

**FINAL REPORT OF *SUNSET REVIEW* ON PRODUCTS
POLYESTER STAPLE FIBER (PSF) FROM INDIA, THE PEOPLE'S REPUBLIC OF
CHINA, AND TAIWAN**

UN SECRET VERSION

TIDAK RAHASIA

**INDONESIAN ANTI-DUMPING COMMITTEE
2022**

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
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TABLE OF CONTENTS

TABLE OF CONTENTS	i
LIST OF TABLES	ii
LIST OF GRAPHICS.....	iii
A. INTRODUCTION.....	
1 A.1. BACKGROUND.....	1 A.2.
PROCEDURE	2 B.
INVESTIGATION.....	4 B.1.
DESCRIPTION OF THE GOODS INQUIRED.....	4 C.
DOMESTIC INDUSTRY	5
C.1. <i>STANDING PETITIONER</i>	5
D. DOMESTIC MARKET OF THE GOODS Investigated.....	6 E.
DOMESTIC INDUSTRY PERFORMANCE AND DETERMINATION OF DUMPING MARGIN ..	7 E.1.
DOMESTIC INDUSTRY PERFORMANCE.....	8 E.2.
DETERMINATION OF DUMPING MARGIN	11
F. CAUSE AND EFFECT	13 F.1.IMPACT OF
IMPORT VOLUME (ABSOLUTE).....	13 F.2. IMPACT OF IMPORT
VOLUME (RELATED TO CONSUMPTION	
NATIONAL)	14
F.3. IMPACT OF IMPORT PRICES (Price Depression, Suppression, and	
Undercutting).....	15
G. ANALYSIS OF POSSIBLE LOSS AND/OR DUMPING STILL FIXED	
CONTINUES AND/OR WILL REPEAT	16 G.1. DEVELOPMENT OF
IMPORT VOLUME AND EXPORT PRICES OF PSF	16 G.2. PRODUCTION EXCESS POTENTIAL
FROM INDIA	17
G.3. PRODUCTION EXCESS POTENTIAL FROM TAIWAN.....	19
G.4. PRODUCTION EXCESS POTENTIAL FROM China	21
G.5. DUMPING TO THIRD COUNTRIES	23 H. OTHER
FACTORS	26 P.1. IMPORT
VOLUME FROM OTHER COUNTRIES.....	26 H.2. IDN
EXPORT DEVELOPMENT	26 P.3. TECHNOLOGICAL
DEVELOPMENT	27 I. RESPONSIBILITY OF INTERESTED
PARTY	27
J. CONCLUSION	27

**FINAL REPORT OF THE *SUNSET REVIEW* OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

LIST OF TABLES

Table 1. Amount of Imposition of BMAD Based on PMK 114/PMK.010/2019.....	1
Table 2. Description of <i>Polyester Staple</i> Fiber Goods.....	4
Table 3. Production of Domestic Industrial PSF in 2020.....	6
Table 4. National Consumption of PSF, Period 2018 – 2020.....	7
Table 5. IDN Performance Indicators, Period 2018-2020.....	8
Table 6. Domestic Sales, Domestic Prices, Cost of Goods Sold,	9
Table 7. Sales, Production, and Inventory, Period 2018-2020.....	9
Table 8. Production, Labor, Wages, and Productivity,.....	10
Table 9. Cash Flow, ROI, Ability to Increase Capital,	10
Table 10. Development of PSF Import Volume, Period 2018-2020	13
Table 11. Development of PSF Market Share, Period 2018-2020	14
Tabel 12. <i>Depression, Suppression, dan Undercutting</i>	15
Table 13. Development of PSF Import Volume, Period 2018-2020	16
Table 14. Installed Capacity, Production, Utilization, Domestic Demand, <i>Excess</i> India PSF Production <i>Capacity</i> , and <i>Excess</i> , 2018-2020 Period	17
Table 15. Comparison of PSF Export Prices from India to Indonesia and the World, Period 2018-2020.....	18
Table 16. Installed Capacity, Production, Utilization, Domestic Demand, <i>Excess</i> Taiwan PSF Production <i>Capacity</i> , and <i>Excess</i> , 2018-2020 Period	19
Table 17. Comparison of PSF Export Prices from Taiwan to Indonesia and the World, Period 2018-2020.....	20
Table 18. Installed Capacity, Production, Utilization, Domestic Demand, <i>Excess</i> <i>Capacity</i> and, <i>Excess</i> of China's PSF Production, 2018-2020 Period	22
Table 19. Comparison of PSF Export Prices from China to Indonesia and the World, Period 2018-2020.....	23
Table 20. Imposition of BMAD on PSF products from India, China, and Taiwan	24
Table 21. PSF Export Volume by India, China, and Taiwan to Partner Countries, Period 2018-2020.....	25
Table 22. Volume of Imports from Other Countries, Period 2018-2020.....	26
Table 23. Sales of IDN by market	26
Table 24. Recommendations for Imposition of BMAD.....	29

**FINAL REPORT OF THE *SUNSET REVIEW* OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

LIST OF GRAPHICS

Graph 1. Development of FSP Imports from India, China, and Taiwan	17	Graph 2.	
Production, Domestic Demand, <i>Excess Capacity</i> , and Production <i>Excess</i> in India.....	18		
Graph 3. Price Development of PSF Exports from India to Indonesia and the World.....	19	Graph 4.	
Production, Domestic Demand, <i>Excess Capacity</i> , and <i>Excess Production</i> di Taiwan	20		
Graph 5. Development of PSF Export Prices from Taiwan to Indonesia and the World .	21	Graph 6.	
Production, Domestic Demand, <i>Excess Capacity</i> and, Production <i>Excess</i> the RRT	22		
Graph 7. Development of PSF Export Prices from China to Indonesia and the World	23		

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**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES*
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

A. INTRODUCTION

A.1. BACKGROUND

1. On August 5 2019, the Government of Indonesia stipulates the Imposition of Anti-Dumping Duties (BMAD) on imports of *Polyester Staple Fiber* products (PSF) from India, the People's Republic of China (PRC), and Taiwan based on Minister of Finance Regulation (PMK) Number 114/PMK.010/2019 which was changed to PMK Number 32/PMK.010/22 concerning Amendments to PMK Number 114/PMK.010/2019 concerning the Imposition of BMAD on PSF Imported Products from India, China and Taiwan. The imposition of BMAD is valid for 3 years starting on August 19, 2019 and will end on August 18, 2022 with the following amount:

Table 1. Amount of Imposition of BMAD Based on PMK 114/PMK.010/2019

No	Country of Origin	Exporter Manufacturer/Exporter	BMAD (%)
1	India	Reliance Industries Limited	5,82
		Ganesh Polytex Limited	16,67
		Other Manufacturers/Exporters Xiamen	16,67
2	Republic The people China	Xianglu Chemical Fiber Co., Ltd	13,0
		Jinjiang Kwan Lee Da Hesne Bonded Fabric Co., Ltd.	Not Applicable BMAD
		Huvis Sichuan Corporation	Not Applicable BMAD
		Other Producer Exporters/ Exporters	16,10
3	Taiwan	All Exporters/ Manufacturer Exporters	28,47

2. The Indonesian Filament Yarn Producers Association (APSyFI), which represents its members PT Asia Pacific Fibers, Tbk and PT Indorama Synthetic, Tbk., which is a domestic PSF producer, submitted an application for an extension of the imposition of BMAD on imported PSF products from India, China, and Taiwan because it is suspected that imports from these countries still contain dumping and the Domestic Industry (IDN) is still experiencing losses. Therefore, IDN is of the view that if the imposition of BMAD is stopped, the possibility of dumping imports from these countries will increase again, resulting in greater losses for IDN.

**FINAL REPORT OF THE *SUNSET REVIEW* OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

3. In accordance with Article 7 of Government Regulation Number 34 of 2011 (PP 34/2011), and *Article 5.5 of the Agreement on Implementation of Article VI of GATT 1994 Anti-Dumping Agreement (ADA)* on June 25, 2021, KADI notified the representatives of the governments of India, China, and Taiwan in Indonesia regarding the acceptance application for a complete extension of the imposition of BMAD (*sunset review*) on imports of PSF originating from India, China, and Taiwan.

A.2. PROCEDURE

4. After analyzing the initial evidence on the application and in accordance with Article 35 paragraph (1) PP 34/2011 and *Article 11.3 ADA*, KADI, on August 6, 2021, announced the commencement of a *sunset review* (SR) investigation on the imposition of BMAD PSF from India, China and Taiwan, via Business Daily Indonesia. The announcement is officially conveyed to all interested parties accompanied by sending a questionnaire to IDN, other domestic industries, known producer exporters/exporters, and known importers. In accordance with Article 13 paragraph (2) PP 34/2011 KADI also provides the opportunity to submit written responses and submit *hearings* to interested parties.

5. The known stakeholders in the application are:

a. Manufacturer exporter/exporter

India

- Reliance Industries Limited
- Ganesh Polytex Limited

RRT

- Xiamen Xianglu Chemical Fiber Co., Ltd
- Jinjiang Kwan Lee Da Hesne-Bonded Fabric Co., Ltd.
- Huvis Sichuan Corporation

Taiwan

- Far Eastern Textile Ltd
- Chung Shing Textile Marketing Co., Ltd

b. Importer

- PT. Bitratex Industries
- PT. Apac Inti Bodies
- PT. World Yamatex Spinning Mills
- PT. Hilon Indonesia
- PT. Saehan Textiles
- PT. Build a Mighty Ambassador

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES*
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

6. The Loss Investigation Period (PP) is carried out for 3 (three) years starting 1 January 2018 – 31 December 2020, and the Dumping Investigation Period (PP) for 1 year, from January 1 – December 31, 2020.
7. KADI provides a deadline for submitting answers to the questionnaire to each interested party until the 15th September 2021. Until the specified deadline, only the following interested parties submit answers to the questionnaire:
- a. Domestic Industry (IDN):
 - PT. Asia Pacific Fibers, Tbk.
 - PT. Indorama Synthetics, Tbk.
 - b. Supporting Domestic Industry
 - PT. Indonesia Toray Synthetics
 - c. Indian manufacturer exporter/exporter
 - Reliance Industries Limited
 - d. There are no Chinese and Taiwanese producer exporters/exporters who deliver questionnaire answers.
 - e. None of the importers submitted answers to the questionnaire.
8. For answers to questionnaires received but incomplete, KADI has submitted a notification letter of incomplete answers (*deficiency letters*) to interested parties who are cooperative in the investigation.
9. Due to the absence of interested parties from China and Taiwan who submitted answers to the questionnaire, an investigation regarding dumping imports from China and Taiwan was carried out in accordance with *Article 6.8* and *Annex II* of the ADA. In this case, KADI uses the best available data or *Best Information Available (BIA)*, including data and information submitted by IDN in his Application.
10. There is 1 (one) Chinese producer exporter, namely Jiangyin Hailun Chemical Fiber Co. Ltd (Hailun) which submitted a request for an *interim review* investigation to obtain an individual dumping margin. However, according to PMK 114/PMK.010/2019, Hailun does not have an individual dumping margin, and in accordance with Article 31 paragraph (1) letter a, PP 34/2011, those who can apply for an *interim review* are producer exporters who are cooperative in the investigation. Therefore, on September 15, 2021, KADI submitted a response to the request for the investigation and

**FINAL REPORT OF THE *SUNSET REVIEW* OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

stated that it could not accept the *interim review* request from the company. Until this report is published there has been no further response from Hailun.

11. KADI conducts field verification to the location of the Domestic Industry:
 - a. PT. Asia Pacific Fibers, Tbk, on 12-14 January 2022
 - b. PT. Indorama Synthetic, Tbk, on 19-21 January 2022

12. Based on *Article 6.2*. ADA related to the *public hearing* to interested parties to submit verbal responses to the Main Data Investigation Report, KADI opened the opportunity for *public hearings*, but until the specified time limit there was only 1 (one) Indian producer exporter company, namely Reliance Industries Limited (RIL), which submit feedback. Considering that the response was related to the calculation of the dumping margin and it was confidential, KADI offered a *specific hearing* with RIL on 26 April 2022.

However, until the confirmation deadline, the RIL did not respond.

B. RESEARCH

B.1. DESCRIPTION OF THE GOODS Investigated

13. The goods under investigation are *Polyester Staple Fiber (PSF)* with the description of the goods namely "*synthetic staple fibres, not carded, combed or otherwise processed for spun from polyester*". In the 2012 Indonesian Customs Tariff Book (BTKI), PSF is included in the tariff heading number 5503.20.00.00, (10 digits) while based on the 2017 BTKI, the PSF tariff post is 5503.20.00 (changed to 8 digits) and based on BTKI 2022, PSF tariff heading to 5503.20.10 and 5503.20.90 with a description of the goods as shown in Table 2.

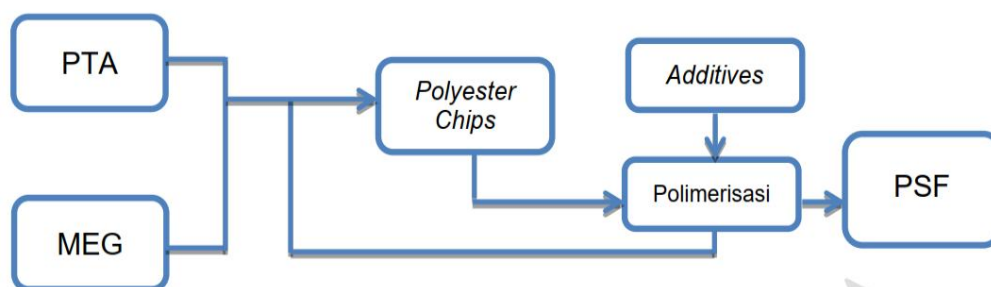
Table 2. Description of *Polyester Staple Fiber* Barang

POS Tariff	DESCRIPTION OF GOODS
5503	Synthetic staple fiber, not carded, combed or otherwise processed for spinning.
5503.20 - Of polyester	
5503.20.10 - - Of colors other than white	
5503.20.90 - - Others	

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

14. The main raw material for PSF production is *Purified Terephthalic Acid (PTA)* and *Mono Ethylene Glycol (MEG)* which is processed into *polyester chips* and then processed by polymerization by adding *additives* others so that it becomes *polyester staple fiber (PSF)* in the form of fiber synthetic staples . The PSF production process is presented in Figure 1.

Figure 1. ***Polyester Staple Fiber (PSF) Production Process***



15. PSF is the main raw material for the textile industry for manufactures raw materials for *spun yarn* and *non-woven* fabrics which are widely used for *apparel* and *household goods*. In addition, PSF is also used as a *filler* for pillows, *furniture* and *carpet pile*.

C. DOMESTIC INDUSTRY

C.1. *STANDING PETITIONER*

16. The IDN in this investigation is the Association of Indonesian Filament Yarn and Fiber Producers (APSyFI), representing its member PT. Asia Pacific Fibers, Tbk. and PT. Indorama Synthetics, Tbk., both of which are PSF producers in Indonesia.
17. There are 3 (three) other domestic producers who support the application that is:
- (1) PT. Indonesia Toray Synthetics (Toray) through letter of support Ref. No.: ITS-017=05-2021 on 17 May 2021,
 - (2) PT. Susilia Indah Synthetic Fiber Industries (Sulindafin) by letter Ref. No: 035/SLDF/V/2021 dated 17 May 2021, and
 - (3) PT. Indorama Polychem Indonesia by letter Ref. IPCI/99 No. 15 May 2021.

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

18. PSF production data from domestic industries are presented in Table 3.

Table 3. Domestic Industry PSF Production in 2020

No	Information	Standing
		%
1	Applicant	28
2	Supporters	49
	Total Production of Applicants + Supporters	77
3	Abstain	23
4	Reject	
	Total National Production	100

Source: Internal IDN and Association data, processed.

19. Based on Table 2 above, the total production of the Applicants and Supporters represents 77% of the total national production (meets the requirements of Article 4 PP 34/2011) and/or the total production of the Applicants represents 28% of the total national production (meets the requirements of Article 6 PP 34/2011). Thus, APSyfi declared to have fulfilled the requirements of *Article 5.4 Agreement on Implementation of Article VI of GATT 1994* and Article 1 paragraph (17) PP 34/2011 to be able to represent the Domestic Industry (IDN) of similar goods in anti-dumping investigations.

D. DOMESTIC MARKET OF THE GOODS Investigated

20. In accordance with the Regulation of the Minister of Finance No. 6/PMK.010/2017, the amount of the *Most Favored Nation* (MFN) import duty tariff for PSF tariff posts is 7.5% while the amount of import duty rates that apply in the context of FTA (preferential tariffs) are as follows:

- *ASEAN-India Free Trade Agreement* (AIFTA), based on PMK No. 27/PMK.010/2017, the preferential tariff for India is 5%,
- *ASEAN-China Free Trade Agreement* (ACFTA), which was originally regulated in PMK no. 26/PMK.010/2017 with preferential tariff for China is 5%, currently it has been amended based on PMK No. 46/PMK.010/22 for PSF imports, which is 0%.

21. National consumption during 2018 – 2020 in a trend, as shown in Table 4, decreased by 20%. In this report, the calculation of national consumption is carried out by adding up the volume

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

domestic sales of IDN, other domestic industries, volume of imports from the accused country, and imports of other countries. When national consumption decreased, imports of PSF from India increased by 39%, while from China and Taiwan decreased by 44% and 9%, respectively, so that the total import of PSF from countries accused of dumping experienced a downward trend of 30%. During the Investigation Period, domestic sales of IDN and other domestic industries also decreased by 11% and 27%, respectively. Based on the development of these data, it can be concluded that during a period of declining national consumption, imports from India still increased by 39%.

Table 4. PSF National Consumption, Period 2018 – 2020

Description	2018	2019	2020	(index)
				Tren3 (%)
Accused Country Import	22	25	17	(30)
India	2	4	7	39
RRT	19	21	10	(44)
Taiwan	0	0		(9)
Import other countries	7	10	1 13	12
Total Import	29	35	30	(19)
Domestic Sales IDN	24	26	31	(11)
Other domestic industry sales	47	39	40	(27)
National Consumption1)	100	100	100	(20)
National Consumption2)	100	82	64	(20)

Source: BPS, IDN, and other domestic industries, processed.

Notes: 1) Represents market share where national consumption data is the reference data.

2) It is the development of national consumption that uses 2018 data as comparison reference data.

3) Trend value using real data.

E. DOMESTIC INDUSTRY PERFORMANCE AND DETERMINATION OF DUMPING MARGIN

As mandated by PP 34/2011, SR investigations need to review the impact of import volume and price on IDN losses in addition to the possibility of dumping and losses that will continue and/or recur.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

E.1. DOMESTIC INDUSTRY PERFORMANCE

22. Given that the IDN loss data and the figures below are commercially sensitive, the loss data is presented in the form of an index. Table 5 shows data on IDN's performance indicators during the Investigation Period (2018-2020) that have been verified. Based on the table, it can be seen that all IDN performance indicators (19 indicators) except IDN market share, showed a downward trend during the Investigation Period.

Table 5. IDN Performance Indicators, Period 2018-2020

No	Description	Indicator	(index)			Train (%)
			2018	2019	2020	
1	Domestic Sales Volume PSF	MT	100	86	80 (11)	
2	PSF Domestic Sales Value	USD	100	74	50 (29)	
3	Domestic Selling Price	USD/MT	100	86	63 (21)	
4	Sales Principal Price Domestic	USD	100	74	54 (27)	
5	Sales Principal Price Domestic per unit	USD/MT	100	85	67 (18)	
6	Profit/Loss (Operating)	USD	100	(43)	(272)	
7	Installed Capacity	MT	100	100	100	
8	Production	MT	100	97	80 (11)	
9	Capacity Utilization	%	100	80	(11) 97	
10	Market Share	%	100	105	126 12	
11	Inventory	MT	100	120	67 (18)	
12	Manpower	org	100	107	100	94 (3)
13	Wages	USD	105		99 (0)	
14	Cash Flow (Operational)	USD	100	26	(53)	
15	Return on Investment	%	100	(29)	(59)	
16	Boost Ability Modal	%	(100)	(91)	(89)	
17	Productivity	MT/org	100	91	85	(8)
18	Sales Growth	%	100	(143)	(76)	100 91
19	Total Assets	USD			91	(5)
20	National Consumption	MT	100	82	64 (20)	

Source: IDN, processed.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

**Table 6. Domestic Sales, Domestic Prices, Cost of Goods Sold,
and Profit/Loss, Period 2018-2020**

(index)

No	Description	2018	2019	2020	Train (%)
1	Domestic Sales Volume	100	86	80	(11)
	Domestic Sales Value	100	74	50	(29)
2	Domestic/Unit Price	100	86	63	(21)
3	Sales Principal Price Domestic per Unit	100	85	67	(18)
4	Sales Principal Price Domestic	100	74	54	(27)
5	Profit/Loss (Operating)	(100)	(43)	(272)	

Source: IDN, processed.

23. From Table 6 above, it can be seen that the domestic sales volume during the Inquiry Period experienced a downward trend of 11%, which was followed by a 29% decrease in sales value in line with a 21% decline in domestic selling prices. Domestic sales prices are always below the HPP which tends to decline, where in 2020, the selling price is 4 index points lower than the HPP. In this case, the decrease in selling price which was greater than the decrease in HPP resulted in IDN experiencing a loss during the Investigation Period where a deeper/significant loss occurred in 2020.

Table 7. Sales, Production, and Inventory, Period 2018-2020

(index)

No	Description	2018	2019	2020	Train (%)
1	Domestic Sales Volume Export Sales	100	86	80	(11)
	Volume Total sales 2 Production 3	100	149	96	(2)
	Inventory Source: IDN, processed.	100	96	83	(9)
		100	97	80	(11)
		100	120	67	(18)

24. Total sales of IDN during the Investigation Period experienced a downward trend of 11%. The decrease in sales required IDN to also reduce PSF production by 11% during the Investigation Period.

Likewise, IDN inventory also decreased by

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

18%. IDN carries out a business strategy like this to maintain efficiency and continuity of sales, where IDN seeks to sell existing inventory as long as the specifications in the inventory are in accordance with consumer demand and at the same time reduce production.

**Table 8. Production, Labor, Wages, and Productivity,
Period 2018-2020**

No.	Description	(index)			
		2018	2019	2020	Train (%)
1	Production	100	97	80	(11)
2	Manpower	100	107	94	(3)
3	Wages	100	105	99	(0)
4	Productivity	100	91	85	(8)

Source: IDN, processed.

25. In Table 8, the performance data of IDN is presented during the Investigation Period. It appears that the productivity of IDN has decreased with a trend of 8% in line with the decline in production and labor, where the trend of decreasing production is 11% which is sharper than the number of workers which decreased by 3%.

In such conditions, the wages of workers are quite stable or almost no decline. Wage reductions when production must be reduced during the Investigation Period cannot be carried out, because the government increases the regional minimum wage (UMR) that must be met by IDN.

**Table 9. Cash Flow, ROI, Ability to Increase Capital,
and Growth in Sales, Period 2018-2020**

No.	Description	(index)			
		2018	2019	2020	Train (%)
1	Cash Flow (Operational)	100	26	(53)	-
2	Return on Investment (ROI)	100	(29)	(59)	-
3	Boost Ability Modal	(100)	(91)	(89)	-
4	Growth (Sales)	100	(143)	(76)	-

Source: IDN, processed.

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES*
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

26. Other performances of IDN related to cash flow, ROI, ability to raise capital and sales growth as shown in Table 9 during the Investigation Period all decreased. This is a reflection of the company's overall performance during the Investigation Period. As IDN's financial condition continues to deteriorate, ROI, the ability to raise capital and IDN's growth have all decreased.

E.2. DUMPING MARGIN DETERMINATION

a. India

i. Reliance Industries Limited (RIL)

RIL submitted a response to the KADI Main Data Report regarding the calculation of the dumping margin. RIL's response regarding the claim for *duty drawback* is acceptable but with adjustments so that the calculation of normal value and export prices can be compared at the same trading level. This makes a change to the normal value. Calculations and explanations of the detailed RIL responses have been submitted separately to those concerned.

ii. The calculation of the normal value was carried out using data obtained from the answers to the questionnaire exporters/producer exporters who were cooperative in the investigation, namely Reliance Industries Limited (RIL).

There are 14 (fourteen) *Product Code Numbers* (PCNs) sold in Indonesia which are also sold in domestic sales (*like products*), but there are 2 (two) PCNs which are product samples and the price is not an *ordinary course of trade* so that in the calculation of the normal value, KADI only takes into account 12 (twelve) PCNs. Furthermore, the normal value calculation uses Reliance's domestic sales data minus the proposed and acceptable *allowances* and makes adjustments to the *duty drawback* claim so that the ex-factory domestic price is obtained.

iii. The calculation of export prices is carried out using data from Reliance's export sales to Indonesia. The ex-factory export price is obtained from the CIF price minus the proposed *allowances* and can be accepted.

iv. Based on the comparison of the weighted average of normal values with export prices at the same trading level (ex-factory), Reliance's dumping margin is still found.

**FINAL REPORT OF THE *SUNSET REVIEW* OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

b. RRT

- i. According to recital 9 above, producer exporters/exporters from China, which are known in PMK No.114/PMK.010/2019, are not cooperative. So that the dumping margin calculation for China is carried out using the best available data on KADI, which is taken from journals/publications.
- ii. The normal value calculation uses the construction method based on the IDN cost structure, using the price of PSF raw materials, namely PTA and MEG from the Trade Map minus transportation and insurance costs.
- iii. The calculation of the price of China's exports to Indonesia uses the average CIF price during the Inquiry Period obtained from data from the Central Statistics Agency, minus transportation and insurance costs which are constructed from IDN data.
- iv. Based on the calculation of normal values and export prices above, there is still a dumping margin for Chinese exporters.

c. Taiwan

- i. In accordance with recital 9, none of the producer exporters from Taiwan submitted answers to the questionnaire, so KADI determined the amount of dumping margin for all companies in Taiwan using the best available data on KADI, which was taken from journals/publications.
- ii. The normal value calculation uses the construction method based on the IDN cost structure, using the price of PSF raw materials, namely PTA and MEG in Taiwan minus transportation and insurance costs.
- iii. The calculation of export prices uses the average CIF price during the Investigation Period obtained from data from the Central Statistics Agency, minus transportation and insurance costs which are constructed from IDN data.
- iv. Based on the calculation of the normal value and export prices above, it is still found a dumping margin for a Taiwanese exporter company.

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

F. CAUSE -CONSEQUENTIAL RELATIONSHIP

F.1. DAMPAK VOLUME IMPOR (ABSOLUT)

Table 10. Development of PSF Import Volume, Period 2018-2020

No	Description	2018	2019	2020 Train	
		MT	MT	MT (%)	
1	Accused Country Import	140.065	130.108	67.712	(30)
	India	13.852	21.612	26.917	39
	RRT	123.290	106.750	38.391	(44)
	Taiwan	2.924	1.747	2.404	(9)
2	Imports of other countries	41.179	52.631	51.202	12
3	Total Imports Source: BPS,	181.244	182.739	118.914	(19)

processed.

27. From Table 10 above, the total imports of PSF from the accused countries during the Investigation Period decreased with a trend of 30%. However, the trend of imports from India increased by 39%, as well as imports from other countries which increased by 12%. Imports of PSF from the accused countries still make up the majority of Indonesia's total PSF imports, and imports from China, although experiencing a decline, still hold the majority portion of total imports from the accused countries.

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

F.2. IMPACT OF IMPORT VOLUME (RELATED TO NATIONAL CONSUMPTION)

Table 11. Development of PSF Market Share, Period 2018-2020

Description	2018	2019	2020	(index)
				Tren3 (%)
Accused Country Import	22	25	17	(30)
India	2	4	7	39
RRT	19	21	10	(44)
Taiwan	0	0	1	(9)
Import other countries	7	10	13	12
Total Import	29	35	30	(19)
Domestic Sales IDN	24	26	31	(11)
Other domestic industry sales	47	39	40	(27)
National Consumption1)	100	100	100	(20)
National Consumption2)	100	82	64	(20)

Source: BPS, and IDN, and other domestic industries, processed.

Note:) Represents market share where national consumption data as reference data.

²) Represents the development of national consumption using data 2018 as comparative reference data.

³) Trend value using real data.

28. As presented in Table 11 above, that the import market share decreased with a trend of 19% in line with the decline in national consumption during the Research Period with a trend of 20%, as described in recital 21. The decline in the import market share from China was moderate sharply at 44%, while the market share of imports from India has increased. The market share of IDN's domestic sales and other domestic industries seemed to have increased during the Investigation Period, with trends of 11% and 27%, respectively. Furthermore, the decline in national consumption resulted in a decline in IDN's domestic sales

and other domestic industries.

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

F.3. IMPACT OF IMPORT PRICES (Price Depression, Suppression, and Undercutting)

Tabel 12. *Depression, Suppression, dan Undercutting*

		(index)		
No	Description	2018	2019	2020
1	Import Price without BMAD1)			
	India	101	99	97
	RRT	97	101	111
	Taiwan	134	289	174
2	Import Prices with BMAD1)			
	India	112	109	107
	RRT	105	108	119
	Taiwan	169	364	219
3	IDN2 Price)	100	100	100
4	Price IDN3)	100	86	63
5	HPP4)	102	87	68
6	Price Difference IDN – HPP5)	(2)	(1)	(5)

Source: BPS, and IDN, processed.

Notes: 1) Import price data is obtained from BPS, which is the aggregate price of several types of PSF

2) Where the IDN price is used as a reference price for comparison with import prices in numbers 1 and 2 to determine the *price undercutting analysis*.

3) Where the IDN price in 2018 is used as a reference in the *price depression analysis* by looking at the development of IDN prices from 2018-2020.

4) Determination of index numbers on HPP using price comparisons IDN in 2018 as a reference.

5) Comparison of the difference in index numbers between the selling price of IDN and HPP BPS Import Price plus 2.5% transport and handling costs; other than that specifically for India and China plus 5% BM and 7.5% Taiwan.

29. In Table 12, the conditions for IDN prices are presented which must carry out *price depression* (lowering prices) and even *price suppression* (lowering prices to below production costs/HPP) during the Investigation Period.

From the table above, the import price with BMAD is above the IDN price, but if the BMAD is revoked, *undercutting* has the potential to repeat itself. As stated in the table above, import prices are the aggregate prices of several types of PSF so that import prices tend to be higher than IDN prices.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

This happens because several types with the same HS number have a higher price than PSF produced by IDN. Therefore, IDN lowered its selling price even below the production cost to be able to compete with imported PSF similar to those produced by IDN.

**G. ANALYSIS OF POSSIBLE LOSS AND/OR DUMPING STILL FIXED
CONTINUE AND/OR WILL REPEAT**

In accordance with *Article 11.3 Agreement on Implementation of Article VI of GATT 1994*, KADI conducted a *sunset review* investigation regarding the possibility of continued or repeated dumping and/or the possibility of continued or recurring losses.

G.1. DEVELOPMENT OF IMPORT VOLUME AND EXPORT PRICES PSF

Table 13. Development of PSF Import Volume, Period 2018-2020

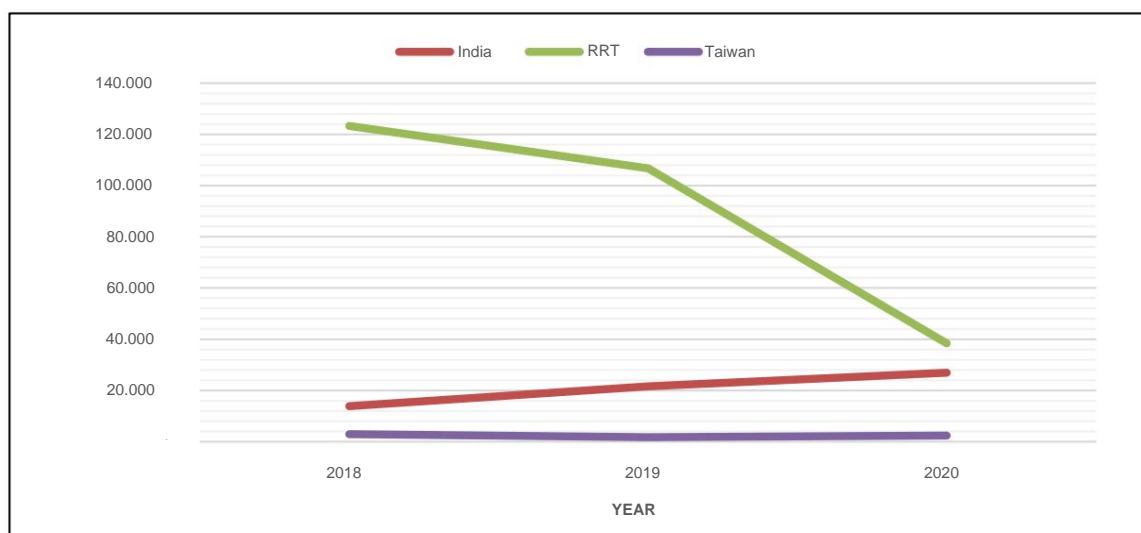
Country	2018		2019		2020		Train	
	MT%	MT% (%)	MT%	MT% (%)	MT%	MT% (%)		
India	13.852	39	128.29	68	106.50	52	38.391	32 (44)
RRT								
Taiwan	2.924	2	2.404	1	1.747	1		2
Total Impor Dumping	140.065	77	130.108	71	67.712	57		(30)
Others	41,179	23	52,631	29	51,202	43	12	Total
	181.244	100	182.739	100	118.914	100		(19)

Source: BPS, processed.

30. During the 2018-2020 Investigation Period, the volume of imports from countries subject to BMAD decreased with a trend of 30% (Table 13). Although separately the volume of imports from India and imports from other countries increased with a trend of 39% and 12%, the high volume of imports from China during this period still dominated the total imports of Indonesian PSF from the accused countries.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

Graph 1. Development of PSF Imports from India, China, and Taiwan



Source: BPS, processed.

G.2. PRODUCTION EXCESS POTENTIAL FROM INDIA

31. During the Investigation Period, India's installed capacity did not change significantly. However, due to a decline in demand with a trend of 3%, India experienced *excess capacity* during the Inquiry Period with a trend of 10% (see Table 14).

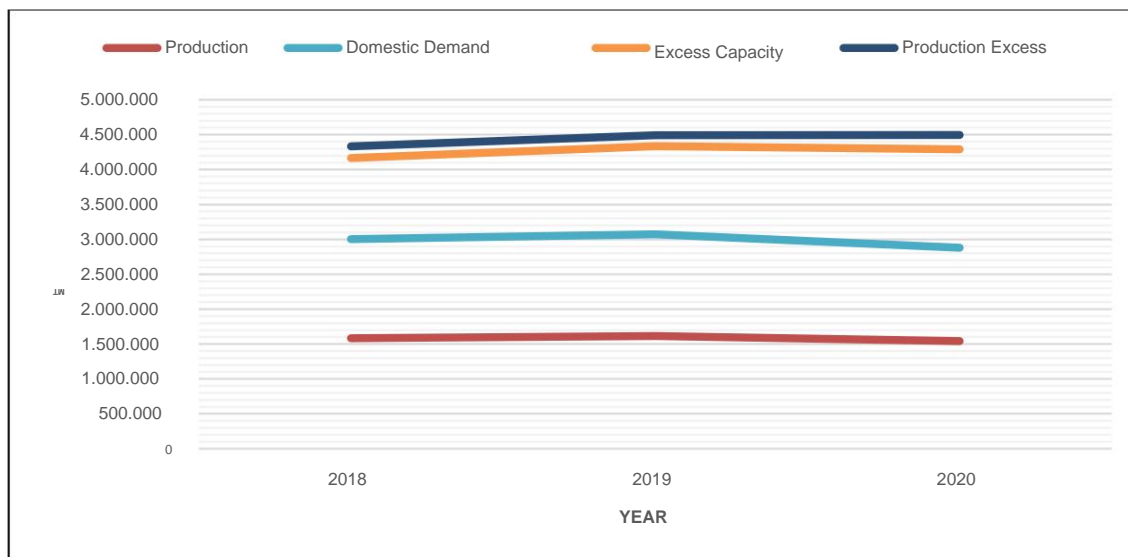
Table 14. Installed Capacity, Production, Utilization, Domestic Demand, Excess Capacity, and Excess Production of Indian PSF, 2018-2020 Period

Information	Unit	2018	2019	2020	Train (%)
Installed Capacity	MT	2,580,000	2,720,000	2,749,000	3
Production	MT	1,585,000	1,615,000	1,542,000	(1)
Utilization	%	59.4	59.4	56.1	
Domestic Demand	MT	1,417,400	1,417,464	1,337,884	
(3)					
Domestic Demand %	%	90	90	87	
Excess Capacity	MT	1,162,600	1,262,536		
Excess Production	MT	167,600	157,536	204,116	10

Processed.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

Figure 2. Production, Domestic Demand, Excess Capacity and Production Excess in India



Source: Association and Trade Map, Processed.

32. The installed capacity for PSF production in India was relatively stable during the Inquiry Period. However, the potential for increasing India's PSF production is still very large because the industry's used capacity until 2020 is still at 56% (Table 14). This shows that the potential for increasing production is very large because *excess capacity* is still around 45 – 50%, where the trend of *excess capacity* and *excess production* has increased by 10%. This is expected to boost production and export of PSF at dumping prices.

Table 15. Comparison of PSF Export Prices from India to Indonesia and the World, 2018-2020 Period

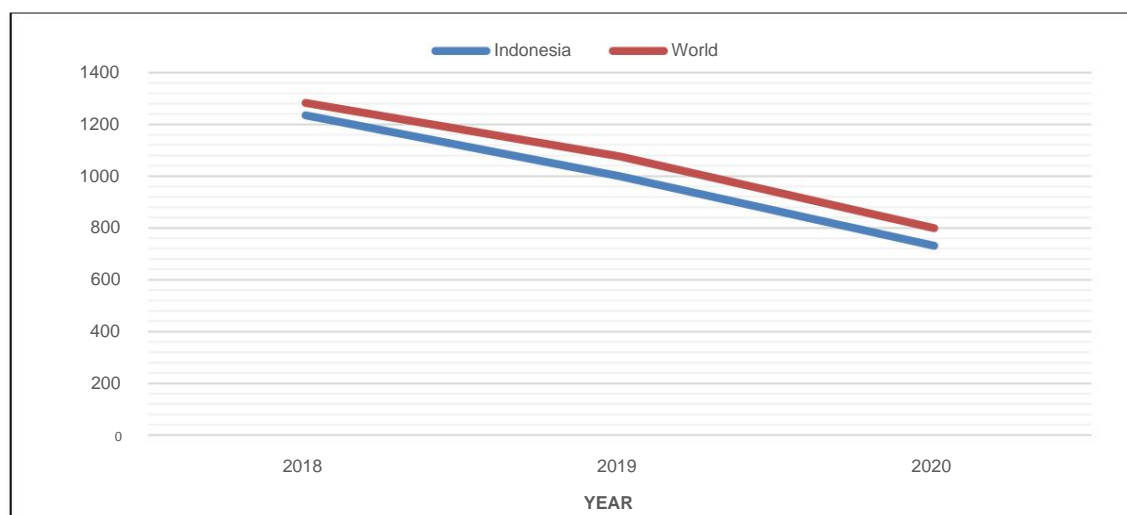
No.	Information	Country Objective	Price (USD/MT)			Train
			2018	2019	2020 (%)	
1.	Price of PSF from India 2.	Indonesia	1.235	1,000	731 (23)	
	Price of PSF from India Source:	World	1.283	1,076	799 (21)	

Trade Maps (CIF), Processed.

33. In Table 15 above, it can be seen that during the Investigation Period the price of India's PSF exports to Indonesia and the world decreased with a trend of 23% and 21%, respectively, however, when compared to India's export price to Indonesia, it was much lower than the average India's average export price to the World.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

Graph 3. Development of PSF Export Prices from India to Indonesia and the World



Source: IDN and Trade Maps (CIF), Processed.

G.3. PRODUCTION EXCESS POTENTIAL FROM TAIWAN

34. During the Investigation Period, Taiwan's national production was always higher than Taiwan's domestic demand as shown in Table 16 below.

Table 16. Installed Capacity, Production, Utilization, Domestic Demand, Excess Capacity, and Excess Production of Taiwan PSF, 2018-2020 Period

Information	Unit	2018	2019	2020	Train (%)
Installed Capacity	MT	763.000	763.000	763.000	-
Production	MT	518.330	448.925	442.913	(8)
utilization	%	67,9	58,8	58,0	
Domestic Demand	MT	123.703	112.612	109.889	(6)
Domestic Demand %		24	25	25	
Excess Capacity	MT	639.297	650.388	653.111	1
Production Excess	MT	394.627	336.313	333.024	(8)

Source: Association and Trade Map, Processed.

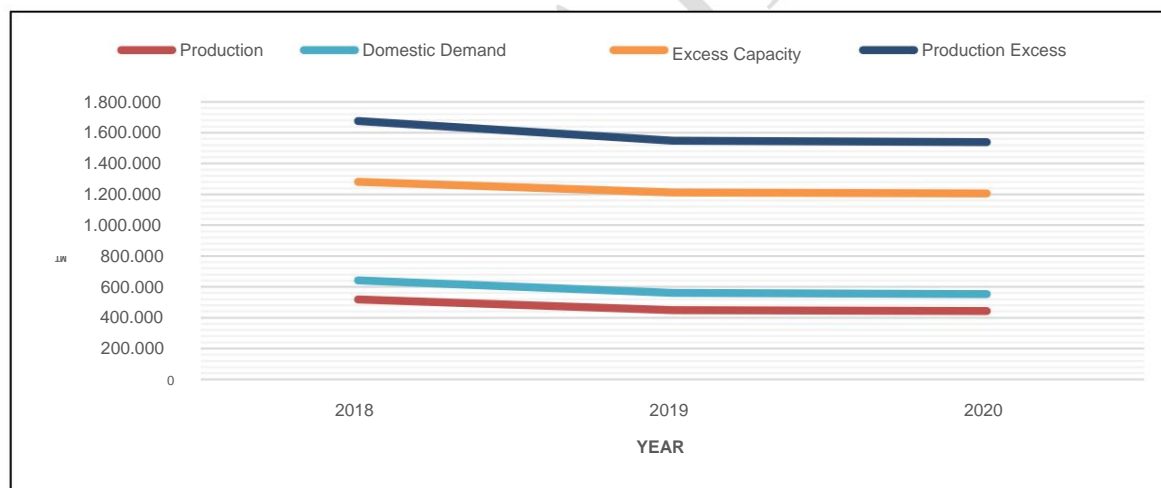
35. Taiwan PSF production as shown in Table 16 appears to have decreased with a trend of 8% during the Inquiry Period which resulted in

**FINAL REPORT OF THE *SUNSET* REVIEW OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

decreased utilization from 68% in 2018 to 58% in 2020. Meanwhile, demand decreased with a trend of 6%. In 2020, where Taiwan's domestic needs are only 14% of installed capacity and 25% of its total production, it can be seen that excess production is still around 75% and excess capacity is around 85% during the Investigation Period, the potential for increased production is still very large and open. when export market opportunities are open. Considering domestic demand in Taiwan

which is relatively low, it is certain that the FSP industry in Taiwan is export-oriented. With a relatively stable and high excess capacity condition, PSF exports to Indonesia during the Investigation Period only decreased by around 9% and experienced a *rebound* in 2020 even though at the same time Taiwan's PSF exports to Indonesia were subject to BMAD. It is almost certain that Taiwanese PSF exports to Indonesia have the potential to continue to increase if the imposition of BMAD is not extended.

Figure 4. Production, Domestic Demand, Excess Capacity, and Production Excess in Taiwan



Source: Association and Trade Map, Processed.

Table 17. Comparison of PSF Export Prices from Taiwan to Indonesia and the World, 2018-2020 Period

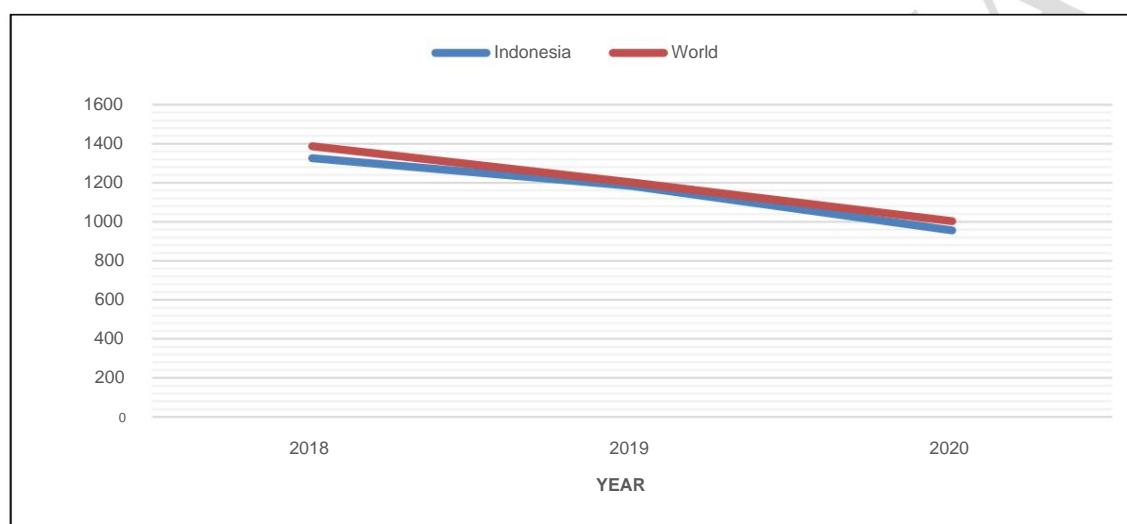
No.	Information	Country Objective	Price (USD/MT)			Train
			2018	2019	2020 (%)	
1.	Price of PSF from Taiwan Indonesia	1,326	1,184	956 (15)		
2.	Price of PSF from Taiwan World	1,387	1,201	1,003 (15)		

Source: Trade Maps (CIF), Processed.

**FINAL REPORT OF THE *SUNSET REVIEW* OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

36. In Table 17 above, it can be seen that during the Investigation Period the prices of Taiwanese PSF exports to Indonesia and the World each decreased with a trend of 15%. During the Investigation Period, Taiwan's export prices to Indonesia and the World were relatively the same, the export price of PSF to Indonesia was always lower than the price of Taiwan's PSF exports to the world.

Graph 5. Development of PSF Export Prices from Taiwan to Indonesia and the World



Source: Trade Maps (CIF), Processed.

G.4. PRODUCTION EXCESS POTENTIAL FROM China

37. During the Investigation Period, there was an increase in the installed capacity of PSF in China by 2% with a fairly high utilization rate, ranging from 74-77% and a very high domestic absorption, ranging from 91-94% (Table 18).

Based on these data, it appears that the PSF industry in China is oriented towards the domestic market, but considering the large *excess capacity*, around 29-30% and *excess production* ranges from 6-8%, it is estimated that companies in China can at any time increase their production to the maximum level of production capacity, if market opportunities in Indonesia are more open again if BMAD is no longer applied to PSF products from China. During the Investigation Period, which is also the period when the BMAD is imposed, the export volume of PRC PSF to Indonesia still dominates PSF imports in Indonesia even though its market share has decreased significantly with a trend of 44%.

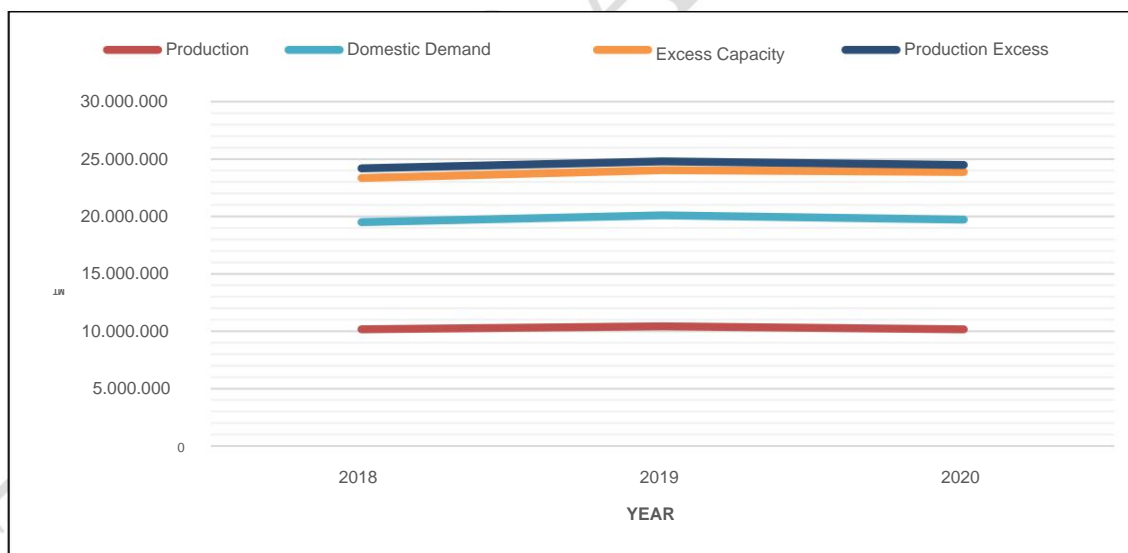
**FINAL REPORT OF THE *SUNSET* REVIEW OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

Table 18. Installed Capacity, Production, Utilization, Domestic Demand, *Excess Capacity* and, *Excess Production* of PRC PSF, 2018-2020 Period

Information	Unit	2018	2019	2020	Train (%)
Capacity Installed	MT	13.181.000	13.607.000	13.717.000	2
Production	MT	10.172.000	10.429.000	10.165.000 (0)	
utilization	%	77,2	76,6	74,1	
Request Domestic	MT	9.333.513	9.668.360	9.554.763	1
Request Domestic	%	91,7	92,7	94	
<i>Excess Capacity</i>	MT	3.847.487	3.938.640	4.162.237	4
Production <i>Excess</i>	MT	838.487	760.640	610.237 (15)	

Source: Association and Trade Map, Processed.

Figure 6. Production, Domestic Demand, *Excess Capacity* and, *Excess Production* in China



Source: Association and Trade Map, Processed.

38. In Table 19 below, it can be seen that during the Investigation Period the prices of China's exports to Indonesia and the World each decreased with a trend of 17% and 15%, respectively. However, during this period the price of China's exports to Indonesia was always lower than the average price of China's PSF exports to the world.

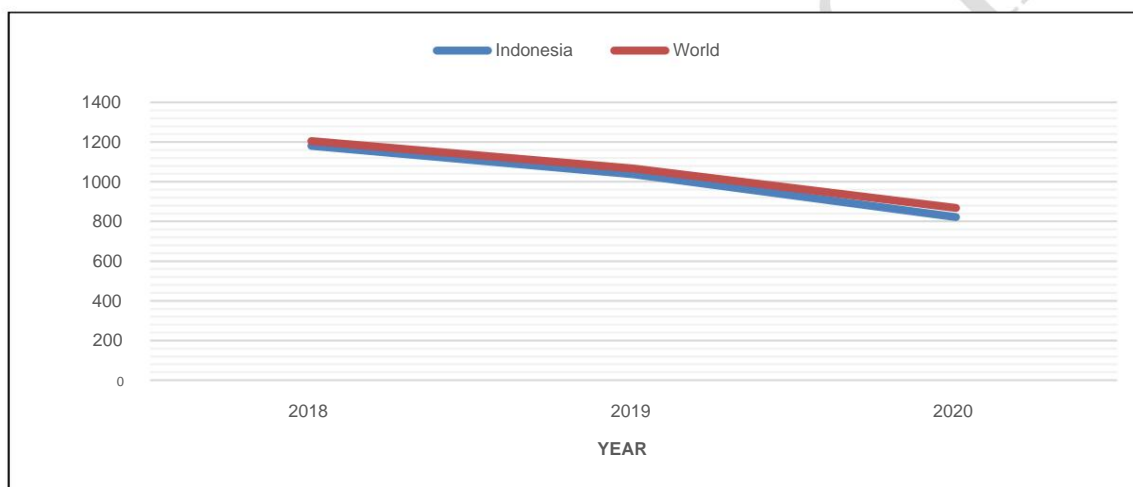
**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

**Table 19. Comparison of PSF Export Prices from China to Indonesia and the World,
2018-2020 Period**

No.	Information	Country Objective	Price (USD/MT)			Train
			2018	2019	2020 (%)	
1.	Price of PSF from PRC Indonesia	1,181 1,038 822	(17)			
2.	World Price of PSF from China	1,205 1,066 868	(15)			

Source: Trade Maps (CIF), Processed.

Graph 7. Development of PSF Export Prices from China to Indonesia and the World



Source: Trade Maps (CIF), Processed.

G.5. DUMPING TO THIRD COUNTRIES

39. In Table 20 below, it can be seen that the United States (US) and Pakistan also impose Anti-Dumping Duties (BMAD) on PSF products from India, China and Taiwan, with amounts ranging from 3.47% - 103.06%. This shows that PSF from India, China, and Taiwan are facing obstacles from other countries

so they need new export markets to absorb their PSF products.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

Table 20. Imposition of BMAD on PSF products from India, China, and Taiwan

No	Country Which Imposed	Country Which wearing	Trade Remedy Which Imposed	Margin (%)	Date applied
1	RRT	America Union	Antidumping (AD)	65.17 - 103.06	2018 - 2023
2	Korea	America Union	AD	30.15 - 45.23	2018 - 2023
3	Taiwan	America Union	AD	24.43 - 48.86	2018 - 2023
4	India	America Union	AD	21.43	2018 - 2023
5	RRT	America Union	AD	3.47 - 44.3	June 1, 2007 - now
6	Korean dan Taiwan	America Union	AD	Korea: 7.91 Taiwan: 3.79 - 11.5	May 25, 2000 - now
7	India	Turkey	AD	8,5 -12	2019 - 2024
8	Taiwan	Turkey	AD	6,4 -12	2019 - 2024
9	Taiwan, Indonesia and Thailand	Pakistan	AD		
10	India	Turkey	Safeguards Year	1: _____ 0,060USD/Kg Year 2: _____ 0,058USD/Kg Year 3: _____ 0,056USD/Kg	2021 - 2024

Source:

1. *Semi Annual Report USA, World Trade Organization (WTO)*, 13 Oktober 2021, Diolah.
2. *Turkey Semi Annual Report, World Trade Organization (WTO)*, 7 March 2022, processed
3. *Notice of Initiation of Anti-dumping Investigation against Alleged Dumped Imports of Polyester Staple Fiber Originating in and/or Exported from Chinese Taipei, Indonesia and Thailand, National Tariff Commission Government of Pakistan*, 6 Februari 2021, Diolah.

**FINAL REPORT OF THE SUNSET REVIEW OF
IMPORT OF POLYESTER STAPLE FIBER (PSF) FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

4. Notification Under Article 12.1(B) Of The Agreement On Safeguards On Finding A Serious Injury Or Threat Thereof Caused By Increased Imports Notification Pursuant To Article 12.1(C) Of The Agreement On Safeguards Notification Pursuant To Article 9, Footnote 2 Of The Agreement On Safeguards Turkey (Polyester Staple Fibre), WTO, 30 Agustus 2021.

40. From Table 21 below, it can be seen that the imposition of BMAD by the US and Pakistan on imports of PSF originating from China resulted in a significant decrease in the volume of PSF imports from China. During the Investigation Period, the volume of imported PSF from India in the US decreased with a trend of 18% while the volume of imported PSF from China in the US experienced a considerable decline with a trend of 28%.

Table 21. PSF Export Volume by India, China, and Taiwan to Partner Countries, 2018-2020 Period

No	Country of destination	2018	2019	2020	Trend (%)
Indian Exports (MT)					
1.	United States	40	29	27	(18)
2.	World	251	274	286	7
China Exports (MT)					
1.	United States of America	163	106	84	(28)
2.	Pakistan	75	67	65	(6)
3.	World	1.027	978	796	(12)
Taiwan Exports (MT)					
1.	United States of America	9	7	14	24
2.	World	353	303	282	(11)

Source: Trade Maps, Processed.

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

H. OTHER FACTORS

H.1. IMPORT VOLUME FROM OTHER COUNTRIES

Table 22. Volume of Imports from Other Countries, 2018-2020 Period

Description	Unit	2018	2019	2020	Train (%)
Other Countries	MT 52,631 MT	114,065	130,108	51.202	12
Dumping Countries				67.712	(30)

Source: BPS, processed.

41. During the Investigation Period, PSF imports from other countries increased with a trend of 12%, while imports from the Accused Country experienced a trend decline of 30%. This shows that the imposition of BMAD on PSF products originating from countries accused of being able to suppress the volume of imports. However, the volume of imports from the three accused countries is still higher than imports from other countries.

H.2. IDN EXPORT DEVELOPMENT

Table 23. IDN sales by market

Description	2018	2019	2020
Domestic Sales Volume Domestic	100	86	80
Price/unit Export Sales Volume Export	100	86	63
Price/unit Total Sales Source: IDN, processed.	100	149	96
	100	94	68
	100	96	83

42. The volume of domestic sales during the Investigation Period continued to decline, while IDN's export sales were relatively stable. In terms of price, price export selling price is higher than domestic selling price. The decline in domestic sales affected IDN's overall sales performance as shown in Table 23 above, sales decreased from the first period to the third period.

**FINAL REPORT OF THE *SUNSET REVIEW* OF
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

H.3. TECHNOLOGICAL DEVELOPMENT

43. The technology used by IDN is the same as the technology used by producer exporters from the accused countries.

I. STAKEHOLDER RESPONSES

As of the publication of this Final Report, there has been no response from interested parties, except for IDN, which essentially emphasizes that the *sunset review* investigation is aimed at continuing or discontinuing the imposition of BMAD. In this case, IDN supports the Main Data Report submitted by KADI.

J. CONCLUSION

44. Based on the results of the investigation, KADI concludes as follows:

- a. According to *article* 11.3 of the ADA, the purpose of the *sunset review* investigation is to determine whether dumping or losses continue or recur if the imposition of BMAD is discontinued. The results of the KADI investigation prove that India, China, and Taiwan are known to have very significant *excess capacity* as stated in recital 31 - 38.
- b. In addition, the three countries have export prices to Indonesia which are lower than the average export prices of each of these countries to the world plus there is the imposition of BMAD by the United States, Turkey and Pakistan for PSF products to the three countries so that the above conditions can trigger a shift in exports from these three countries to Indonesia if the imposition of BMAD is not continued.
Termination of BMAD on the three countries subject to BMAD may cause a flood of imported PSF products in the domestic market, causing *unfair trade* because the imported goods contain dumping and threaten the IDN market.
- c. Based on Part E.1 of the Applicant's Performance Indicators above, there was a decline in several IDN economic performance during the 2018-2020 period, namely the value and volume of domestic sales, domestic prices, cost of goods sold,

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

production, capacity utilization, labour, productivity, wages, cash flow operational profit/loss, causing asset growth, ability to increase capital, *Return on Investment* (ROI) is still

have not fully recovered from the losses suffered so that if the imposition of BMAD is stopped, the IDN losses will be even worse.

d. Based on Section E.2 Determination of Dumping Margin above, it is still found that dumping margins are still being carried out by companies from India, China, and Taiwan which are currently subject to BMAD, so it can be concluded that the dumping practice is still continuing.

e. Based on recitals 27-28 above, the share of imports from China and Taiwan experienced a downward trend while imports from India increased significantly. However, the volume of imports from the accused countries still dominates the share of PSF imports in Indonesia. Meanwhile, the market share of IDN's domestic sales and other domestic industries seemed to have increased during the Investigation Period, with trends of 11% and 27%, respectively. However, the increase in sales of IDN and other domestic industries occurred when National Consumption fell, so that in terms of volume and value, both IDN and other domestic industries experienced a decline.

45. Based on the conclusion of the recital 44 investigation, KADI recommends continuing the imposition of BMAD on PSF imports originating or imported from India, China, and Taiwan with a fixed amount in accordance with PMK Number 114/PMK.010/2019 which was changed to PMK Number 32/ PMK.010/22 concerning Amendments to the Regulation of the Minister of Finance Number 114/PMK.010/2019 concerning the Imposition of Antidumping Duties on the Import of *Polyester Staple Fiber (PSF)* Products from India, the People's Republic of China, and Taiwan, as follows:

**FINAL REPORT OF THE *SUNSET REVIEW OF*
IMPORT OF *POLYESTER STAPLE FIBER (PSF)* FROM COUNTRIES
INDIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN**

Table 24. Recommendations for Imposition of BMAD

No.	Negara	Company name	BMAD (%)
1.	India	Reliance Industries Limited	5,82
		Ganesh Polytex Limited	16,67
		Other Exporters/Manufacturers	16,67
2.	Republik Xiamen	Xianglu Chemical Fiber Co., Ltd Rakyat Jinjiang	13,0
	Kwan Lee Da	Hesne-Bonded Tiongkok Fabric Co., Ltd.	Not Applicable BMAD
		Huvis Sichuan Corporation	Not Applicable BMAD
		Other Exporters/Manufacturers	16,10
3.	Taiwan	Whole Exporter/Manufacturer	28,47

46. The extension of the imposition of BMAD is proposed to be valid for 5 (five) years since date of promulgation.

May 2022

Indonesian Anti-Dumping Committee