

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

NOTIFICATION

Preliminary Findings

New Delhi, the 30th December, 2008.

Subject: Anti Dumping Investigations concerning imports of Cathode Ray Colour Television Picture Tubes originating in or exported from Indonesia.

No. 14/15/2008--DGAD: - Having regard to the Customs Tariff Act 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, thereof.

2. WHEREAS M/s Samtel Color Limited (hereinafter referred to as the applicant) filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the Rules), alleging dumping of complete or incomplete cathode ray colour television picture tubes originating in or exported from Indonesia and have requested for initiation of anti-dumping investigations and levy of anti-dumping duties on the subject goods.

3. AND WHEREAS, the Authority on the basis of sufficient evidence submitted by the applicant on behalf of the domestic industry, after examination of the same with regard to adequacy and accuracy, issued a public notice dated 15th September, 2008 published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of the subject goods originating in or exported from the subject country in accordance with the sub-Rule 6(1) of the Rules to determine existence, degree and effect of alleged dumping and the need to recommend the amount of antidumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

PROCEDURE

4. Procedure described below has been followed with regard to this investigation by the Authority.

- (i) The Authority notified the Embassy of subject country in India about the receipt of dumping application made by the applicants before proceeding to initiate the investigation in accordance with sub-rule (5) of Rule 5 supra;

- (ii) The Authority sent copies of initiation notification dated 15th September 2008 to the Embassy of the subject country in India, known exporter from the subject country, importers and the domestic industry as per the addresses made available by the applicants and requested them to make their views known in writing within 40 days of the initiation notification.
- (iii) The Authority provided copies of the non-confidential version of the application to the known exporter and to the Embassy of Indonesia in accordance with Rule 6 supra.
- (iv) The Embassy of Indonesia in India was informed about the initiation of the investigation in accordance with Rule 6 with a request to advise the exporter/ producers from their country to respond to the questionnaire within the prescribed time. A copy of the letters and questionnaire sent to the exporter/producers was also sent to them, along with the names and addresses of the exporter.
- (v) The Authority sent questionnaire, to elicit relevant information to the following known exporter in subject country in accordance with Rule 6(4);

PT LG Electronics Indonesia
Kawasan Industri MM 2100 Blok G Cibitung
Bekasi Bekasi 11111

- (vi) Following exporter/producer has responded to the exporter's questionnaire in a substantial manner and notice of initiation:

PT LG Electronics Indonesia
Kawasan Industri MM 2100 Blok G Cikarang Barat-Bekasi 17520 .

The exporter requested for extension of time for submission of response which was granted to them.

- (vii) Questionnaires were sent to following known importers and users of subject goods in India calling for necessary information in accordance with Rule 6(4).

a) Dixon Utilities & Exports Limited
B-14, Phase – li, Noida – 201305 (U.P.)

b) LG Electronics India Pvt. Ltd.
Plot No. 51, Udyog Vihar,
Surajpur-Kasna Road,
Greater Noida (U.P.)

c) Panasonic Avc Networks India Co. Ltd.
C-52, Phase – li,
Noida – 201305 (U.P.)

d) Mirc Electronics Limited

Onida House, G-1, Midc,
Mahakali Caves Road,
Andheri (East)
Mumbai – 400093

e) Samsung India Electronics Pvt. Ltd.
B-1, Sector-81,
Phase – li,
Noida – 201305 (U.P.)

f) Videocon International Ltd.
14 Kms. Stone,
Aurangabad-Paithan Road, Chitegaon,
Tq. Paithan,
Dist. Aurangabad - 431105

g) Philips Electronics India Ltd.
Plot 80, Bhosari Industrial Estate,
P.B.12,
Pune – 411026

- ix) In response to the above notification, M/s CEAMA and LG Electronic India Ltd requested for extension of time for submission of their response which was granted till 30.11.2008. From amongst importers, Mirc Electronics Ltd and Panasonic AVC Networks India Co. Ltd have filed their responses. However, no response was received from LG Electronics India Ltd.
- (x) 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 and for the period of investigations;
- (xi) The Authority made available non-confidential version of the evidence presented by interested parties in the form of a public file kept open for inspection by the interested parties;
- (xii) Optimum cost of production and cost to make and sell the subject goods in India based on the information furnished by the applicant on the basis of Generally Accepted Accounting Principles (GAAP) was worked out so as to ascertain if anti dumping duty lower than dumping margin would be sufficient to remove injury to Domestic Industry. For the purpose, domestic industry was directed to provide its cost of production duly certified by a practicing cost accountant.
- (xiii) *** in this Notification represents information furnished by the applicant on confidential basis and so considered by Authority under the Rules;
- (xiv) The Period of Investigation for the purpose of the present investigation is 1st July, 2007 to 30th June, 2008 (12 months). The examination of trends in the context of injury analysis covered the period from 1st April 2005 to the end of the POI.

- (xv) The Authority provided opportunity to the importers/ industrial users of the product under consideration to furnish information considered relevant to the investigation regarding dumping, injury and causality.
- (xvi) The Authority satisfied itself with regard to accuracy of the information provided by the interested parties to the extent considered necessary at this stage.

PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

5. The product under consideration is “complete or incomplete cathode ray colour television picture tubes”, more elaborately described as “thermionic, cold cathode or photo cathode valves and tubes such as vacuum or vapor or gas filled valves and tubes, mercury arc rectifying valves and tubes, also called cathode ray tubes, television camera tubes or cathode ray colour television picture tubes, or colour television picture tubes, or colour picture tubes etc.” and has been referred to as colour picture tubes or “CPT” or “CRT” in this notification. Video and computer monitor cathode ray tubes are beyond the scope of the present petition.

6. The subject goods fall under Chapter 85 of the Custom Tariff Act, 1975 under subheading no. 8540.11. The customs classification is indicative only and is in no way binding on the scope of the present investigate

7. The applicants have claimed that goods produced by them are like article to the goods originating in or exported from Indonesia. The imported product is also used by same category of consumers. The product contains the same basic technical properties and has the same functions & uses.

DOMESTIC INDUSTRY

8. Rule 2(b) defines domestic industry as under:-

(b) “Domestic industry” means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporter or importers of the alleged dumped article or are themselves importers thereof in which case such producers shall be deemed not to form part of domestic industry:

9. The application has been filed by Samtel Color Limited. The petitioner has provided information relevant to the present investigations. The subject goods are also produced by JCT, Hotline and BPL Display Devices Limited. M/s Hotline and BPL discontinued their production during the last quarter of POI.

10. After detailed preliminary investigations, the Authority notes that (a) production of the Samtel Color Limited constitutes a major proportion in Indian production (b) Production of the petitioner constitutes more than 50% of Indian production (c) the application has been supported by more than 50% of Indian production, (d) the

Size	14 CV	20 CV	21 SUS	21 RF	21 RF	21 US	
Quantity (Pcs.)	***	***	***	***	***	***	***
Normal Value (US\$)	***	***	***	***	***	***	
Net Export Price (US\$)	***	***	***	***	***	***	
Dumping Margin (US\$)	***	***	***	***	***	***	***
DM%	20-25	25-30	1-5	10-15	5-10	Negative	8-13

METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF CAUSAL LINK

Views of the domestic industry

16. The followings are the views of domestic industry:-
- (a) Foreign producers kept reducing their prices consistently over the injury period;
 - (b) Indonesian producer joined other foreign producers, by offering prices lower than the prices prevailing at the time of previous investigation POI;
 - (c) The domestic industry has been forced to reduce its prices consistently throughout the period;
 - (d) Even though imports from Indonesia have started only recently, the same were significant during the proposed POI;
 - (e) Imports are significantly depressing the prices of the domestic industry in the market;
 - (f) As a result of significant price depression, contribution margin steeply declined;
 - (g) As a result of price depression and resultant decline in contribution, situation of the domestic industry with regard to profit, return on investments and cash flow significantly deteriorated. The domestic industry suffered huge financial losses and negative return on investment;
 - (h) So serious has been the impact of the dumping that the overall financial situation of the Company has significantly deteriorated;
 - (i) Imports have increased in absolute terms as also related to production and consumption in India;

- (j) Even though production of the domestic industry increased upto 2006-07, the same has declined in proposed POI;
- (k) Even though the sales volumes of the domestic industry have increased, the increase is far lower than the increase in demand, even when the domestic industry is saddled with unutilized capacities;
- (l) Capacity utilization of the domestic industry has declined;
- (m) Market share of domestic industry increased till 2006-07, but declined very steeply thereafter with significant increase in imports in that period.

17. It has thus been pleaded that the performance of the domestic industry has declined over the injury period and the dumped imports of subject goods are causing severe material injury to the domestic industry. The deterioration in the performance during the current period is quite significant and material.

18. Considering various injury parameters, it has been claimed by the domestic industry that the performance of the domestic industry has declined over the injury period and the dumped imports of subject goods are causing severe material injury to the domestic industry. The deterioration in the performance during the current period has been claimed to be quite significant and material. Increase in imports is stated to have led to increase in market share of imports. As a direct consequence, market share of domestic industry, it has been claimed, could not increase as a result of increase in demand. On the contrary, the market share of the domestic industry is claimed to have declined significantly in the POI. Further, significant decline in the market share in the proposed POI is claimed to have led to significant under utilization of production capacities. Decline in import price is claimed to have forced the domestic industry to reduce the prices, which in turn led to significant erosion in profit margin and consequent deterioration in profit/loss, return on investments and cash flow.

Views of other interested parties

19. No views have been given by any interested party other than the domestic industry.

Examination by the Authority

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

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

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

VOLUME EFFECT:

Volume Effect of dumped imports and impact on domestic Industry

23. The Authority has procured transaction wise imports information from the DGCI&S. Information provided by the responding exporter, importers/ consumers, DGCI&S information and information in the petition was correlated and the position is as follows –

Pcs	
Particulars	POI
As per exporter's response from Indonesia.	***
As per importers' response.	
Mirc India	***
Panasonic	***
Total as per importers' responses	***
As per petition	***

24. The Authority notes that the actual volume of imports reported by the responding exporter is far more than the volume of imports reported in the statistics made available by either the importers or the petitioner. The information provided by DGC&IS is also for the financial year 2007-08, without the import figures for the period April to June 2008, which is a part of POI, hence not comparable. The Authority has therefore considered the volume of imports as reported by the responding exporter for carrying out volume analysis.

Import volumes and Share of subject country

25. The volume of dumped imports of subject product from subject country is given in the table below.

Particulars	2005-06	2006-07	2007-08	July 07 to June 08
Import volumes (in '000 pcs)				
Subject country	***	***	***	***
Other countries	***	***	***	***
Total Imports	***	***	***	***
Market Share in Imports (%)				
Subject country	0.37	0.92	2.93	9.17
Other Countries	99.61	99.06	97.07	90.83

Production	***	***	***	***
Subject Import in relation to Production	0.16	0.46	3.24	10.89

26. The Authority provisionally holds that imports from subject country increased significantly over the period in absolute terms, in relation to imports into India and in relation to production in India. At the same time, imports from other countries declined.

Demand and market share

27. Petitioner has defined, for the purpose of the present petition, demand or consumption of the product in the Country as the sum of domestic sales of the domestic producers and imports from all sources. It would be seen that demand of the product in the country shows positive growth in the current period.

	In 000 pcs			
	2005-06	2006-07	2007-08	July 07 to June 08
Demand in India	10,671	12,481	16728	17432
Sales of domestic industry	***	***	***	***
Trends	100	149	157	161
Sales of other Indian producers	***	***	***	***
Trends	100	78	79	83
Imports from subject country	***	***	***	***
Trends	100	344	2356	7722
Other country imports	***	***	***	***
Trends	100	142	302	296
Total Imports in India	***	***	***	***
Trends	100	142	309	324
Market Share %				
Domestic industry	***	***	***	***
Indexed	100	127	100	99
Other Indian producers	***	***	***	***
Indexed	100	67	50	51
Subject country	***	***	***	***
Indexed	100	300	1588	4988
Other countries	***	***	***	***
Indexed	100	121	192	181
Total share of Domestic Producers	***	***	***	***
Indexed	100	94	73	72

28. The Authority notes that demand for the subject goods had been growing from base year to POI. It grew by about 63% over injury period.

29. The Authority provisionally concludes that the market share of dumped imports increased significantly over the relevant period, resulting in decline in the market share of the Indian industry, thereby showing adverse volume effect.

Production, Sales Volume and Capacity Utilization of the Domestic Industry

30. The position is as follows:

Particulars	In 000 Pcs			
	2005-06	2006-07	2007-08	July 07 to June08
Capacity	***	***	***	***
Indexed	100	139	157	157
Production	***	***	***	***
Indexed	100	123	121	118
Capacity utilization%	***	***	***	***
Sales *	***	***	***	***
Indexed	100	126	120	119
Demand	10,671	12,481	16,728	17,432

*Sales include Domestic and Exports for M/s Samtel.

31. It is noted that capacity, production and sales volumes of the domestic industry increased in response to increase in demand. While the capacity increased by *** lac pieces, production increased only by ***lac pieces, even though demand increased by ***lac pieces. Domestic industry faced decline in capacity utilization in spite of existing demand in the Country.

Price effect of the dumped imports on the Domestic Industry

32. With regard to the effect of dumped imports on prices as referred to in sub-rule (2) of rule 18, the Designated Authority shall consider whether there has been a significant price undercutting by the dumped imports as compared to the price of like product in India or whether effect of such imports is otherwise to depress prices to a significant degree or prevent price increase, which otherwise would have occurred to a significant degree.

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

Evaluation of price over period under consideration

34. The Authority examined the trend of import prices over the injury period, separately for each size and cumulatively for subject country. The relevant information is as shown below –

CIF import price	2005-06	2006-07	2007-08	POI	Rs. Per Pc.
					Decline in prices
14"		***	***	***	38%
15"					
20"		***	***	***	25%
21"	***	***	***	***	11%
21" flat	***	***	***	***	36%
21" slim			***	***	23%
29"	***		***		

35. CIF import price of the subject goods from the subject country have declined over the injury period. The price declines have ranged from 11% to 38%. In respect of high volume types (14" and 21" flat) the prices declined by up to 36 % respectively.

36. The Authority examined whether the above price decline could be linked to the decline in cost of production. The Authority notes that whereas the exporter has not provided relevant information in this respect, the domestic industry has provided information for the entire period. It is noted that even though there were declines in cost of production as well, the above declines are far more than the declines in cost of production.

Price undercutting

37. In order to determine price undercutting, Authority examined the responses filed by the exporter and importers/users. For the purpose, each type of CPT has been compared separately. Price undercutting for each type and thereafter weighted average for CPT as a whole has been determined which on a volume of ***pcs comes to Rs ***per pc. The Authority notes that the price undercutting is 7-12%.

38. In view of the above, the Authority provisionally concludes that selling price of the domestic industry have declined over the period, reasons for which is decline in the landed price of imports.

Price suppression and depression effects of the dumped imports:

39. In order to examine whether the imports were depressing or suppressing the prices of the domestic industry, the Authority has examined the trends in raw material costs and selling price. The relevant position is as follows –

Indian rupees

	2005-06	2006-07	2007-08	July 07 to June08
Raw materials costs				
➤ 14"	***	***	***	***
➤ Indexed	100	97	95	96
➤ 15"		***	***	***
➤ Indexed		100	96	96
➤ 20"	***	***	***	***
➤ Indexed	100	99	100	100
➤ 21" conventional	***	***	***	***
➤ Indexed	100	96	113	112
➤ 21" Flat	***	***	***	***
➤ Indexed	100	88	84	84
➤ 29"		***	***	***
➤ Indexed		100	107	111
Selling price				
➤ 14"	***	***	***	***
➤ Indexed	100	87	76	77
➤ 15"		***	***	***
➤ Indexed		100	85	85
➤ 20"	***	***	***	***
➤ Indexed	100	90	84	85
➤ 21" conventional	***	***	***	***
➤ Indexed	100	89	82	85
➤ 21" Flat	***	***	***	***
➤ Indexed	100	79	72	74
➤ 29"		***	***	***
Landed price of imports				
➤ 14"				***
➤ 15"				
➤ 20"				***
➤ 21" conventional				***
➤ 21" Flat				***
➤ 29"				

40. The selling prices of the domestic industry have declined in the same direction and to the same extent as that of landed price of imports. The price decline has been significant forcing the domestic industry in selling the product significantly below the cost of production during the investigation period.

41. Considering the above, the Authority provisionally concludes that there has been a significant increase in the dumped imports, both in absolute terms and relative to

production and consumption in India. With regard to the effect of the dumped imports on prices, the Authority notes that there has been significant decline in the landed price of imports. As a direct consequence, the selling price of the domestic industry declined significantly over the injury period. Even though there was decline in raw materials costs, the decline in the selling prices were far more than decline in the raw materials costs. The imports from subject country thus forced the domestic industry to reduce the prices. Such price decline was significant and material.

Examination of other Injury Parameters

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

Profits

	2005-06	2006-07	2007-08	July 07 to June08
Average cost of production (Rs/Pc)	***	***	***	***
Indexed	100	107	101	101
Average selling price (Rs/Pc)	***	***	***	***
Indexed	100	88	74	74
Profit & Loss per pc (Rs/Pc)	***	(***)	(***)	(***)
Indexed	100	-32	-101	-108
Total profit/ loss from domestic sales (Rs Lacs)	***	(***)	(***)	(***)
Index	100	(48)	(159)	(174)

43. It is seen that profitability of the domestic industry has severely declined over the years. Not that the domestic industry was having good profitability earlier (imports have been competing with the domestic industry for past several years). However, situation has significantly deteriorated over the injury period, when the domestic industry's profitability steeply declined due to dumped import form the subject country. Resultantly, the domestic industry faced significant financial losses.

44. The Authority ascertained profit before interest & depreciation for the petitioner. The position is as follows.

	Rs. In lacs			
Particulars	2005-06	2006-07	2007-08	July 07 to June08
Profit before tax	***	(***)	(***)	(***)
Indexed	100	-48	-159	-174
Interest	***	***	***	***
Indexed	100	153	127	128
Depreciation	***	***	***	***

Indexed	100	151	170	181
Total of interest & depreciation	***	***	***	***
Increase in interest & depreciation (as compared to 2004-05)	100.00	151.93	148.71	154.03
Indexed				
Profit before interest & depreciation	***	***	(***)	(***)
Index	100.00	36.08	(29.67)	(36.40)
Decline in profit before interest & depreciation (as compared to 2005-06)	-	(63.92)	(129.67)	(136.40)

45. It is seen from the above that even if interest & depreciation costs of the company would have been same as in the base year, its profits would have significantly declined. It is also seen from the above that profit before interest & depreciation showed a marked decline over the injury period.

Return on investment and cash flow

	2005-06	2006-07	2007-08	POI
Return on capital employed (%)	***	***	(***)	(***)
Indexed	100.00	3.89	(58.46)	(67.83)
Cash profit (Rs. Lacs)	***	***	(***)	(***)
Indexed	100.00	4.97	(71.50)	(80.08)

46. It is seen that return on capital employed and cash flow deteriorated throughout the injury period. Return on capital employed was positive up to 2006-07. The same however became negative from 2007-08 and the position deteriorated further in the investigation period.

47. With regard to cash flow, the Authority notes that the cash flow of the domestic industry declined steeply. From a situation of positive cash flow, the domestic industry was faced with a negative cash flow in the investigation period. The Authority also examined the position of cash profits with regard to production and sale of CPT. It was seen that the cash profits also show the same situation. Cash profits were positive in the earlier years and became negative in the investigation period.

Inventories

Volume in '000 pcs

Inventories	2005-06	2006-07	2007-08	POI
Opening Inventories	***	***	***	***
Indexed	100	163	65	101
Closing Inventories	***	***	***	***
Indexed	100	40	53	32
Average Inventories	***	***	***	***
Indexed	100	87	58	58

48. The Authority notes that the subject goods are normally produced against confirmed orders. Therefore, the inventories with the domestic industry would normally be in respect of the confirmed orders.

Productivity

Fig. in '000

	2005-06	2006-07	2007-08	POI
Productivity per employee (no. of pieces per employee)	***	***	***	***
Indexed	100	103	120	108
Productivity per day	***	***	***	***
Indexed	100	123	121	118

49. It is seen that productivity of the domestic industry decreased after improving up to year 2007-08.

Employment & wages

	2005-06	2006-07	2007-08	POI
Number of employee (nos.)	***	***	***	***
Indexed	100	119	101	101
Wages (Rs. In Lacs)	***	***	***	***
Indexed	100	159	226	216
Wages per employee (Rs. Lacs)	***	***	***	***
Indexed	100	134	224	214

50. It is seen that employment level has decreased. This has been due to reduction in the level of contractual labour. The average wage increase per employee has almost doubled in comparison to the base year.

Growth

51. Considering various economic parameters of the domestic industry, even though there was positive growth in demand, sales, capacity, and production of the domestic industry, the growth with regard to capacity utilisation, contribution margin, profitability, cash flow and return on investment was negative.

Conclusion on injury:

52. The examination of above injury parameters indicates that growth in demand was 63% over the injury period. Given significant overall growth in demand, capacity, production and sales of the domestic industry increased. However, the increase in sales was far lower than the increase in the demand. Resultantly, the capacity utilization suffered. Imports of subject goods from subject country increased significantly from ***lac pcs. in 2005-06 to ***lac pcs during POI. The share of the imports from subject country in relation to demand increased from 0.08% in 2005-06 to 3.99% during POI

whereas market share of Indian industry declined. There was consistent decline in the prices of various sizes of CPT being sold in the market. These price declines are not fully addressed by the decline in the costs. As a result of exporter reducing their prices consistently over the injury period, the domestic industry was forced to reduce its prices consistently throughout the period. Resultantly, the prices of the domestic industry declined to a significant extent as explained above. As a result of significant price depression, profit, returns on investments and cash flow situation of the domestic industry significantly deteriorated. The domestic industry suffered huge financial losses, negative return on investment, negative cash flow and negative cash profits. The Authority provisionally concludes that the performance of the domestic industry deteriorated significantly in terms of profit, return on investments and cash flow. The declines were significant and material. Thus various parameters collectively and cumulatively show that the domestic industry has suffered material injury.

CAUSAL LINK

53. In order to reach its conclusions on the cause of the injury suffered by domestic industry and in accordance with Article 3.5 of Agreement on Anti-Dumping and as per Para (v) of Annexure-II under Rule 11 under Customs Tariff Act as amended, the Authority examined the impact of all known factors and their consequences on the situation of the domestic industry. Known factors other than dumped imports, which could at the same time have injured the domestic industry were also examined to ensure that the possible injury caused by these other factors was not attributed to the dumped imports.

Examination of Other Known Factors

Volume and prices of imports from other sources

54. The Authority notes that out of total imports, the volumes of imports from other countries are 39.48% during POI. The Authority notes that the imports from other countries are already subject to provisional anti dumping duty in a parallel investigation covering China, Korea, Malaysia and Thailand.

Contraction in demand and / or change in pattern of consumption

55. The Authority notes that there is no contraction in the demand during POI. On the contrary, overall demand for subject goods has shown significant positive growth during the injury period. The demand of subject goods has shown growth of 63% over the injury period. There is no significant change in consumption pattern of the product in the domestic market, which could be attributed to the injury to the domestic industry.

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

56. The Authority notes that there is a single market for the subject goods where dumped imports from subject country compete directly with the subject goods produced by domestic industry. Imports of various types of CPT are being sold in the same market as CPT being sold by the domestic industry.

57. The Authority notes that no evidence of restricted practice prevalent in the industry, which could be attributed to the injury to the domestic industry, has been brought to the notice of the Authority.

Development in technology

58. On the basis of examination of the records, the Authority provisionally holds that development in technology has not been a relevant factor for the injury to the domestic industry.

Export performance

59. The Authority notes that the export volumes of the domestic industry have declined over the injury period. However, performance with respect to various economic indicators has been determined with respect to domestic sales only. Hence, the Authority provisionally holds that material injury suffered by the domestic industry is not a result of the decline in export performance of the domestic industry.

Productivity of the Domestic Industry

60. Productivity of the domestic industry in terms of production per employee has significantly increased.

Conclusion on Causation

61. In view of the above, the Authority provisionally concludes that injury suffered by the domestic industry due to other factors is far too insignificant as compared to injury suffered because of price decline resulting from dumped imports. The situation of the domestic industry has shown a material deterioration over the injury period, which was substantially due to dumped imports. The Authority provisionally concludes that the domestic industry has suffered material injury due to dumped imports.

Magnitude of Injury Margin

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

Injury margin calculations

PT LG Electronics Indonesia

Company Code	Unit	***	***	***	***	***	***
Size		14 CV	20 CV	21 SUS	21 RF	21 RF	21 US
Injury Margin %		5-10	15-20	10-15	15-20	12-17	7-12

Conclusions

63. The Authority has, after considering the foregoing, come to the conclusion that:
- a. The subject goods have been exported to India from the subject country below its normal value.
 - b. The domestic industry has suffered material injury;
 - c. The injury has been caused by the dumped imports from subject country.

Indian industry's interest & other issues

64. The Authority recognizes that imposition of anti-dumping duties might affect the price level of product in India. However, fair competition in the Indian market will not be reduced by the anti-dumping measures. On the contrary, imposition of anti-dumping measures would remove the unfair advantage gained by dumping practices, would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain two or even more sources of supply.

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

Recommendations

66. The Authority notes that the investigation was initiated, notified to all interested parties and adequate opportunity was given to the exporter, importers and other interested parties to provide positive information on the aspect of dumping, injury and causal links. Having initiated and conducted a preliminary investigation into dumping, injury and causal links between dumping and injury to the domestic industry in terms of the Rules laid down and having provisionally established positive dumping margin against the subject country, as well as material injury to the domestic industry caused by such dumped imports, the Authority is of the view that imposition of provisional duty is required to offset dumping and injury pending completion of the investigation.

67. Therefore, Authority considers it necessary and recommends provisional anti-dumping duty on imports of subject goods from the subject country in the form and manner described hereunder.

68. Having regard to the lesser duty rule followed by the authority, the Authority recommends imposition of provisional anti-dumping duty equal to the lesser of margin of dumping and margin of injury, so as to remove the injury to the domestic industry in respect of all imports originating in or exported from Indonesia. Accordingly, provisional antidumping duty equal to the difference between the amount indicated in Col 9 of the table below and the landed value is recommended to be imposed from the date of notification to be issued in this regard by the Central Government, on all imports of

subject goods originating in or exported from the subject country. The authority notes that the imports, during the POI, from the subject country was in sizes 14, 20 and 21 inches segment, however the domestic industry is also producing sizes 15 and 29 inches as well. Except the difference in size, the product has the characteristics closely resembling to those of the product under consideration which is CPT of different sizes. Accordingly, the reference price for size 15 and 29 has also been provisionally recommended by adjusting for the differential in non injurious price of size 14 in case of size 15 and of size 21 in case of size 29.

Duty table

SI No	Sub-Heading	Description of Goods	Country of Origin	Country of Export	Producer	Exporter	Specification in inches	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9	10	11
1	854011	Colour Television Picture Tubes	Indonesia	Indonesia	PT LG Electronics	PT LG Electronics	14"	19.63	Per Pc	US \$
2	-do-	-do-	Indonesia	Indonesia	Any Other	Any Other	14"	19.69	Per Pc.	US\$
3	-do-	-do-	Any	Indonesia	Any	Any	14"	19.69	Per Pc.	US\$
4	-do-	-do-	Indonesia	Indonesia	PT LG Electronics	PT LG Electronics	20"	32.61	Per Pc.	US\$
5	-do-	-do-	Indonesia	Indonesia	Any other	Any other	20"	32.70	Per Pc.	US\$
6	-do-	-do-	Any	Indonesia	Any	Any	20"	32.70	Per Pc.	US\$
7	-do-	-do-	Indonesia	Indonesia	PT LG Electronics	PT LG Electronics	21"	39.16	Per Pc.	US\$
8	-do-	-do-	Indonesia	Indonesia	Any other	Any other	21"	47.42	Per Pc.	US\$
9	-do-	-do-	Any	Indonesia	Any	Any	21"	47.42	Per Pc.	US\$
10	-do-	-do-	Indonesia	Indonesia	PT LG Electronics	PT LG Electronics	15"	30.59	Per Pc.	US\$
11	-do-	-do-	Indonesia	Indonesia	Any other	Any other	15"	30.65	Per Pc.	US\$
12	-do-	-do-	Any	Indonesia	Any	Any	15"	30.65	Per Pc.	US\$
13	-do-	-do-	Indone	Indonesia	PT LG	PT LG	29"	102.54	Per	US\$

			sia	a	Electroni cs	Electroni cs			Pc.	
14	-do-	-do-	Indone sia	Indonesi a	Any other	Any other	29"	110.81	Per Pc.	US\$
15	-do-	-do-	Any	Indonesi a	Any	Any	29"	110.81	Per Pc.	US\$

For the purposes of this notification, "landed value" means the assessable value as determined under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties levied under sections 3, 3A, 8B, 9 and 9A of the said Act;

Further Procedures

69. The following procedure would be followed subsequent to notifying the Preliminary findings:-

- a. The Authority invites comments on these findings from all interested parties and the same would be considered in the final finding;
- b. Exporter, importers, applicants and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the dispatch of the letter. Any other interested party may also make known its views within forty days from the date of publication of these findings;
- c. The Authority would conduct further verification to the extent deemed necessary;
- d. The Authority would disclose essential facts before announcing final findings.

(R. Gopalan)
The Designated Authority