the product under consideration.

Particulars	Unit	2010-11	2011-12	2012-13	POI (Annualized)	Jan-Jun 14 (Post POI) Annualized
Employment	Nos.	****	****	****	****	****
Trend	Index	100	107	108	107	110
Wages	Rs. Lacs	****	****	****	****	****
Trend	Index	100	128	142	156	177
Productivity	Nos./Day	6	6	6	6	7
Trend	Index	100	100	100	100	105

(d) Actual and potential impact on Inventories

97. Inventory holding of the domestic industry has not been significantly impacted and has remained constant as can be seen from the table below.

Particulars	Unit	2010-11	2011-12	2012-13	POI (Oct12-Dec13)	POI (Annualized)	Jan-Jun 14 (Post POI) Annualized
Inventory	Nos.	****	****	****	****	****	****
Trend	Index	100	200	120	360	360	280

H.4 Causal Link

98. The Rules mandates the Authority to examine the causal links between the dumped imports and the injury caused to the domestic industry on account of the dumped imports. The Authority has examined whether other known factors could have caused injury to the domestic industry. The following issues have been brought to the notice of the authority and examined as per information available for the non-attribution analysis:

(i) Imports from Third Countries

99. The Authority notes that imports of the subject goods are entering the Indian market from several countries and imports from some of these countries are significant. The Authority has initiated an antidumping investigation against few countries on the basis of an application filed by the domestic industry. Though the scope of the product under consideration in that investigation is wider, it covers the product under consideration in this investigation also. The import data of the product under consideration from these countries indicate that those imports accounted for about 40% of total imports during POI. Since these are allegedly at dumped prices the performance of the domestic industry could have been affected because of the cumulative effects of these imports. Imports from the other countries not alleged to be dumping account for about 58% of the imports and at higher prices.

(ii) Contraction in Demand

100. The Authority notes that there was a significant decline in demand of the products in the domestic market since the base year. The domestic industry has however, contended that the subject goods are majorly used in electrical, packaging, medical, home appliances and auto sector. Auto sector growth has declined by about 16% during this period, due to which the machines used in this sector are either idle or being used for packaging and other sectors. Thus, while decline in demand in auto sector has led to lower demand in this sector, at the same time, it has triggered a decline in demand in other sectors as well.

(iii) Pattern of consumption

101. No information has been supplied by any interested party to indicate that there is any significant change in the pattern of consumption of product under

consideration *vis-a-vis* other competing products affecting the conditions of the domestic industry.

(iv) Conditions of competition

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

(v) Developments in technology

103. No information has been supplied by any interested party to indicate that there is any significant change in technology in injection moulding or development of new generation machines affecting the domestic industry.

(vi) Export performance of the domestic industry

104. The volume of exports of the domestic industry has increased during the injury investigation. However, the injury analysis in the previous section is based on the domestic performance of the domestic industry. Prices and profitability in the domestic and export markets have been segregated by the Authority for the purpose of assessing injury to the domestic industry.

I. Conclusion on Injury and causal Links

105. The above analysis indicates that the performance of the domestic industry has marginally deteriorated during the injury investigation period on account of decline in production, sales and capacity utilisation; decline in profits and return on investments. Subject goods imported from the subject country, though very small in number, continue to significantly undercut the prices of the domestic industry and also have significant underselling effect on the domestic industry's selling prices. However, the volume of imports from the subject country being too low at the moment and antidumping duty being in force during the POI the volume and price impact of dumped imports does not seem to be significant or material during this period. As noted earlier, combination of various factors, such as significant volume of imports from third sources allegedly at dumped prices; dumped imports from the subject country; and decline in domestic demand, appear to have affected the performance of the domestic industry during the investigation period.

J. Magnitude of Injury and injury margin

106. The non-injurious price of the subject goods produced by the domestic industry as determined by the Authority in terms of Annexure III to the AD Rules has been compared with the landed value of the exports from the subject country for determination of injury margin during the POI and the injury margin so worked out is as follows:

Clamping Force (MT)	No of Machines	NIP (Rs./ Machine)	Landed Value Rs/Machine	Injury Margin (Rs./Machine)	Injury Margin (%)
120	8	****	****	****	
125	1	****	****	****	
128	2	****	****	****	
150	1	****	****	****	
380	1	****	****	****	
Total/ Weighted average	13	****	****	****	25-35%

K. Likelihood of continuation or recurrence of injury

107. The Authority notes that this is a sunset review investigation and the focus of this investigation is to examine the likely scenario of injury if the duties are to be removed, even if there is no current injury and/or causal link. In the previous section on likelihood of continuation or recurrence of dumping it has been established that dumping is likely to recur from the subject country in the event of withdrawal of the duties. Since the current imports for subject country is negligible and does not seem to have significant impact on the performance of the domestic industry the Authority proceeds to examine the likelihood of recurrence of injury on account of dumped imports, if the duties are revoked.

K.1 Submissions by the domestic industry

108. The petitioner has claimed that the cessation of anti dumping duties is likely to lead to continuation or recurrence of dumping and consequent injury. It has been further claimed that the entire purpose of the review investigation is not to see whether there is a need for imposition of anti-dumping duty but to see whether in the absence of such duty, dumping would continue or recur; and whether the domestic industry would continue to suffer material injury or the injury to the domestic industry would recur if duties are removed. In this regard the petitioner has further submitted as follows:

- That after the imposition of anti-dumping duty on imports of product under consideration from China, other countries namely, Malaysia, Philippines, Taiwan and Vietnam have started dumping the product under consideration into India. The domestic industry has filed an application seeking imposition of anti dumping duties on imports from these countries and the Designated Authority is at present conducting investigation. Though the scope of product under consideration in the second investigation covers much higher tonnage machines, it also covers the subject goods within its scope. Domestic industry is hopeful that the investigation

will establish existence of dumping from these countries, causing injury to the domestic industry;

- That the product under consideration continues to be exported to India at dumped prices from the subject country and both dumping margin and injury margin in the current POI are positive and significant. The imports are undercutting the prices of the domestic industry despite anti-dumping duty in force. The landed price of imports is not only below selling price of the domestic industry but also cost of production of the domestic industry;
- That in the event of cessation of anti dumping duty, the landed value of imports from China will be materially below the selling price of the domestic industry. Therefore, the Indian producers would significantly loose volumes in the event of cessation of anti dumping duties;
- That the Chinese producers are not able to export the product without resorting to dumping. And if Chinese producers resort to dumping, the domestic industry shall suffer;
- That China is forecast to account for over 40% of all additional global demand up to 2015 as gains in developing nations become the driving force for plastics processing equipment market growth. China is a largest producer and exporter of the product under consideration and the Chinese producers are highly export centric;
- That the market for the product under consideration has seen some decline in the demand in India. Further, the Chinese producers are also faced with the problems of decline in demand for the product in their domestic market. Thus, in the event of cessation of anti dumping duties, the Chinese producers would rush to the Indian market, given significant demand for the product in the country. Cessation of anti dumping duty will therefore result in significant demand for the Chinese product and same would cause aggravated injury to the domestic industry;
- That the prices at which subject goods are being imported are substantially lower than the price at which the goods are being sold in the domestic market. Therefore, in case of expiry of duty, exporters would further channelize their output in the Indian market as they are already holding excessive capacities and are in fact selling subject goods to third country at substantially lower prices;
- That the Indian market is highly price sensitive. The consumers decide their procurement, with the price being the foremost consideration. Such being the case, availability of such low priced imports from subject country in the market is definitely causing an adverse impact on the Domestic Industry.

109. In its comments on the first disclosure statement the domestic industry has submitted that the instant case being the sunset review investigation, the quantum of duty should remain same as has been recommended by the Designated Authority in the original investigation for the following reasons

- i. The volume of imports from the subject country has declined to low levels and the dumping margin and injury margin determined on the basis of such low volumes will not be reflective of the likely dumping margin or injury margin in the event of revocation of duties. The anti-dumping duty based on such margins will not be able to curb dumping and consequent injury to the domestic industry.
- ii. The producers and exporters have deliberately chose not to respond to the present investigation as they were very well aware that it would have led to higher dumping margins and injury margins. The exporters/producers in subject country have very conveniently put forth their opposition to the investigation through the Association while not providing any information on their price.
- iii. Imposing anti-dumping duty on the basis of the margins determined in the original investigation, when the producers and exporters have cooperated and provided their data would be more appropriate and reflective to their actual price and would be able to curb dumping.
- iv. The exporters and producers should not be rewarded with the lower anti-dumping duty which is the result of their non cooperation.
- v. The Rules provide for a determination of whether the anti dumping duties should be extended further. This implies a decision on whether or not to extend the duties further. While the Designated Authority in practice has also utilized this opportunity to modify the quantum of anti dumping duties, such opportunity is not available where the case is based on likelihood of dumping.
- vi. The practice being followed by third countries such as Canada, US and Europe is to decide whether or not to extend the anti dumping duties. These countries do not at all alter the quantum of anti dumping duties even if there are significant imports in the POI and the dumping margin & injury margin (EC) is quite lower than existing anti dumping duties.
- vii. There is past precedence available wherein the Designated Authority has extended the same quantum of duty as has been recommended in their respective original investigations in spite of dumping margin in review cases being lower than what was determined in the original investigations.

110. Domestic industry has further submitted that anti dumping duty may be imposed as percentage of the CIF value of imports of the subject goods from the subject country (ad valorem form of duty) as the product is already attracting ad

valorem form of anti dumping duty at present. Further, the product under consideration includes a number of product types, corresponding to different clamping forces. The associated costs and prices of machines with different clamping forces vary depending upon the clamping force and configurations. There is a significant differentiation of the product in terms of its capacity and prices. Therefore, antidumping duty in terms of reference price or fixed duty would not be appropriate in this case.

K.2 Submissions by producers/exporters/importers/other interested parties

111. The other interested parties, in their submissions, have argued that the claim of likelihood of recurrence of injury to the petitioner is based on mere conjectures. The other interested parties have inter alia argued

- That the only ground advanced by the petitioners in support of their claim of likelihood of injury is excess capacity in China and attractiveness of the Indian market. It has not been even demonstrated how any such excess capacity, of course if any, would be diverted to India in the absence of duties.
- That mere claim of excess capacity is grossly deficient and stands demolished in the light of factual figures supplied by CPMIA. In fact, it was incumbent of the petitioner to show that how any such excess capacity would be diverted to India in the event of expiry of anti dumping duties which is absolutely missing in the petition. No evidence whatsoever has been submitted by the petitioner in support of their claims.
- That there are no evidences to support their claim as to how injury to the petitioner would recur in case the duties are discontinued. Price attractiveness is only a tenuous proposition on the basis of which the user industry in India cannot be saddled with additional burden of duties for a period of another five years.
- That it is also admitted fact in the application itself that the sales of the subject goods are not only a function of prices but other factors also play an important role such as the evolutions in the machine feature/energy saving efficiency etc. Therefore, the argument of price-attractiveness is self-defeating and cannot form the basis for extending the period of duties in terms of section 9A (5).
- That there exists no spare capacity in China PR and the domestic demand for this product in China is very strong. Also, the third country exports from China PR are at a very high price than the NSR and NIP of the domestic industry. Chinese producers are operating at an above optimal level in terms of capacity utilisation already and there is not even an iota of proof to show that subject goods would be diverted to India at dumped prices if the duties are revoked.
- That the likelihood examination needs to be seen on the basis of fact as it exists and not on the basis of any exaggerated and unsubstantiated misapprehensions of the petitioner.

- That the Indian demand showed a consistent decline whereas the domestic industry has substantially increased its capacities mainly targeting export market. The excess capacity vis-à-vis Indian demand available with the domestic industry is close to 40% and the impact of the same on the fixed cost of the domestic industry should not be attributed to alleged imports from China PR.

112. CPMIA, in its comments on the first disclosure statement, has argued the disclosure statement shows that the domestic industry could not provide any evidence to substantiate likelihood of dumping and injury in the context of expiry of existing anti dumping duties whereas the data provided by CPMIA, which was offered for verification, shows no likelihood of dumping and injury in the event of expiry of current duties. The Chinese producers are operating above optimal levels and they are achieving a much higher price in third country markets. Since the petitioner's data itself shows decline in domestic demand in India, it cannot remain lucrative for the Chinese exporters even by a figment of imagination. Therefore, the anti dumping duties on subject goods may be allowed to expire as the present case before the Authority based on facts clearly shows no likelihood of dumping and injury in the event of expiry of existing measures.

L. Comments of interested parties on the second disclosure statement issued on 14th September 2015 with regard to injury and likelihood of injury:

113. The Authority issued a second disclosure statement on 14th September 2015 disclosing the essential facts of the case before the Authority and inviting the comments of all interested parties. The authority notes that in their comments on the second disclosure statement all the parties have mostly re-iterated their respective positions with respect to various issues concerning this investigation. The issues have been dealt in the respective sections adequately and for the sake of brevity are not being repeated here.

M. Views of the Authority on Likelihood of continuation or recurrence of injury:

114. The Authority has noted the views expressed by the domestic industry and other interested parties to the investigation with regard to the likelihood of continuation or recurrence of injury to the domestic industry in the event of the withdrawal of antidumping duty and further notes that the industry continues to suffer material injury because of a combination of factors including the dumped imports from the subject country, though low in volume.

115. The Authority notes that though the current import volumes are low from the subject country the volumes of imports from other countries under investigation are significant. The Authority also notes that a clear likelihood of continuation/recurrence of dumping has been established in the previous section based an objective

examination of various factors. Accordingly, for examination of the likelihood scenario of continuation or recurrence of injury to the domestic industry the following factors have been examined:

a) Level of current and past dumping margins:

116. Level of current as well as historical dumping margins as an indicator of likelihood of continuation of the trend and therefore, potential to cause injury indicates that margins of dumping both in the original as well as present investigation for subject goods are significant though the volume of import from the subject country during the current POI is low because of the impact of antidumping duty in force. This indicates that antidumping duty on the subject country have been successful in preventing large scale dumped imports from the subject country leading to certain improvements in the performance of the domestic industry before deteriorating again because of several factors, including demand, as discussed earlier.

117. Authority further notes that despite the domestic industry holding the capacity to meet the domestic demand, significant volume of import is taking place from certain other countries at much lower prices and these imports are also under investigation. Therefore, there is a very high possibility that once the duties are removed imports will start from China PR at comparable prices. At these prices price undercutting and underselling to the domestic industry's prices will be significant to preventing it to recover remunerative prices.

b) Price attractiveness of Indian market

118. The Authority notes that though price is not the sole deterministic criteria for purchase decision for products like this, being a capital good, where features and energy efficiencies etc. also play important role, price remains a major consideration. When the goods are of comparable features, price plays an important role. No evidence has been provided by the interested parties to establish that the goods exported from China are not comparable in features to the goods supplied by the Indian producers within their respective capacity ranges. Therefore, the current price levels from China, the magnitude of the antidumping duty, and the current domestic price levels for comparable product types indicate that Indian market will remain attractive for the producers in the subject country to adjust their prices once the duties are revoked and still continue to undercut the prices of the domestic industry. Thus, with the revocation of anti-dumping duty, there is strong likelihood of significantly increased imports of the subject goods from China at prices lower than

domestic industry's remunerative price leading to recurrence or intensification of injury to the domestic industry.

c) Global demand – supply scenario

119. The information submitted by the domestic industry as well as the Chinese Association, though not substantiated with evidences, indicate that there is a clear demand supply mismatch in the Chinese market, capacities exceeding the demand. The volume and trend of imports from other countries under investigation also indicates that there are excess capacities in those countries. Particularly, in a scenario of a depressed demand for the downstream product-lines for which these machines are used, there is clear possibility of aggressive market entry strategies being applied by global players to retain their market share and production lines intact even at dumped prices and the price level will be dictated by their market entry strategies leading to adverse impact on the domestic prices.

d) Post POI import trends

120. The import of post POI period has also been analysed to see the trends for assessment of likelihood of increased imports and consequent injury. The data presented in the previous section indicates that there is a significant increase in volume of imports from the subject country in the post POI period though the duties were in force while there is only a marginal improvement in the demand. There is a significant import from the countries under investigation during the post POI period. This would indicate a strong likelihood of increased imports from the subject country if the duties are revoked.

e) Overall assessment of likelihood of continuation or recurrence of injury

121. The Authority notes that the domestic industry is already faced with a low capacity utilisation due to increased imports from several sources at alleged dumped prices coupled with glut in demand. At the current production and price levels the domestic industry is already facing significant decline in its financial result. Therefore, further increase in imports from the subject country at dumped prices, in the event of revocation of duty, will further affect the domestic industry's capacity utilisation and profitability. Therefore, injury to the domestic industry, which still continues to be affected because of combination of several factors including a low demand situation, is likely to be intensified if the duties are revoked.

N. Conclusions:

122. After examining the issues raised and submissions made by the interested parties and facts made available before the Authority, as recorded in this finding, the Authority concludes that there is continued dumping of the subject goods from China though the volume of imports is low and performance of the domestic industry has

deteriorated in the current injury period due to the impact of the dumped imports from the subject country and alleged dumped imports from countries under investigation coupled with decline in demand in the recent years. The dumping is likely to continue and the performance of the domestic industry is likely to deteriorate, should the present anti dumping duty be revoked.

O. Indian industry's interest & other issues

123. 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 subject goods to the consumers.

P. Recommendations:

124. The Authority notes that this sunset review 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 and verifiable evidence on various aspects of dumping, injury and causal links and likelihood of continuation of dumping and injury in the event of cessation of the duties. Having conducted the investigation as per the procedure prescribed and having established that dumping and injury are continuing and are likely to continue, or recur, if the duties are revoked, the Authority considers it necessary and appropriate to recommend extension of anti-dumping duty on imports of subject goods, from the subject country, in the form and manner described hereunder.

125. Having regard to the lesser duty rules followed by the Authority, the Authority recommends extension of anti-dumping duty equal to the lesser of margin of dumping and margin of injury so determined in this finding for the period under investigation, so as to remove the injurious effects of the dumped imports on the domestic industry. Accordingly, antidumping duty as a percentage of the landed value of the goods, as indicated in Col 9 of the duty table given below, is recommended to be imposed on all imports of subject goods originating in or exported from the subject country for a further period of five years from the date of notification to be issued in this regard by the Central Government. Landed value of imports for this purpose shall be the assessable value as determined by the customs under the Customs Act, 1962 and all duties of customs except duties levied under Section 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.

Duty Table

SN	Sub Heading or Tariff Item	Description of Goods	Specification	Countries of origin	Countries of Export	Producer	Exporter	Duty Amount	Unit of Measure
1	2	3	4	5	6	7	8	9	10
1	8477.1000	Plastic Processing or Injection moulding Machines	Clamping Force equal to or more than 40 tonnes and equal to or less than 1000 tonnes	People's Republic of China	People's Republic of China	Any	Any	29	%
2	-Do-	-Do-	-Do-	People's Republic of China	Any, other than People's Republic of China	Any	Any	29	%
3	-Do-	-Do-	-Do-	Any, other than People's Republic of China	People's Republic of China	Any	Any	29	%

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

127. The Authority may review the need for continuation, modification or termination of the definitive measure as recommended herein from time to time as per the relevant provisions of the Act and the Rules, and Public Notices issued in this respect from time to time. No request for such a review shall be entertained by the Authority unless the same is filed by an interested party as per the time limit stipulated for this purpose.

A. K. Bhalla
Designated Authority