

駐印度代表處經濟組 函

受文者：經濟部國際貿易署

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密等及解密條件或保密期限：

附件：如文 (竺經1130005012_Attach1.pdf)

主旨：有關印度商工部貿易救濟局(DGTR)公布對自我國、中國及沙烏地阿拉伯進口「異戊四醇」(Pentaerythritol)反傾銷調查案之基礎事實揭露報告(Disclosure Statement)，報請鈞察。

說明：

- 一、依據印度商工部貿易救濟局(DGTR)本(2024)年1月17日F.No. 06/04/2023-DGTR通知辦理。
- 二、上函敘及我國生產商/出口商均未參與本案調查，也未提交問卷，DGTR在未有受調產商/出口商合作的情況下，逕依1995年反傾銷規則第6(8)條計算我國出口之涉案產品出口價格，認定我國傾銷差額(Dumping Margin)為45%-55%(請參閱報告第22頁)，對印度國內產業造成之損害差額(Injury Margin)為25%-35%(請參閱報告第42頁)。
- 三、本案利益關係人倘欲對該基礎事實揭露報告內容表示意見，可於本年1月24日下午5時前提出(調查官：Mr. Rajiv Kumar Soni，電郵：jd12-dgtr@gov.in、adv11-dgtr@gov.)

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in、ad12-dgtr@gov.in)，DGTR將參酌國內產業及利益關係
人意見後提出終判報告。

四、檢附上述基礎事實揭露報告影本1份，併請鈞察。

正本：經濟部國際貿易署

副本：經濟部產業發展署



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F. No. 06/04/2023 - DGTR
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Trade Remedies
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi-110001

Dated: 17th January, 2024

Subject: Disclosure Statement in the anti-dumping investigation concerning imports of “Pentaerythritol” originating in or exported from China PR, Saudi Arabia, and Taiwan.

Sir,

In accordance with Rule 16 of the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended, I am directed by the Designated Authority to disclose the essential facts under consideration before the Designated Authority in the matter relating to anti-dumping investigation concerning imports of “Pentaerythritol” originating in or exported from China PR, Saudi Arabia, and Taiwan.

2. This disclosure statement comprises the following four Sections:

Section I: General Disclosure

Section II: Determination of Normal Value, Export Price, and Dumping Margin

Section III: Assessment of Injury and causal Link

**Section IV: Methodology for arriving at non-injurious price
(Confidential copy for the domestic industry only)**

3. The sections cited above contain essential facts under consideration of the Designated Authority, which would form the basis for the final findings. The reproduction of facts does not tantamount to either acceptance or rejection of any fact/ argument/ submission. Arguments raised/ submissions made by the interested parties during the course of the present investigation are reflected in this Disclosure Statement to the extent they are considered relevant to this investigation by the Designated Authority.

4. Notwithstanding the facts given in this disclosure statement (including facts given on a confidential basis), the Designated Authority would consider all replies given, on merits, in order to arrive at a final determination.

5. *** in this Disclosure Statement represents information furnished by interested parties on confidential basis and so considered by the Designated Authority under the Rules.

6. Interested parties may offer their comments, if any, along with soft copy of the same to the email of the undersigned along with a copy marked to the email addresses adv11-dgtr@gov.in, jd12-dgtr@gov.in and ad12-dgtr@gov.in latest by **5:00 PM on**

24.01.2024. Interested parties are requested not to repeat their earlier submissions if already included and addressed in this disclosure statement.

7. Since anti-dumping investigations are time bound, the Designated Authority shall not entertain any request for extension of time.
8. This has been issued with the approval of the Designated Authority.

-Sd-
(Rajiv Kumar Soni)
Joint Director (FT)
Email: jd12-dgtr@gov.in
Tel: +91-11-23408728

Enclosures: As above

To,
All Interested Parties

A. BACKGROUND OF THE CASE

1. M/s Kanoria Chemicals & Industries Ltd. (hereinafter referred to as the "applicant" or the "petitioner") filed an application in the form and manner prescribed before the Designated Authority (hereinafter also referred to as the "Authority") in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred as the "Act") and the Customs Tariff (Identification Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred as the "Rules"), for initiation of an anti-dumping investigation and imposition of anti-dumping duty on imports of "Pentaerythritol" (hereinafter also referred to as the 'subject goods' or the 'product under consideration') originating in or exported from China PR, Saudi Arabia, and Taiwan (hereinafter also referred to as the "subject countries").
2. Previous investigations conducted by the Authority on the subject goods are provided herein below:

Table 1: Details of previous anti-dumping investigations against China PR

	Original Investigation	Sunset Review - I	Sunset Review - II
Subject countries	China PR and Sweden	China PR and Sweden	China PR
Initiation Notification No.	14/16/2004-DGAD	15/03/2010-DGAD	15/01/2016-DGAD
Initiation Notification date	04 th Feb. 2005	26 th March 2010	07 th June 2016
Preliminary Finding - MOC	05 th August 2005	-	-
Provisional Duty - MoF	20 th October 2005	-	-
Customs Notification of Provisional Duty	93/2005	-	-
Final Finding-DGAD	02 nd February 2006	25 th March 2011	12 th May 2017
Definitive Duty - MoF	20 th April 2006	14 th June 2011	29 th June 2017

Table 2: Details of previous anti-dumping investigations against Saudi Arabia

	Fresh Investigation
Subject countries	Saudi Arabia
Initiation Notification No.	14/11/2011-DGAD
Initiation Notification date	22 nd May 2012
	Terminated on 08 th Nov. 2013

Table 3: Details of previous anti-dumping investigations against Taiwan

	Original Investigation	Sunset Review - I	Mid Term Review	Sunset Review - II
Subject countries	Taiwan, Japan, Canada	Taiwan and Japan	Taiwan	Taiwan
Initiation Notification No.	48/1/2001-DGAD	15/07/2006-DGAD	15/10/2010-DGAD	15/19/2012-DGAD
Initiation Notification date	22 nd Nov. 2001	15 th Mar. 2007	22 nd June 2010	27 th Apr. 2013
Preliminary Finding - DGAD	15 th Feb. 2002	-	-	-
Customs Notification of Provisional Duty	27 th Mar. 2002	-	-	-
Customs Notification of Provisional Duty	33/2002	-	-	-
Final Finding-DGAD	08 th Oct. 2002	05 th Mar. 2008	17 th June 2011	16 th Oct. 2014
Definitive Duty – MoF	31 st Oct. 2002	28 th Apr. 2008	12 th Aug. 2011	31 st Dec. 2014

B. PROCEDURE

3. The procedure described below has been followed with regards to the investigation:
- i) The Authority notified the embassies of the subject countries/territories in India about the receipt of the present anti-dumping application before proceeding to initiate the investigation in accordance with Rule 5(5) of the Rules.
 - ii) The Authority *vide* notification no.6/04/2023-DGTR dated 12th May 2023 published a public notice in the Gazette of India, Extraordinary, initiating an anti-dumping investigation concerning imports of the subject goods from the subject countries.
 - iii) The Authority forwarded a copy of the public notice along with the questionnaires to the embassies of the subject countries in India, all known exporters, importers and users (whose details were made available by the applicant) and gave them the opportunity to make their views known in writing in accordance with Rule 6(2) of the anti-dumping rules. They were advised to reply within thirty days from the date of receipt of notice.
 - iv) The Authority provided a copy of the non-confidential version of the application to the known exporters and the embassies of the subject countries in accordance with Rule 6(3) of the anti-dumping Rules. A copy of the application was also provided to the other interested parties, as requested.
 - v) The Authority sent questionnaire to elicit relevant information to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the AD rules:

SN	Name of known Exporter/ Producer	SN	Name of known Exporter/Producer

1.	Guizhou Crystal Chemicals Co. Ltd.	2.	China National Chemicals Construction Corporation
3.	Sincohem Jiangsu Import & Export Corporation	4.	Shanxi Sanwei Group Company Ltd.
5.	Cosmoss VU Limited	6.	Hubei Yihua Chemical Industry Co. Ltd.
7.	PuyangPengxin Chemical Co. Ltd.	8.	Shanghai Covan Chemical Co.
9.	Sinoright International Trade	10.	Star Chemicals Far East Co. Ltd.
11.	Wuhan Biet Co. Ltd.	12.	Zhejiang Medicines & Health Products
13.	Perstop Specialty Chemicals AB	14.	Chemanol (Methanol Chemicals Company)
15.	LCY Chemical Corp.	16.	Ocean Chemical Co. Ltd.
17.	Roshal Group	18.	Metafrax Chemicals
19.	Karbolit JSC (Metafrax Group)		

- vi) Methanol Chemicals Company (“Chemanol”) producer/exporter from Saudi Arabia filed an Exporter Questionnaire Response but with a delay of 44 days and without seeking extension of time for such a significant delay. Since, there has been considerable delay in filing of response, the Authority is constrained not to accept the same. However, submissions made by the Chemanol have been appropriately considered by the Authority wherever necessary.
- vii) Questionnaires were also sent to the following known importers/users of the subject goods in India seeking necessary information in accordance with Rule 6(4) of the AD Rules:

SN	Name of Known Importer/User	SN	Name of Known Importer/User
1.	Amber Chemicals	2.	Amjev Chem Trade Pvt. Ltd.
3.	Aron Universal Ltd.	4.	Asian Paints Ltd.
5.	Aureole Rubbers Pvt. Ltd.	6.	B Pankaj Kumar & Company
7.	Berger Paints India Ltd.	8.	Bharat Solvent & Chemical Corp.
9.	Boro Criss	10.	Chemical Corp Pvt. Ltd.
11.	Esdee Paints Ltd.	12.	Fine Organic Industries Ltd.
13.	Gumpro Drilling Fluids Pvt. Ltd.	14.	Hardware Trading Corporation
15.	Hubergroup India Pvt. Ltd.	16.	J Kirit and Brothers
17.	J P Dyechem Pvt. Ltd.	18.	Jaimaruti Polychem LLP
19.	K K Global	20.	Kansai Nerolac Paints Ltd.
21.	Kushal Chemicals	22.	Leo Chemo Plast Pvt. Ltd.
23.	Lok Chemicals Pvt. Ltd.	24.	Macro Polymers Pvt. Ltd.
25.	N.R. Colours Ltd.	26.	Paarichem Resources LLP
27.	Pawan Chemicals	28.	Peekay Agencies Pvt. Ltd.
29.	Perstorp Chemicals India Pvt. Ltd.	30.	Pioneer Chemical Industries Pvt. Ltd.
31.	R Nandlal & Sons	32.	R.R. Innovative Pvt. Ltd.
33.	Ramniklal S Gosalia & Co.	34.	Resins and Plastics Ltd.

SN	Name of Known Importer/User	SN	Name of Known Importer/User
35.	Saanvi Chemicals	36.	Sanjay Chemicals (India) Pvt. Ltd.
37.	Santwani Brothers Pvt. Ltd.	38.	Shah C J World LLP
39.	Shlok Chemicals	40.	Solar Industries India Ltd.
41.	SpakOrgochem (India) Pvt. Ltd.	42.	Su-Rasayan
43.	Uniform Synthetics Pvt. Ltd.	44.	Vandana Chemicals
45.	Ratnaka Machinery and Spares	46.	A V M Sales Pvt. Ltd.
47.	Subham Oils & Resins Private Ltd.	48.	Addison Paints & Chemicals Ltd.
49.	Century Enka Ltd.	50.	Ciba Specialty Chemicals India Ltd.
51.	Coates of India Ltd.	52.	Decpro Paints
53.	Dujodwala Paper Chemicals Ltd.	54.	Gargi Industries Prop.
55.	GoodlassNerolac Paints Ltd.	56.	Hardcastle &Waud Mfg. Co. Ltd.
57.	Hero Dye Chem Industries	58.	Hindustan Inks & Resins Ltd.
59.	IVP Ltd.	60.	Jenson & Nicholson (I) Ltd.
61.	Mitsu Industries Ltd.	62.	Paras Dyes & Chemicals Pvt. Ltd.
63.	Resin & Pigments	64.	Perstorp Chemicals India Pvt. Ltd.
65.	A.V.M. Sales Pvt. Ltd.	66.	Alcon Enterprises
67.	Chemi Colour Agency	68.	Eastcorp International
69.	Garaware Polyester Ltd.	70.	H.R. Trading Co. Pvt. Ltd.
71.	Leo ChemoplastPvt. Ltd.	72.	Samir Dye Chem
73.	Sanman Trade Impex Pvt. Ltd.	74.	Saraf Chemicals Ltd.
75.	Vibgyor Paints Pvt. Ltd.	76.	Indian Paints Association
77.	Indian Resin Manufacturer's Association	78.	Indian Small Scale Paint Association

- viii) M/s Sandeep Organics, an importer of the subject goods in India, did not file an Importer Questionnaire Response but has submitted comments during the course of the investigation. The same have been appropriately addressed wherever necessary.
- ix) The Government of Saudi Arabia participated in the present investigation as well as submitted its comments.
- x) The Authority issued economic interest questionnaire (EIQ) to all interested parties and the concerned ministry. Response to EIQ was submitted only by the domestic industry.
- xi) The information provided by the interested parties on confidential basis was examined with regard to the sufficiency of such claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xii) Further information was sought from the applicant to the extent deemed necessary.
- xiii) Verification of the domestic industry was conducted to the extent considered necessary for the purpose of the present investigation.

- xiv) The non-injurious price (hereinafter referred to as ‘NIP’) based on the cost of production and the cost to make and sell the subject goods in India based on the information furnished by the domestic industry, maintained as per Generally Accepted Accounting Principles (GAAP), has been worked out so as to ascertain whether the present anti-dumping duty is sufficient to remove injury to the domestic industry.
- xv) The period of investigation for the purpose of the present review is 1st July 2022 to 31st March 2023 (9 months) (hereinafter referred to as the “period of investigation” or “POI”). The Authority had recorded reasons in the initiation notification of the present investigation, for considering a period of 9 months as POI. It had been stated that the POI was considered to be this period after (a) excluding the period during which duties on China were in force, and the period for which data/information is not available, (b) considering urgency in undertaking investigation, having regard to irreparable loss and damage that is occurring to the domestic industry. It had also been specified in the initiation notification, that other parties may comment an appropriateness of POI. In the absence of any comments received, and the aforesaid factors, the Authority considers the POI, i.e., 1st July 2022 to 31st March 2023 to be appropriate for the present investigation. The injury analysis period included the period of investigation and the preceding years, 2019-20, 2020-21, April 2021- June 2022. Further, since the POI is of 9 months and the immediately preceding year is 15 months, hence the Authority to appropriately examine the trends of the injury period, has annualized these two periods. The actual figures for these two periods have been annualized by implementing the following formula: $(x/15) * 12$ and $(x/9) * 12$, respectively.
- xvi) In accordance with Rule 6(6) of the AD Rules, the Authority provided opportunity to the interested parties to present their views during the oral hearing held on 22nd September 2023. The interested parties were requested to submit their written submissions by 29th September, 2023 and rejoinder submissions by 6th October, 2023 at the latest.
- xvii) Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded its observation on the basis of the facts available.
- xviii) *** in this final finding represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xix) Exchange rate considered for the POI for conversion of USD to Indian Rupees is 1 USD = **Rs. 82.16**.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

C.1 Views of the other interested parties

4. Following submissions have been made by other interested parties with regard to scope of the product under consideration (PUC) and like article:
- i) The domestic industry manufactures pentaerythritol of purity 92% & 96%. Whereas imports entering the Indian market are of minimum 98% purity. Actual purity of imports from Russia is minimum 99%. There is a difference in usage & price as per purity, and

therefore, data should be compared as per purity. Further, in this regard certificate of analysis should be examined.

C.2 Views of the domestic industry and supporter

5. The Indian industry has made the following submission with regard to the scope of the product under consideration and like article:
 - i) The product under consideration is Pentaerythritol, excluding Di-Pentaerythritol. It is an organic compound and constitutes of four hydroxyl groups, indicated by the term “erythritol”, and five carbon atoms indicated by the prefix “Penta”. It can be produced in two grades, in which the difference is primarily on the basis of the purity, crystal size, and uniformity of crystals. Apart from this, there is no material difference between the two grades.
 - ii) Pentaerythritol is used in the manufacture of derivatives such as alkyd resins, esters, and other derivatives. These derivatives are used as drying agents in paint, varnishes, and other surface coating industries and more recently, as lubricants in various industries.
 - iii) With respect to alleged difference with respect to purity of subject goods, the same has been examined previously, both by the DGTR and also by other jurisdiction which conducted an investigation on subject goods. The European Commission in Regulation (EC) No 2007/214/EC of 3 April 2007¹, had noted that all grades share the same chemical and physical characteristics, and are used for the same purpose.

C.3 Examination by the Authority

6. The product under consideration in the present investigation is, ‘Pentaerythritol’. Pentaerythritol is an organic compound. The term “erythritol” indicates the presence of four hydroxyl groups, and the prefix “Penta” indicates that there are five carbon atoms in the molecule.
7. Pentaerythritol is produced using electro dialysis separation technology or fractional crystallization technology having molecular formula of $C_5H_{12}O_4$ and molecular weight of 136.
8. There is no difference in product properties produced through the two technologies. Major raw materials required for production of Pentaerythritol are methanol, ethanol, caustic soda, and activated carbon.
9. Pentaerythritol can be of either technical or nitration grade. The principal difference in the two grades is in purity, crystal size and uniformity of crystals. Both the grades are produced out of the same process. However, it is only a matter of gradation, after production and at the stage of analytical testing of the product. Pentaerythritol having purity above 98% and better crystal

¹<https://eur-lex.e.uropa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007D0214>

formation can be used in the explosive industry and therefore, this grade has been designated as “nitration grade” in commercial parlance. However, Pentaerythritol considered as “nitration grade” can also be used for production of alkyd resins and other products (where the other grade, “technical grade” Pentaerythritol is used). It is noted that the production process, largely results in production of “technical grade” and less than 2% production results in nitration grade. Production of Di-penta is less than 0.5%. In terms of imports of subject goods, these are also primarily of technical grade.

10. There is no material difference between technical or nitration grade. Nitration grade is sold at nominally higher price due to its higher purity compared to the technical grade. However, the aforesaid price difference is insignificant. Di-pentaerythritol is beyond the scope of the product under consideration of the present investigation.
11. The price difference between technical and nitration grade is insignificant. Consistent with the past determination of this the Authority in previous investigations conducted in the product under consideration², has considered that there is no difference between the two grades for the purpose of the present investigation.
12. The applicant is also involved in the production of Di-pentaerythritol. Di-pentaerythritol is produced by further processing of Pentaerythritol. However, Di-pentaerythritol is beyond the scope of the product under consideration of the present investigation.
13. Pentaerythritol used in the manufacturing of derivatives, and finds its application in paint, varnishes, and other surface coating industries. It is mostly used in the manufacturing of alkyd resins, rosin esters, plasticizers, printing inks, synthetic rubber, stabilizers for plastics, modified drying oils, detonators, explosives, pharmaceuticals, and core oils and synthetic lubricants, etc. The applicant in their Economic Interest Questionnaire (EIQ), has submitted that major consumption of the subject goods is in the paint industry. About 90% of Pentaerythritol is consumed in the paint industry. Asian Paints (India)Ltd., Kansai Nerolac Paints Ltd., Berger Paints, Esdee Paints Ltd., Macro Polymers Pvt. Ltd. constitute majority consumers of the Pentaerythritol in the paint industry.
14. The product under consideration is classified under Chapter 29 of the Customs Tariff Act, 1975, under customs sub-heading 2905.42.90. The customs classification is only indicative and is not binding on the scope of the product under consideration.

D. SCOPE OF THE DOMESTIC INDUSTRY & STANDING

D.1 Views of the other interested parties

15. No submission has been made by other interested parties with regard to the domestic industry and standing.

² Final Findings in the anti-dumping investigation concerning imports of Pentaerythritol originating in or exported from Russia-reg. dated 11th Dec., 2014

D.2 Views of the domestic industry

16. The domestic industry has made the following submissions with regard to the domestic industry and standing:
- i) The application has been filed by M/s. Kanoria Chemicals & Industries Limited (Kanoria).
 - ii) The applicant has neither imported the subject goods from the subject countries nor related to any importer in India or producer/exporter from the subject countries.
 - iii) There is one more producer in India, M/s Asian Paints (India) Ltd.
 - iv) Perstorp Industries India Pvt. Ltd., is a new producer, and has participated in the present investigation and supported the application.
 - v) Asian Paints produces the goods for captive consumption. However, their production is insufficient to meet their own requirements. The company supplements its requirement through purchases from the market.
 - vi) Asian Paints should not be included in the eligible production, as neither does this production compete with the dumped imports from the subject countries nor does it compete with the sales made by the Indian producers.
 - vii) The applicant constitutes a 'major proportion' (53%) of the total Indian production according to Rule 2(b).

D. 3 Examination by the Authority

17. Rule 2(b) of the AD Rules defines the 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 exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term 'domestic industry ' must be construed as referring to the rest of the producers"

18. The present application has been filed by M/s. Kanoria Chemicals & Industries Limited ("Kanoria"). The applicant has not imported the subject goods and are neither related to an importer or exporter thereof. The applicant company is an eligible the domestic industry within the meaning of the Rule 2(b).
19. The applicant has been supported by M/s Perstorp Industries India Pvt. Ltd. ("**Perstorp India**" or **Perstorp**). Perstorp submitted that it has made substantial commitment in setting up manufacturing facility of Pentaerythritol in India. It has set up a plant having capacity of *** MT per annum for manufacturing of Pentaerythritol in India. It has invested about Rs. *** crores in setting up this facility and has plans to invest further. The company has further stated that it was scheduled to start the production from September 2023, which was earlier planned for July 2023, but the same has been delayed. In their subsequent submission to the Authority,

they have submitted that **Perstorp**, has now started production of Pentaerythritol in November 2023 at Sayakha, Gujarat.

20. M/s Asian Paints (India) Ltd. (“Asian Paints”) is also a producer of the subject goods in India. The applicant has identified Asian Paints as a (a) producer, (b) consumer (c) importer and (d) /customer of the applicant in respect of the product under consideration. Asian Paints has not participated in the present investigations. The past findings notified by the Authority also considered Asian Paints as a captive producer of Pentaerythritol. The company has neither supported nor opposed the present investigation. It has been claimed that Asian Paints is another producer, producing the product for its own captive requirements. The applicant has submitted that the production of Asian Paints should be excluded since the production of Asian Paints was not competing in market and they have not experienced injury from such dumping of subject goods in the Indian market.
21. As per the Anti-dumping Rules, the Authority is required to examine whether (a) the production by the domestic industry constitutes “a major proportion” of total Indian production (b) domestic producers expressly supporting the application account for more than twenty five percent of the total production of the like article by the domestic industry; and (c) the application is supported by those domestic producers whose collective output constitute more than fifty percent of the total production of the like article produced by that portion of the domestic industry expressing either support for or opposition to the application. Considering the facts of the present case, and submissions made above, the share of production by the applicant in total Indian production has been determined considering both, the production of Asian Paints, as well as after exclusion Asian Paints’ production. The applicant accounts for 100 % of Indian production after excluding production of Asian Paints and ***% after including production of Asian Paints. The Authority considers that it was not necessary to adjudicate whether production of Asian Paints is required to be included or excluded for the purpose of deciding standing of the applicant, as (a) the company has preferred non-cooperation, (b) the company has been identified as a major consumer of the product under consideration, (c) the company is an importer of the product, (d) the company has bought Pentaerythritol from the applicant domestic industry.
22. It is seen that the applicant accounts for a major proportion in Indian production, in both the scenario i.e., after excluding production of Asian Paints for captive consumption; as well as including production of Asian Paints for captive consumption. The application thus satisfies the criteria of standing in terms of Rule 5(3) of the Rules. Further, the applicant, Kanoria Chemicals, constitutes the domestic industry within the meaning of the Rules.

E. ASSESSMENT OF DUMPING AND DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

E.1 Views of the other interested parties

23. The other interested parties have made the following submissions with regard to the normal value, export price and dumping margin:

- i) The respondent was under the *bona fide* belief and understanding that the due date for filing the questionnaire response fell on 23rd June 2023 and had filed its interested party letter on the same date asking for a further extension of time by 4 weeks. There was no response from the Authority.
- ii) The respondent in view of the Eid Holidays in the month of June and July in Saudi Arabia, which reduced the number of operational days and necessitated additional time to complete the questionnaire in the form and manner prescribed requested for further extension of times.
- iii) On receipt of this email on 2nd August 2023 from Perstorp, stating that it supports the levy of anti-dumping duty, it became clear as to why there was no response from Perstorp to the repeated requests by Chemanol for sharing information relevant for filing the Exporters' Questionnaire Response.
- iv) The delay in submitting the EQR by the respondent was occasioned due to the unique circumstances which were beyond its control and are therefore required to be condoned.
- v) The Designated Authority has further discretion with itself to grant an extension in filing the Questionnaire Response in with retrospective effect where sufficient cause is shown for the same as done in various cases such as aluminium frame, VFY, Flax yarn etc.
- vi) The Authority should consider the facts and circumstances of this case on merit and accept the response filed by it since the exporter turned hostile due to the abovementioned change in its nature of interest in the market for the subject goods in India. Reference has been made to text of paragraph 8(v) of the "GENERAL section" of the format of Exporters' Questionnaire which states as follows:

In case, any unrelated exporter does not cooperate and does not provide the relevant information, the Designated Authority may disregard the information provided by the concerned participating producer(s)/exporters(s). However, the Designated Authority may consider the facts and circumstances of each case on merit, before taking such decision."

- vii) Resorting to constructed normal value is erroneous and inconsistent with Article 2.2 of ADA as well as Section 9A (1) of the Act and cannot be considered either adequate or accurate information vis-à-vis normal value or a dumping margin calculated on that basis. It had to establish that there exist two conditions to resort to (a) where there are no sales of the like article in the domestic market of the exporting country (b) when because of the

particular market situation or low volume of sales in the domestic market of the exporting country, such sales do not permit a proper comparison.

- viii) The costs of the domestic industry could not have been used to construct the normal value in Saudi Arabia for the further reason that its cost of production was inflated due to an unprecedented increase in the cost of raw materials in India arising out of an instability in prices as a result of the pandemic.
- ix) No evidence has been provided by the applicants in respect of the adjustments claimed in the petition and the adjustments are high.

E.2 Views of the domestic industry and supporter

24. The submissions of the Indian industry with regards to the normal value, the export price and the dumping margin, are as follows:

- i) China should be considered a non-market economy, in line with the position taken by the Authority in previous cases, and by the investigating authorities in other countries. Chinese producers' cost and price cannot be relied upon for determination of normal value.
- ii) The Authority shall follow Para 1 – 6 of Annexure I for the determination of normal value only if the responding Chinese companies establish that their costs and price information is such that individual normal value and dumping margin can be determined. If the responding Chinese companies are not able to demonstrate that their costs and price information can be adopted, the Designated Authority shall reject the claim of individual dumping margin.
- iii) Paragraph 1 to 6 of Annexure I of the Rules does not apply for computation of normal value for imports from China PR, unless a producer/exporter shows with sufficient evidence that he is operating under market economy conditions. As a result, normal value for China PR has to be determined in terms of Para 7 of Annexure I of the Rules.
- iv) Chinese producers are required to be treated as companies operating under non-market economy environment and the Authority may proceed to determine the normal value on the basis of Para 7 of Annexure-I.
- v) The applicant has constructed the normal value on the basis of the estimate of cost of production in the subject country considering the costs of the domestic industry in India, duly adjusted to include selling, general and administrative costs of the domestic industry by adding reasonable profits, after addition for selling, general and administrative expenses and reasonable profits.
- vi) This investigation requires, dumping margin to be computed on quarterly basis. Reliance placed on Article 2.4.2 of the ADA, para no. 9.6.20 of DGTR's manual of operating practices, and Appellate Body in US – Anti-Dumping Methodologies (China), to state that the Authority is required to only examine a pattern of export price. If it is found that there exists a pattern of export price, the Authority has discretion to undertake any appropriate methodology for determination of dumping margin. In this regard, reliance also placed on Issues and Decision Memorandum for the Anti-dumping Duty Investigation of Large

Residential Washers from the Republic of Korea, and Appellate Body in US – Washing Machines, to submit that deviation in dumping margin methodology can be made, if

- a. Volatility in Input cost or selling prices;
 - b. Volatility in volume of imports;
 - c. Volatility in landed value;
 - d. Volatility in export price,
 - e. Volatility in normal value;
- vii) DGTR and other authorities have conducted quarterly examination in Phenol originating in or exported from Japan and Thailand; Carbon Black used in rubber applications' originating in or exported from Australia, China PR, Iran, Malaysia, Russia and Thailand; Phenol originating in or exported from Japan and Thailand; 'Chlorinated Polyvinyl Chloride (CPVC)- Whether or not further processed into compound' from Korea RP and China PR; Melamine originating in or exported from the European Union, Japan, Qatar and the United Arab Emirates; Mid-Term Review investigation in respect of the anti-dumping duties imposed on imports of, 'Acetone' originating in or exported from Chinese Taipei; Sunset Review of anti-dumping duty on Viscose Staple Fibre from China PR; Styrene Butadiene Rubber (SBR) of 1500 series and 1700 series, originating in or exported from European Union, Korea RP and Thailand; EU's investigation on certain hot-rolled flat products of iron, nonalloy or other alloy steel originating in the People's Republic of China.
- viii) In the present case also, there is also significant difference in, normal value, export price and resultant dumping margin.
- ix) Highly unfair to not only the domestic industry but also to other parties, if EQR of the exporter is accepted. Not only the Authority has already rejected the response, but also the oral hearing is already over. Above all, the delay is not in few minutes or hours, but of several days. No global Authority allows such delayed responses. GCC practice referred where Indian producers were given 2-3 days to file response.
- x) Further, in a situation where more than 90% of the sales are of a company that is non-cooperative, in any case, dumping margin cannot be determined, as value chain is severely missing and incomplete.
- xi) While the applicant had made efforts to gather information on actual transactional prices prevailing in the domestic market of Saudi Arabia, the same was not available. Having no information/evidence available either in public domain or in published sources, for the purposes of the application and computation of dumping margin, the applicant was constrained to rely on constructing the normal value.
- xii) It is not the argument of interested party that some information was available with respect to normal value and the domestic industry has deliberately not provided the same. Saudi government does not even make public information such as trade data, which is made public by other major WTO members. Should the other party make available any other appropriate evidence other than the aforesaid, then the same may be accepted by the Authority.
- xiii) With respect to the argument that the costs of the domestic industry could not have been used to construct the normal value in Saudi Arabia as it was inflated due to the pandemic, the same is incorrect. The period of investigation is July 2022 to March 2023, a period that

was not impacted by the pandemic. The applicant believes that the argument of the exporter is misplaced.

- xiv) As regards no evidence being provided for adjustment claimed, the applicant has provided the same for freight. With respect to all other adjustments claimed, the same is based on market intelligence. There is no basis for stating that the amount of adjustments claimed are high, and no evidence has been provided.
- xv) All claims made in Chemanol's written submission are denied, by Perstorp.
- xvi) Chemanol has only reproduced and reiterated details of the investigation.
- xvii) In reference to condonation of delay requested by Chemanol, any request for extension should be submitted within original time limit prescribed by the EQR.
- xviii) When there is no response from the Authority regarding extension, consistent practice is that it is not granted and it is granted, there is a notice expressly stating so.
- xix) Chemanol filed an extension of time for 4 weeks on 23rd June, and even if granted, the response would be due on 22nd July. EQR was admittedly submitted on 5th August which is a delay of 14 days.
- xx) Respondent notes that Chemanol filed a request for registration as an interested party along with request for extension of time for filing EQR on 23rd June. Chemanol failed to register itself as an interested party within the prescribed time, and further failed to file the EQR within the prescribed time.
- xxi) Emails sent to the Authority by Chemanol for extension of time limit was not provided by Chemanol and Perstorp understands that Chemanol also never informed the Authority the cause for delay within the time limit.
- xxii) In any case, nothing prevented Chemanol from filing EQR containing its own information within the time limit.
In reference to submissions made by Chemanol against Perstorp AB Sweden, the respondent notes that accusations by Chemanol are redundant and have no legal relevance and that the Authority is not required to adjudicate on the bona fides of Perstorp AB Sweden. Perstorp AB Sweden is not even registered as an interested party in the investigation.
- xxiii) With regard to the specific allegation that Perstorp AB Sweden has become hostile and not complied with the requirement of the trade notice, Perstorp stated that Chemanol's statement is unwarranted and has no legal basis. Legal obligation is on Chemanol to provide information regarding its exports to India. Chemanol cannot shift the burden, and there is no mandate under the anti-dumping rules that an unrelated trader or producer has to comply with the request of producer unconditionally.
- xxiv) No assurances were given orally or in writing to Chemanol, that Perstorp AB Sweden would submit an EQR, and in any case, no obligation is formed on Perstorp AB Sweden.
- xxv) EQR filed by Chemanol should be rejected as it is incomplete and because the unrelated trader through whom Chemanol has exported the product to India has not cooperated in the present investigation. This is also the Authority's consistent practice.

E.3 Examination by the Authority

25. Under Section 9A(1)(c) of the Act, normal value in relation to an article means:
- i. *the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
 - ii. *when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*
 - (a) comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or*
 - (b) the cost of production of the said article in the country of origin along With reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):*

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.
26. The Authority sent questionnaires to the known producers/exporters from the subject countries, as well as to the appropriate diplomatic representative advising them to provide information in the form and manner prescribed by the Authority within the prescribed time limit.
27. The exporter questionnaire response was due on 21.06.2023. However, Methanol Chemical Company (Chemanol)-Saudi Joint Stock Company (hereinafter referred as Chemanol), submitted the Exporter Questionnaire Response well beyond the prescribed time limit, on 05.08.2023 (delay of 44 days).
28. The exporter, in fact registered itself as an interested party, and sought extension, after expiry of the deadline i.e., on 23.06.2023. The request for extension was based on holidays for Eid that had reduced the number of operational days. Notwithstanding the delay in registering as an interested party and seeking extension in a timely manner it is noted that the extension was sought for four weeks, i.e., till 21st July 2023 and the response has been filed on 5th August., 2023. It has been submitted by the producer that it was waiting for the exporter, Perstorp AB, to cooperate in this investigation by providing relevant information, in order to effectively respond to the questionnaire issued. However, the questionnaire response filed on 5th August, 2023 is without questionnaire response of the exporter. It is noted from the questionnaire response that no exports have been made by the company to India. Exports to India have been made by Perstorp AB. Since Perstorp AB has not filed questionnaire response, the Authority

can, in anyway, not determine export price appropriately and cannot accept the response filed by Chemanol.

E.3.1 Determination of dumping margin on quarterly basis

29. The domestic industry, in its petition, determined dumping margin, and injury margin on quarterly basis and contended that the same was necessary in view of significant decline in the import prices without proportionate decline in the cost of production. No interested party has disputed the claim of the domestic industry for determination of dumping margin on quarterly basis.
30. In view of significant fluctuations in the import prices and raw material prices during the POI, it is considered appropriate to compare normal value with export price on basis quarterly averages. Considering the material changes in the raw materials prices, the Authority considers that a dumping margin determined on the basis of weighted average for the POI would not be appropriate. The Authority has therefore undertaken quarterly quantification of both dumping margin and injury margin. Weighted average dumping margin and injury margin for the POI has been determined on the basis of associated weights.

E.3.2 Normal value for China PR

31. Article 15 of China's Accession Protocol in WTO provides as follows:

"Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:

"(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology, that is not based on a strict comparison with domestic prices or costs in China based on the following rules:

- (i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;*
- (ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.*

- (iii) *In proceedings under Parts II, III and V of the SCM Agreement, when addressing subsidies described in Articles 14(a), 14(b), 14(c) and 14(d), relevant provisions of the SCM Agreement shall apply; however, if there are special difficulties in that application, the importing WTO Member may then use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. In applying such methodologies, where practicable, the importing WTO Member should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.*
- (iv) *The importing WTO Member shall notify methodologies used in accordance with subparagraph (a) to the Committee on Anti-Dumping Practices and shall notify methodologies used in accordance with subparagraph (b) to the Committee on Subsidies and Countervailing Measures.*
- (v) *Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event; the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy conditions prevail in a particular industry or sector, the nonmarket economy provisions of subparagraph (a) shall no longer apply to that industry or sector. "*

32. Para 7 of Annexure I of the Rules reads as under:

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

33. Para 7 lays down a hierarchy for determination of normal value and provides that normal value shall be determined on the basis of the price or constructed value in a market economy third country, or the price from such a third country to other country, including India, or where it is not possible, on any other reasonable basis, including the price actually paid or payable in India for the like product, duly adjusted, if necessary, to include a reasonable profit margin. Thus, the Authority notes that the normal value is required to be determined having regard to the various sequential alternatives provided under Annexure 7. There is no evidence of price or constructed value prevailing in market economy third country brought forward by any interested party. Apart from the subject countries in the present investigation, imports into India from other countries are low in volume. Thus, imports into India from market economy third country could not be considered for determination of normal value. The normal value could not be based on the price from a market economy third country to other country, including India as this subject good does not have dedicated customs classification. Therefore, price from a market economy third country to other country, including India, cannot be considered for the present purposes.
34. Therefore, the Authority has determined normal value for the subject imports in China as per any other reasonable basis including the “price actually paid or payable in India” as stipulated in para 7 of Annexure – I to the AD Rules, 1995. It has been computed based on the cost of production of the domestic industry, with reasonable addition for selling, general and administrative expenses, and profits. The normal value so determined is given below in the dumping margin table.
35. The Authority sent questionnaires to the known producers/exporters from China, advising them to provide information in the form and manner prescribed by the Authority. However, none of the producers/exporters from China PR have participated in the present investigation.

E.3.3 Export price for China

36. The Authority notes that none of the producers/exporters from China have participated in the present investigation or filed questionnaire response. In the absence of cooperation from the producers/exporters of the PUC in China, the Authority is constrained to proceed on facts available in terms of Rule 6(8) of the AD Rules, 1995 with regard to the determination of export price for all non-cooperative producers/exporters from China.
37. The Authority has determined the export price on the basis of volume and value of imports as per DGCI&S transaction by transaction data. Price adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission, and bank charges, on the basis of facts available, in view of non-cooperation. The export price so determined is stated in the table below.

E.3.4 Normal value for Saudi Arabia

38. The Authority notes that even though the producer/exporter from Saudi Arabia has participated in the present investigation, the same has not been accepted by the Authority for the reasons specified above. In the absence of timely cooperation from the producers/exporters of the PUC, the Authority is constrained to proceed on the basis of facts available in terms of Rule 6(8) of the AD Rules, 1995 with regard to the determination of normal value for all non-cooperative producers/exporters. The Authority has, therefore, constructed the normal value for all producers/exporters from Saudi Arabia on the basis of the facts available with regard to the cost of production of the subject goods, duly adjusted for selling, general and administrative expenses, and a reasonable profit margin. As noted above, in view of steep changes in the import prices without proportionate decline in the input prices, comparison of normal value and export price on the basis of weighted average for the POI would result in a skewed quantification of dumping margin. Thus, normal value has been determined on quarterly basis. The constructed normal value so determined for producers/exporters from Saudi Arabia is mentioned in the dumping margin table below.

E.3.5 Export price for Saudi Arabia

39. The Authority notes that none of the producers/exporters from Saudi Arabia have filed timely questionnaire response. It is further noted that the responding producer Chemanol has stated that all the goods were in fact sold in the Indian market by Perstorp AB. Perstorp AB has not cooperated in the present investigation. Since the goods have been sold in the Indian market by Perstorp AB, the Authority considers that export price in any case cannot be appropriately determined without complete value chain of exports from Chemanol. In the absence of timely cooperation from the producers/exporters of the PUC in Saudi Arabia, the Authority is constrained to proceed on facts available in terms of Rule 6(8) of the AD Rules, 1995 with regard to the determination of export price for all non-cooperative producers/ exporters from Saudi Arabia.

40. The Authority has determined the export price after considering the volume and value of imports in the POI as per DGCI&S data. As noted above, in view of steep changes in the import prices without proportionate decline in the input prices, comparison of normal value and export price on the basis of weighted average for the POI would result in a skewed quantification of dumping margin. Thus, export price has been determined on quarterly basis. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission, and bank charges. The export price so determined is stated in the below – mentioned dumping margin table.

E.3.6 Normal value for Taiwan

41. In the present case, the Authority notes that none of the producers/exporters from Taiwan have participated in the present investigation or filed a timely questionnaire response. In the absence of cooperation from the producers/exporters of the PUC, the Authority is constrained to proceed on facts available in terms of Rule 6(8) of the AD Rules, 1995 with regard to the

determination of normal value for all non-cooperative producers/exporters. The Authority has, therefore, constructed the normal value for all producers/exporters from Taiwan on the basis of the facts available with regard to cost of production of the subject goods, duly adjusted for selling, general and administrative expenses, and a reasonable profit margin. As noted above, in view of steep changes in the import prices without proportionate decline in the input prices, comparison of normal value and export price on the basis of weighted average for the POI would result in a skewed quantification of dumping margin. Thus, normal value has been determined on quarterly basis. The constructed normal value so determined for producers/exporters from Taiwan is mentioned in the dumping margin table below.

E.3.7 Export price for producers/exporters of Taiwan

42. The Authority notes that none of the producers/exporters from Taiwan have participated in the present investigation or filed questionnaire response. In the absence of cooperation from the producers/exporters of the PUC in Taiwan, the Authority is constrained to proceed on facts available in terms of Rule 6(8) of the AD Rules, 1995 with regard to the determination of export price for all non-cooperative producers/exporters from Taiwan.
43. The Authority has determined the export price after considering the volume and value of imports for the POI as per DGCI&S data. As noted above, in view of steep changes in the import prices without proportionate decline in the input prices, comparison of normal value and export price on the basis of weighted average for the POI would result in a skewed quantification of dumping margin. Thus, export price has been determined on quarterly basis. Adjustments have been made for ocean freight, inland freight, insurance, handling charges, commission, and bank charges. The export price so determined is stated in the below – mentioned dumping margin table.

E.3.8 Determination of Dumping margin

44. Considering the normal value and the export price for the subject goods, determined as stated above, dumping margin for the subject goods from the subject countries have been determined as shown in table below. Further, as stated above, the dumping margin have been determined for all producers and exporters from subject countries by undertaking quarterly quantification of normal value and export price.

Dumping margin Table from China PR, Saudi Arabia and Taiwan

Country	Period	Import volume	Normal value	Export price	Dumping margin	%	
			USD/MT	USD/MT	Amount	%	range
China	POI-Q1	371	***	1,710	***	***	20-30
	POI-Q2	1377	***	1,342	***	***	40-50
	POI-Q3	72	***	1,286	***	***	40-50
	POI	1820	***	1,415	***	***	30-40

Saudi Arabia	POI-Q1	1240	***	1,904	***	***	0-10
	POI-Q2	1500	***	1,437	***	***	30-40
	POI-Q3	1280	***	1,209	***	***	50-60
	POI	4020	***	1,508	***	***	25-35
Taiwan	POI-Q1	567	***	1,549	***	***	30-40
	POI-Q2	620	***	1,321	***	***	40-50
	POI-Q3	770	***	1,166	***	***	50-60
	POI	1957	***	1,326	***	***	45-55

F. EXAMINATION OF INJURY AND CAUSAL LINK

F.1 Views of other interested parties

45. The other interested parties have made the following submissions with regards to injury and continuation or recurrence of injury:

- i) Imports from Saudi Arabia decreased in both absolute terms and in relation to consumption in India.
- ii) No injury was caused by imports from Saudi Arabia as the performance of the petitioner was stable till June 2022 despite the presence of price undercutting.
- iii) Domestic sales of the petitioner increased since the base year of 2019-20, despite the petitioner's capacity remaining the same, and capacity utilization has been nearly 100%.
- iv) Closing inventories of the petitioner have gone down significantly since the base year of 2019-20.
- v) The petitioner's market share has increased since the base year and has gone up to 32.33 in the year 2020-21.
- vi) Profitability of the petitioner depends on the fluctuations of the prices for methanol and ethanol, which are used in the production of acetaldehyde and formaldehyde.
- vii) Profit margins could have been affected by the trend of the Rupee against the US Dollar.
- viii) Number of employees and productivity per day per employee has shown a healthy improvement over the injury period and wages also increased by a substantial degree.
- ix) The petitioner has witnessed significant improvements across all volume parameters as both sales and production have increased in relation to the increase in capacity and decrease in inventories.
- x) The domestic industry has witnessed significant improvement across all its volume parameters as both sales and production have increased commensurately to the increase in capacity and inventories have also decreased. Reference made to MEG.
- xi) Ukraine - Russia war was a factor that had impacted pricing and demand-supply of the subject goods.
- xii) Further, effect of imports from other countries such as Japan, Korea, Europe, to be considered.
- xiii) It has also been submitted that in the POI, changes in the pricing & demand-supply of factors such as raw material, methanol, crude oil, freight, currency etc., should be provided. Whereas the domestic industry had agreed that there has been some decline in the raw material costs as well, but it has neither been quantified nor mentioned by name.
- xiv) The domestic industry should explain the result/effect of the past anti-dumping duties & cessation thereof on imports from Europe, Russia, China & Taiwan.
- xv) Significant volume of imports implies high demand from the end consumers including the paint industry.

- xvi) Further, it has also been submitted that COVID & non-financial performance by countries such as Nepal, Pakistan, Bangladesh, Sri Lanka etc. had impacted global demand-supply & pricing.
- xvii) It has also been submitted that data from the post-POI period will reflect a better picture.
- xviii) It has been submitted that annual reports of the domestic industry have not been provided.
- xix) In order to eliminate the possibility of manipulation of data, the POI should be of minimum 2 years.

F.2 Views of the domestic industry and supporter

46. The following submissions were made by the domestic industry, and the supporter, with regard to injury and causal link:

- i) Import price of the product declined very steeply without proportionate decline in the costs of inputs. While there has been some decline in the raw material costs as well, the domestic industry has been forced to sell the product at significant financial losses. The exporters/producers have resorted to predatory pricing.
- ii) The subject imports are causing injury to the domestic industry.
- iii) Imports from other countries are either negligible or at abnormally higher prices.
- iv) The demand in the base year declined due to COVID-19, after which it increased till the POI and achieved levels similar to that of the base year.
- v) The import prices in the POI were low, witnessing a very steep decline.
- vi) Prices of the dumped imports were controlled by China, and it is seen that Saudi Arabia and Taiwan followed the trend that was set by China in any event.
- vii) Price undercutting is positive and has been determined by comparing the landed price of subject imports with the Net Sales Realization of the domestic industry.
- viii) The depression of the domestic industry prices by the subject goods have forced the domestic industry's net selling price to be reduced to lower than the cost of production. The selling price has to be lowered below cost despite an increase in cost of sales, in the POI.
- ix) The domestic industry's capacity remained constant, however the production and capacity utilization declined from base year to 2020-21 due to the decline in demand, increased in 2021-22 and then declined again in the POI.
- x) The sales of the domestic industry increased from the base year to the POI.
- xi) The domestic industry has attempted to maintain its utilization and sales by reducing prices, even below cost.
- xii) Inventories of the domestic industry increased from the base year to 2020-21, with a considerable decline in 2021-22, and increased significantly in the POI.
- xiii) The wages paid and the number of employees both have declined from the base year to 2020-21, and then increased in the POI. However, wages have shown improvement over the injury period.

- xiv) Price parameters have seen negative growth due to the subject imports in the POI. Growth in terms of volume parameters such as sales, production, and market share has also remained adverse.
- xv) Dumping margins are significantly more than *de-minimis* and quarterly analysis of the dumping margin shows that the dumping intensified within the POI.
- xvi) Imports into India at unfair prices would prevent Perstorp from achieving its projected results; Perstorp supports the claims made by the domestic industry and requests recommendation of anti-dumping duty.
- xvii) Total volume of imports from the subject countries have consistently and significantly increased since 2020-21; 9490 MT to 15,681 MT in POI (annualized).
- xviii) Import price of the subject good has declined in the recent period as imports from the subject countries are forcing the prices to dip lower due to aggressive pricing policies and is exerting price pressure in the Indian market.
- xix) Perstorp has already invested approx. INR 800 crore for setting up a manufacturing facility for Pentaerythritol. Perstorp has further plans to invest approx. INR 27 crore for production of Pentaerythritol. It provides direct employment to 106 employees, and has established production facility in 28 acres.
- xx) Production of Pentaerythritol was earlier planned to start from August- September 2023 but the same has been slightly delayed. Continued dumping of subject goods from China PR, Taiwan, and Saudi Arabia has compelled Perstorp to postpone its schedule for commencement of production. Perstorp India has started production of Pentaerythritol in India in November 2023 at Sayakha, Gujarat.
- xxi) Perstorp will produce 2 products namely, Pentaerythritol and Calcium Formate. Calcium Formate is used as an animal feed preservative in various European countries. It is also used as a masking agent in chrome tanning of leather. Total production capacity of Calcium Formate is 26,000 MT per annum. Almost entire production of Calcium Formate will be exported outside India.
- xxii) Formaldehyde and acetaldehyde, raw materials of Pentaerythritol, would be sourced locally by Perstorp. It has entered into long term supply agreements with raw material suppliers such as Balaji Formalin Private Limited and Lakshmi Organics Industries Ltd. Both these raw material suppliers have invested in greenfield and brownfield projects in line with long term supply contracts, of INR 130 Cr and INR 100 Cr, respectively.
- xxiii) Perstorp supports the claims made by the domestic industry concerning dumping of subject goods from subject countries and material injury and requests for recommendation of anti-dumping duty on the imports of subject goods from China PR, Saudi Arabia and Taiwan. Adequate trade remedy measures will also support "Make in India" initiative. It also requests imposition of provisional duties.
- xxiv) Imports into India at unfair prices will prevent Perstorp India from achieving its projected results and earn reasonable rate of return on its investment. The anti-dumping duty on Pentaerythritol from China PR expired on 28th June 2022 and import price from China PR has declined significantly thereafter. Exporters from Saudi Arabia and Taiwan are forced to match import price from China PR.

- xxv) With the commencement of production by Perstorp, the total capacity of Indian producers for the subject good would exceed the total demand of the subject good in India; imports would not be required to bridge the demand-supply gap.
- xxvi) As to why the Indian industry did not expand the capacity, it is to be considered the profitability of this product over last two decades and this requirement of return. It would be evident that there was no justification for this investment.
- xxvii) In terms of evidentiary and legal standards regarding dumping, injury, and causal link between the alleged dumping and injury, Perstorp reiterates submissions made in its WS and has no additional rejoinder.

F.3 Examination by the Authority

47. The Authority has taken note of the submissions made by the interested parties and has examined various parameters in accordance with the Rules after duly considering the submissions made by the interested parties. The injury analysis made by the Authority hereunder *ipso facto* addresses the various submissions made by the interested parties.
48. Rule 11 of the Rules read with Annexure II provides that an injury determination shall involve examination of factors that may indicate injury to the domestic industry, taking into account all relevant facts, including the volume of dumped imports, their effect on prices in the domestic market for like articles and the consequent effect of such imports on the domestic producers of such articles. In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Rules.

F.3.1 Cumulative Assessment

49. Annexure II (iii) of the Anti-Dumping Rules provides that in case imports of a product from more than one country are being simultaneously subjected to anti-dumping investigations, the Designated Authority will cumulatively assess the effect of such imports, in case it determines that: -
- a. The margin of dumping established in relation to imports from each country/territory is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent of the imports of the like article or where the export of the individual countries is less than three percent, the imports cumulatively account for more than seven percent of the imports of like article, and;

- b. Cumulative assessment of the effect of imports is appropriate in light of conditions of competition between the imported articles and the like domestic articles.

50. In view of the above, the Authority considers it appropriate to cumulatively assess the effect of imports.

F.3.2 Assessment of Demand/Apparent Consumption

51. The Authority has taken into consideration, for the purpose of the present investigation, demand or apparent consumption of the product in India as the sum of the domestic sales of the domestic industry and all other Indian producers and imports from the subject countries as per DGCI&S data, and imports from all other sources. The Authority has determined demand or apparent consumption of the product in India as the sum of the domestic sales of the Indian producers and imports of the subject goods in India from all sources, twice – once including and once excluding captive consumption by Asian Paints. The demand so assessed can be seen in the tables below, both including and excluding captive production.

Demand	Unit	2019-20	2020-21	Apr'21-Jun'22 (A)	POI (A)
Sales of domestic industry	MT	***	***	***	***
Trend	Indexed	100	103	115	121
Sales of other producers	MT	-	-	-	-
Trend	Indexed	-	-	-	-
Import from subject countries	MT	***	***	***	***
Trend	Indexed	100	83	103	92
Import from other countries	MT	***	***	***	***
Trend	Indexed	100	49	39	22
Demand	MT	***	***	***	***
Trend	Indexed	100	77	86	77
Captive consumption	MT	***	***	***	***
Trend	Indexed	100	100	100	100
Demand including captive consumption	MT	***	***	***	***
Trend	Indexed	100	82	89	82

52. It is seen that the demand for pentaerythritol declined in 2020-21. This period was affected with COVID-19. The demand thereafter has increased thereafter before declining in POI. Overall, the demand has declined during the injury period.

F.3.3 Volume Effect of Dumped Imports on the domestic industry

a. Import Volumes and Share of Subject Countries in Imports

53. The effects of the volume of dumped imports from the subject countries as well as imports from other countries have been examined by the Authority as follows:

Particulars	Unit	2019-20	2020-21	Apr'21 - Jun'22 (A)	POI (A)
Import Volume					
Subject Country	MT	11,273	9,396	11,593	10,396
Trend	Indexed	100	83	103	92
China	MT	2,719	1,116	1,789	2,427
Trend	Indexed	100	41	66	89
Saudi Arabia	MT	7,665	5,060	9,108	5,360
Trend	Indexed	100	66	119	70
Taiwan	MT	889	3,220	696	2,609
Trend	Indexed	100	362	78	294
Other Countries	MT	8,073	3,977	3,142	1,787
Trend	Indexed	100	49	39	22
Total	MT	19,347	13,373	14,735	12,183
Trend	Indexed	100	69	76	63
Share in imports					
Subject Countries	%	58.27%	70.26%	78.68%	85.33%
China	%	14.06%	8.35%	12.14%	19.92%
Saudi Arabia	%	39.62%	37.84%	61.81%	44.00%
Taiwan	%	4.60%	24.08%	4.72%	21.42%
Other Countries	%	41.73%	29.74%	21.32%	14.67%
Total	%	100%	100%	100%	100%
Subject country imports in relation to					
Indian production	%	***	***	***	***
Trend		100	120	101	95
Indian consumption	%	***	***	***	***
Trend		100	108	120	120

54. It is seen that:

- i. Imports from the subject countries declined in 2020-21 and increased thereafter before declining marginally during the POI. The imports from the subject countries have remained nearly the same throughout the POI and the injury period.
- ii. Share of subject imports in total imports increased consistently over the injury period, from 58% in base year to 85% in the POI.
- iii. Imports from other countries have declined steeply over the injury period. Share of imports from other countries have declined from 41% to 14% in the POI.

F.3.4 Price Effect of Dumped Imports

55. With regard to the effect of the dumped imports on prices, it is required to be analysed whether there has been a significant price undercutting by the alleged dumped imports as compared to the price of the like products in India, or whether the effect of such imports is otherwise to depress prices or prevent price increases, which otherwise would have occurred in normal course.

56. Accordingly, the impact on the prices of the domestic industry on account of dumped imports of the subject goods from the subject countries have been examined with reference to price undercutting and price suppression/depression, if any. For the purpose of this analysis the cost of sales and the net sales realization (NSR) of the domestic industry have been compared with the landed price of the subject imports from the subject countries. In view of the steep changes in the input prices, the Authority has undertaken quarterly comparison of NSR, cost of production and landed price of imports.

a. Evolution of prices

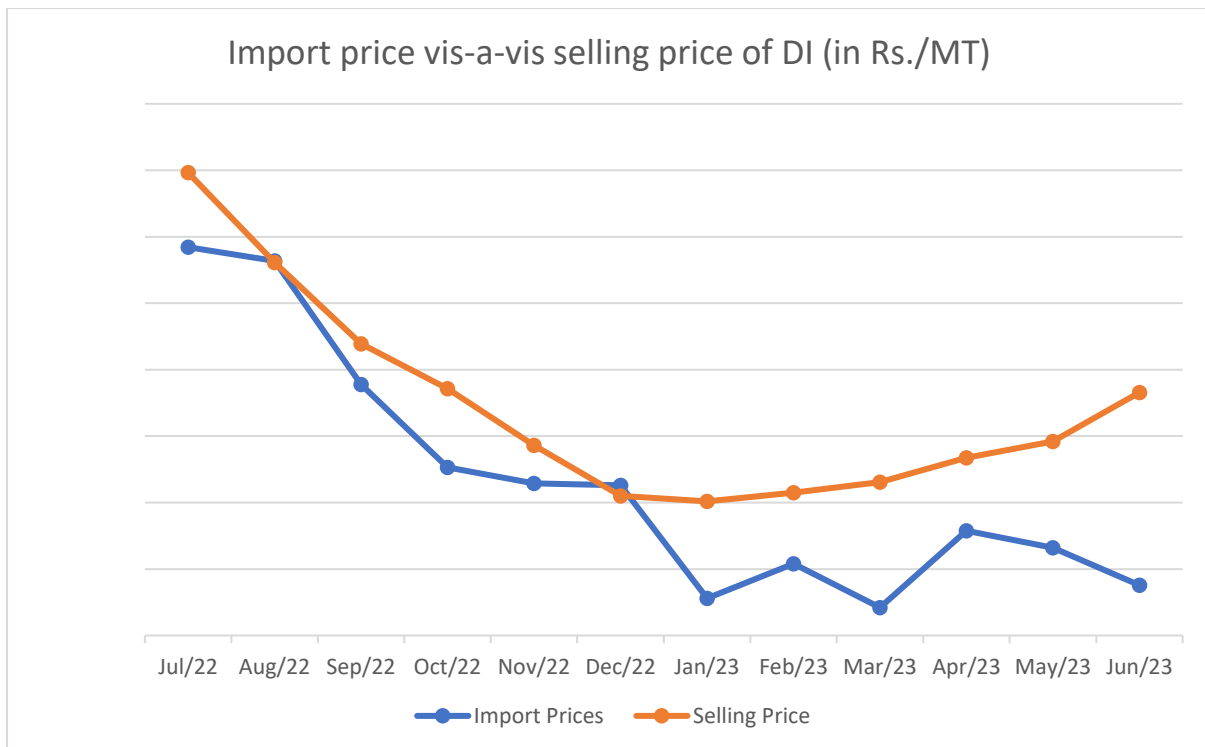
57. Table below shows the import price from subject and non-subject countries and prices of major input materials.

CIF Price	2019-20	2020-21	Apr'21-Jun'22 -A	POI-A	POI-Q1	POI-Q2	POI-Q3
Subject Country	1,10,800	91,191	1,54,635	1,27,345	1,52,271	1,23,963	1,07,334
China	99,873	90,814	1,44,343	1,28,938	1,51,203	1,23,458	1,19,015
Saudi Arabia	1,16,433	93,688	1,56,791	1,31,931	1,61,776	1,27,291	1,08,457
Taiwan	95,656	87,399	1,52,882	1,16,443	1,32,184	1,17,033	1,04,376
Other Countries	1,14,940	96,027	1,60,156	1,52,711	1,42,004	1,65,124	1,29,933
Raw materials prices of DI	***	***	***	***	***	***	***

58. It is seen that:

- i. Import price from non-subject countries were marginally higher than the import price from subject countries in 2019-20. Also, the volume of imports from non-subject countries was significant in that year. However, by the investigation period, the import price from subject countries became materially lower than import price from non-subject countries. The resultantly, subject imports displaced significant portion of imports from other sources to such an extent that import volumes from non-subject countries in the last two quarters of POI were much lower as compared to imports from the subject countries.
- ii. Comparison of import prices with changes in raw materials, from the table herein above, shows that whereas there was no decline in price of raw materials (raw material prices rather increased), import price from the subject countries declined very significantly.
- iii. It is seen that amongst the other countries, only imports from EU is substantial in the POI, however, in absolute terms the same have declined from 8,025 MT in the base year to 1,440 MT in the POI and the import price are significantly higher than the import price from subject countries.

59. The Authority compared the trends registered in import price and selling price of the domestic industry in the current investigation period. It is seen that there was a steep decline in the import price within the POI. Consequently, the selling price of the domestic industry has also declined significantly. Further, there was some increase in the domestic industry prices after January 2023 and in the import price after March 2023. However, overall prices have shown significant decline over the POI.



60. The domestic industry submitted that imports started having adverse effect on the domestic industry since lapse of duties on China i.e. post 28th June 2022. Import price declined

significantly since Q2 (July-September) of 2021-22. It has also been claimed that the rapid decline in import prices has led to an aggravated situation of the industry over the injury period.

61. In view of the claim of adverse price effects on the domestic industry, selling price of the domestic industry has been compared with landed prices of subject imports, raw material prices prevailing globally, and raw material prices of the domestic industry. The table below shows the relevant data. It is noted that raw material prices of the domestic industry are based on information filed by the domestic industry, that has been verified from the applicant's system generated reports, during verification undertaken by the Authority while international raw material prices have been sourced from secondary source i.e. trade map. It is seen that the decline in the import prices is not commensurate with the prevailing global raw material prices. In fact, the trends registered in import prices were opposite to the prevailing global prices of raw material. Further, it is also seen that the domestic industry's purchasing price of raw material, has been well below the prevailing global raw material prices. Thus, raw material prices paid by the domestic industry could not be attributed as a cause of losses suffered by the domestic industry. It is evident that reduced import prices of the subject goods of foreign producers, despite no corresponding decline in input prices, could be the reason for declining domestic prices.

SN	Month	RM prices		Selling price/Landed price			
		Global	D.I.	D.I	China	Saudi	Taiwan
A	Actual price (Rs/MT)						
1	Jul-22	***	***	***	1,58,652	1,79,162	1,68,246
2	Aug-22	***	***	***	1,73,773	1,75,718	1,50,086
3	Sep-22	***	***	***	1,44,571	1,68,336	1,31,824
4	Oct-22	***	***	***	1,32,846	1,46,397	1,28,477
5	Nov-22	***	***	***	1,33,811	1,32,427	1,31,346
6	Dec-22	***	***	***	1,48,213	1,35,430	1,21,589
7	Jan-23	***	***	***	1,34,096	1,17,203	1,11,495
8	Feb-23	***	***	***	1,20,556	1,20,899	1,15,407
9	Mar-23	***	***	***	1,54,431	1,11,379	1,13,316
10	Apr-23	***	***	***	1,18,689	1,26,547	1,16,450
11	May-23	***	***	***	-	1,27,558	1,10,793
12	Jun-23	***	***	***	-	1,16,469	-
B	Trends						
1	Jul-22	100	100	100	100	100	100
2	Aug-22	110	101	92	110	98	89
3	Sep-22	106	100	85	91	94	78
4	Oct-22	103	101	81	84	82	76
5	Nov-22	107	102	76	84	74	78
6	Dec-22	111	97	71	93	76	72
7	Jan-23	119	106	71	85	65	66
8	Feb-23	111	103	72	76	67	69
9	Mar-23	114	103	73	97	62	67
10	Apr-23	122	97	75	75	71	69
11	May-23	114	98	76	-	71	66

12	Jun-23	101	98	81	-	65	-
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b. Price undercutting

62. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, price undercutting has been worked out by comparing the landed price of the subject imports with the selling price of the domestic industry during the injury period. The analysis for price undercutting is given in table below:

Particulars	Units	2019-20	2020-21	Apr'21-Jun'22 (A)	POI (A)
Landed price of imports					
Subject Countries	Rs./MT	1,19,941	98,715	1,67,392	1,37,851
Trend	Indexed	100	82	140	115
China	Rs./MT	1,08,113	98,306	1,56,251	1,39,576
Trend	Indexed	100	91	145	129
Saudi Arabia	Rs./MT	1,26,038	1,01,417	1,69,726	1,42,815
Trend	Indexed	100	80	135	113
Taiwan	Rs./MT	1,03,547	94,610	1,65,495	1,26,049
Trend	Indexed	100	91	160	122
Other Countries	Rs./MT	1,24,423	1,03,949	1,73,369	1,73,369
Trend	Indexed	100	84	139	139
Domestic industry's selling price	Rs./MT	***	***	***	***
Trend	Indexed	100	88	144	110
Change over previous period					
Subject Countries	Rs./MT		-21,226	68,678	-29,541
China	Rs./MT		-9,807	57,945	-16,675
Saudi Arabia	Rs./MT		-24,621	68,309	-26,911
Taiwan	Rs./MT		-8,938	70,885	-39,445
Other Countries	Rs./MT		-20,473	69,419	0
Domestic industry	Rs./MT		(***)	***	(***)
Price undercutting					
Subject Countries	Rs./MT	***	***	***	(***)
China	Rs./MT	***	***	***	(***)
Saudi Arabia	Rs./MT	(***)	***	***	(***)
Taiwan	Rs./MT	***	***	***	***
Other Countries	Rs./MT	(***)	***	***	(***)
Price undercutting					
Subject Countries	%	***	***	***	(***)
Range		1-10	1-10	1-10	Negative
China	%	***	***	***	(***)
Range		10-20	1-10	10-20	Negative
Saudi Arabia	%	(***)	***	***	(***)
Range		Negative	1-10	1-10	Negative
Taiwan	%	***	***	***	***
Range		10-20	10-20	1-10	1-10

Other Countries	%	(***)	***	***	(***)
Range		Negative	1-10	1-10	Negative

Particulars	Units	POI-Q1	POI-Q2	POI-Q3
Landed price of imports				
Subject Countries	Rs./MT	1,64,834	1,34,190	1,16,189
Trend	Indexed	100	81	70
China	Rs./MT	1,63,677	1,33,644	1,28,834
Trend	Indexed	100	82	79
Saudi Arabia	Rs./MT	1,75,122	1,37,792	1,17,404
Trend	Indexed	100	79	67
Taiwan	Rs./MT	1,43,090	1,26,688	1,12,987
Trend	Indexed	100	89	79
Other Countries	Rs./MT	1,53,719	1,78,743	1,40,396
Trend	Indexed	100	116	91
Domestic industry's selling price	Rs./MT	***	***	***
Trend	Indexed	100	83	78
Change over previous period				
Subject Countries	Rs./MT		(***)	(***)
China	Rs./MT		(***)	(***)
Saudi Arabia	Rs./MT		(***)	(***)
Taiwan	Rs./MT		(***)	(***)
Other Countries	Rs./MT		***	(***)
Domestic industry	Rs./MT		(***)	(***)
Price undercutting				
Subject Countries	Rs./MT	(***)	(***)	***
China	Rs./MT	(***)	(***)	(***)
Saudi Arabia	Rs./MT	(***)	(***)	4,074
Taiwan	Rs./MT	***	***	***
Other Countries	Rs./MT	***	(***)	(***)
Price undercutting				
Subject Countries	%	(***)	(***)	(***)
Range		Negative	Negative	1-10
China	%	(***)	(***)	(***)
Range		Negative	Negative	Negative
Saudi Arabia	%	(***)	(***)	***
Range		Negative	Negative	1-10
Taiwan	%	***	***	***
Range		1-10	1-10	1-10
Other Countries	%	1.42	-27.98	-13.47
Range		1-10	Negative	Negative

63. It is seen that

- i. In the POI, that the domestic industry was facing price undercutting from Taiwan. Resultantly, the volume of imports was increasing from Taiwan over the POI. Taiwan

imports in the last quarter of POI were higher than the past annualised imports. Further, the price undercutting by Taiwan imports was high in 2020-21. Resultantly, the volume of Taiwan imports increased sharply in that year as compared to preceding year.

- ii. Import prices from Saudi Arabia declined steeply and were undercutting the prices of the domestic industry in the last quarter of POI. Resultantly, the import volumes from Saudi Arabia increased in the last quarter, despite overall decline in the imports.
- iii. Imports from China were undercutting the prices of the domestic industry. However, the volume remained restricted because of anti-dumping duty in place. As the Chinese producers reduced the prices steeply in Q2 of the POI, the volume of imports increased significantly. The price difference however once again increased between China and other subject countries in the Q3 of the POI and the volume of imports fell sharply.
- iv. The volume of non-subject imports however declined steeply with increasing difference between their prices vis-à-vis other import prices.
- v. Saudi Arabia imports were not undercutting the prices in 2019-20 and their prices were higher than non-subject countries. Resultantly, imports from Saudi Arabia were lower than non-subject imports in that year. However, Saudi Arabia imports became cheaper as compared to non-subject imports thereafter. Resultantly, Saudi Arabia imports increased vis-à-vis non subject imports.
- vi. Even when the raw material prices have not declined, and have rather increased, the domestic industry has been forced to face significant price declines.

64. It is thus, seen that there were several suppliers of the product in the market, and the domestic industry has been forced to benchmark its prices to the lowest prices prevailing in the market.

65. The domestic industry explained that the negative price undercutting during the investigation period was in view of the fact that there was too steep change in the price over the POI itself.

c. Price Suppression or Depression

66. For the purpose of analyzing price suppression and depression in the domestic market, the applicant has provided information about (a) unit cost of sales, (b) domestic selling price as is given in the table below.

Particulars	Units	2019-20	2020-21	Apr'21- Jun'22 (A)	POI (A)
Actual figures for the period					
Selling Price	Rs./kg	***	***	***	***
Trend		100	88	144	110
Cost of Sales	Rs./kg	***	***	***	***
Trend		100	107	140	139
Raw material cost	Rs./kg	***	***	***	***
Trend		100	104	133	137
Utilities	Rs./kg	***	***	***	***

Trend		100	108	153	171
Changes over previous period					
Selling Price	Rs./kg		(***)	***	(***)
Cost of Sales	Rs./kg		***	***	(***)
Raw material cost	Rs./kg		***	***	***
Utilities	Rs./kg		***	***	***

Particulars	Units	POI-Q1	POI-Q2	POI-Q3
Actual figures for the period				
Selling Price	Rs./kg	***	***	***
Trend		100	83	78
Cost of Sales	Rs./kg	***	***	***
Trend		100	94	91
Raw material cost	Rs./kg	***	***	***
Trend		100	99	103
Utilities	Rs./kg	***	***	***
Trend		100	88	80
Changes over previous period				
Selling Price	Rs./kg	-	(***)	(***)
Cost of Sales	Rs./kg	-	(***)	(***)
Raw material cost	Rs./kg	-	(***)	***
Utilities	Rs./kg	-	(***)	(***)

67. It is seen that:

- i. Whereas cost of sales increased in 2020-21, the selling price declined.
- ii. In April 21 – June 22, whereas both cost of sales and selling price increased, the increase in selling price was far more than increase in cost of sales.
- iii. In Q1 of POI, whereas cost of sales increased, the selling price declined significantly.
- iv. In Q2 of POI, whereas both cost of sales and selling price declined, the decline in the selling price was far more than the decline in the cost of sales.
- v. In Q3 of POI, whereas both cost of sales and selling price declined, the decline in the selling price was slightly more than the decline in the cost of sales.

68. It is thus seen that whereas the domestic industry was not facing any suppressing/ depressing effects on the prices till April-21-June, 22, the domestic industry faced significant price depression in the POI. Trend registered in 2020-21 were exceptional, as the same were impacted by the onset of COVID-19 pandemic. However, in the POI, with such significant volume of imports entering at prices below costs, the domestic industry was in no other position but to reduce its prices. Further, the domestic industry reduced the prices in a situation where the input costs were increasing. Thus, the subject imports were both suppressing and depressing the prices of the domestic industry in the market causing significant injury.

69. Further, it is seen the prices of the major raw materials used in the manufacturing of the product, i.e. Formaldehyde, Acetaldehyde and caustic soda which accounts to about *** – ***% of the total cost have not undergone any notable changes and yet the import prices from the subject countries have fallen significantly.

F.3.5 Economic Parameters of the domestic industry

70. Annexure II to the Rules provide that the examination of the impact of the dumped imports on the domestic industry should include an objective and unbiased evaluation of all the relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity; factors affecting domestic prices, the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, and the ability to raise capital investments. Accordingly, various injury parameters relating to the domestic industry are discussed herein below:

a. Capacity, Production, Capacity Utilization and Sales

71. The Authority has considered capacity, production, capacity utilization, and sales volume of the domestic industry over the injury period.

Particulars	Units	2019-20	2020-21	Apr'21- Jun'22 (A)	POI (A)
Installed Capacity	MT	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
Capacity Utilization	%	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>70</i>	<i>101</i>	<i>97</i>
Production	MT	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>70</i>	<i>102</i>	<i>97</i>
Domestic Sales	MT	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>103</i>	<i>115</i>	<i>121</i>

72. It is seen that:

- i. The capacity with the domestic industry has remained constant throughout the injury period.
- ii. The domestic industry's production and capacity utilisation declined from base year to 2020-21 with decline in demand in the corresponding period and Covid related disturbances. Production however, increased in April 2021-June 2022 and slightly declined in the POI.
- iii. Sales of the domestic industry increased from the base year to the POI. Sales in the base year were much below production in that year, leading to significant piling up of the inventories. Thereafter, production in 2020-21 declined significantly and sales volumes remained low. The production and sales in 2019-20 and 2020-21 were impacted by the Covid-19.

b. Market Share in Demand

73. The market share of the subject imports and the domestic industry over the entire injury period was as follows:

Particulars	Unit	2019-20	2020-21	Apr'21-Jun'22 (A)	POI (A)
Subject Countries	%	43.94	47.29	52.77	52.51
<i>Trend</i>		100	108	120	120
Other Countries	%	31.47	20.02	14.30	9.03
<i>Trend</i>		100	64	45	29
Total Imports	%	75.41	67.31	67.06	61.54
<i>Trend</i>		100	89	89	82
Domestic industry	%	***	***	***	***
<i>Trend</i>		100	133	134	156
Total Share	%	100.00	100.00	100.00	100.00

74. The market share of the subject countries has increased significantly over the injury period, while that of non-subject countries declined very significantly. The market share of the domestic industry increased over the injury period. The same was however owing to low sales volumes in the first two years due to Covid related disturbances. Further, the domestic industry has maintained its share in the market by undertaking steep price reductions. Since non subject import prices have not declined, and rather increased, the market share of other countries has declined significantly over the injury period. While share of subject imports increased by 20% points in the POI when compared to the base year, that of other countries declined by almost 71% points in the same period.

c. Profitability, Cash profits, and Return on Capital Employed

75. The profit, profitability, cash profits, profit before interest (PBIT) and return on investment of the domestic industry over the injury period has been analysed as follows:

Particulars	Unit	2019-20	2020-21	Apr'21-Jun'22 (A)	POI (A)
PBT (Profit before Tax)	₹/MT	***	(***)	***	(***)
<i>Trend</i>		100	-210	205	-348
PBT (Profit before Tax)	₹ Lacs	***	(***)	***	(***)
<i>Trend</i>		100	-216	235	-420
Cash Profit (PBT+ Depreciation)	₹/MT	***	(***)	***	(***)
<i>Trend</i>		100	-127	172	-218
Cash Profit (PBT+ Depreciation)	₹ Lacs	***	(***)	***	(***)
<i>Trend</i>		100	-130	197	-263
ROCE	%	***	(***)	***	(***)

Trend		100	-204	249	-456
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76. It is seen that:

- i. The domestic industry was earning a profit in the base year. However, it incurred major losses in 2020-21, on account of the Covid pandemic. With the recovery of the market, and imports entering the Indian market at fair prices, the domestic industry started earning profits. However, with the increased of dumped imports in significant volume and at prices even below costs in the POI, the domestic industry has suffered significant financial losses in the POI.
- ii. Cash profits, profit before interest, and ROI have also followed the same trend as that of profits and have registered a steep decline. The domestic industry suffered cash losses, negative profit before interest and negative ROI in the POI.

77. The Authority examined the trends in price parameters within the POI in view of steep decline in the prices and without decline in the costs. It is seen that profit before interest, profit before tax, cash profits and ROI of the domestic industry declined steeply within POI on quarter-on-quarter basis.

Particulars	unit	POI (A)	POI-Q1	POI-Q2	POI-Q3
Cost of Sales	₹/Kg	***	***	***	***
Trend		100	106	99	96
Selling Price	₹/Kg	***	***	***	***
Trend		100	116	96	90
Profit/(Loss)	₹/Kg	(***)	(***)	(***)	(***)
Trend		-100	-52	-120	-128
Profit/(Loss)	₹ Lacs	(***)	(***)	(***)	(***)
Trend		-100	-12	-30	-34
PBIT	₹ Lacs	(***)	(***)	(***)	(***)
Trend		-100	-11	-30	-31
PBIT	₹/Kg	(***)	(***)	(***)	(***)
Trend		-100	-48	-120	-124
Cash Profit	₹ Lacs	(***)	(***)	(***)	(***)
Trend		-100	-10	-30	-35
Cash Profit	₹/Kg	(***)	(***)	(***)	(***)
Trend		-100	-43	-171	-126
ROCE	%	(***)	(***)	(***)	(***)
Trend		-100	-45	-119	-136

78. It is thus seen that the significant reduction in the import price causing significant decline in the performance of the domestic industry in respect of profits before tax, profit before interest, cash profits and ROI.

d. Inventory

79. The data relating to inventory position of the domestic industry over the injury period and the POI is given in the table below:

Particulars	Unit	2019-20	2020-21	Apr'21-Jun'22 (A)	POI (A)
Opening Inventory	MT	***	***	***	***
Trend		100	4674	201	1725
Closing Inventory	MT	***	***	***	***
Trend		100	4	37	24

80. The Authority notes that level of inventories with the domestic industry increased significantly towards the end of 2019-20 and declined thereafter till March, 2021. Inventories increased thereafter once again. However, the increase in inventories in March, 2020 was because of Covid related disturbances. Further, the domestic industry submitted that it is forced to liquidate the stocks by compromising on the prices and selling at high losses.

e. Employment, Wages, and Productivity

81. The position with regard to employment, wages, and productivity of the domestic industry is as follows:

Particulars	Unit	2019-20	2020-21	Apr'21-Jun'22 (A)	POI (A)
No of employees	Nos.	***	***	***	***
Trend		100	98	98	112
Salaries & Wages	₹ Lacs	***	***	***	***
Trend		100	68	124	136
Productivity Per day	MT	***	***	***	***
Trend		100	70	102	97

82. The Authority notes that the number of employees has increased over the injury period. Accordingly, the wages paid also increased with increase in employees. Productivity per day has remained stable throughout the injury period. These parameters do not indicate adverse effect of dumped imports on the domestic industry.

f. Performance of new player in the industry

83. Perstorp India has submitted quantification of adverse impact on its profitability if the prevailing prices of Pentaerythritol in India are to prevail in 2024. Perstorp India has submitted that it will experience steep negative EBITA of Rs *** Lacs in 2024 on domestic sales of *** MT of Pentaerythritol at the current market price. This will result in lower capacity utilisation rates and higher fixed costs in short and medium term, which will also impact employment and also exports by Pentaerythritol from India.

g. Ability to raise capital investments

84. It is seen that the domestic industry is incurring losses which indicates that the ability of the domestic industry to raise investments for this product is limited.

h. Magnitude of Dumping and Dumping Margin

85. It is seen that the dumping margin from the subject countries is not only more than de-minimis but also significant.

i. Growth

86. The information with respect to growth of the domestic industry is given below:

Particulars	Units	2019-20	2020-21	Apr'21- Jun'22 (A)	POI (A)
Production	%		-30	46	-4
Sales	%		3	11	5
Profit/(Loss) per unit	%		-310	198	-270
ROI	%		-304	222	-282
Cash Profit	%		-227	236	-226

87. It is seen that the growth of the domestic industry was negative in respect of various price parameters. While the growth was positive in respect of volume parameters, the same was due to adverse performance in volume parameters in earlier period due to Covid related disturbances.

G. CAUSAL LINK AND OTHER FACTORS (NON-ATTRIBUTION ANALYSIS)

88. The Authority examined whether other factors listed under the anti-dumping Rules could have caused injury to the domestic industry. The Authority examined known factors other than the dumped imports and ascertained whether these are at the same time have been injuring the domestic industry, so that the injury caused by these other factors, if any, is not attributed to the dumped imports. Factors which are relevant in this respect include, *inter alia*, the volume and prices of imports not sold at dumped prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and the productivity of the domestic industry.

a) Volume and prices of imports from third countries

89. It is seen that there were significant imports from other countries. However, the volume of non-subject imports declined significantly by the POI, as the price difference between subject and non-subject imports increased significantly. Therefore, imports from other countries are not a cause of material injury suffered by the domestic industry. Rather, imports from other countries declined considerably in the POI, with the advent of significant dumped imports from the

subject countries. The non-subject imports were primarily from Malaysia, Germany, Spain, Sweden, and Turkey.

SN	Particulars	UOM	2019-20	2020-21	Apr'21- Jun'22 (A)	POI (A)
1	Import Volume					
i	Subject Country	MT	11,273	9,396	11,593	10,396
ii	Other Countries	MT	8,073	3,977	3,142	1,787
iv	Total	MT	19,347	13,373	14,735	12,183
3	CIF Price					
i	Subject Country	₹/MT	1,10,800	91,191	1,54,635	1,27,345
ii	Other Countries	₹/MT	1,14,940	96,027	1,60,156	1,52,711

b) Contraction in Demand

90. It is seen that, barring 2020-21 demand for the product under consideration has remained stable over the injury period. Demand declined steeply in 2020-21. The same was however due to Covid. Thereafter, the demand has been increasing.

c) Changes in pattern of consumption

91. It is seen that there are no changes in the pattern of consumption for the product under consideration over the injury period.

d) Conditions of competition and trade restrictive practices

92. The Authority notes that the investigation has not shown any change in the conditions of competition or any trade restrictive practices.

e) Developments in Technology

93. It is seen that there are no significant changes in technology.

f) Export performance of the domestic industry

94. The domestic industry had no exports over the entire injury period.

g) Performance of other products

95. The domestic industry has provided the injury data for the PUC and the same has been adopted by the Authority for the purpose of injury analysis. Performance of other products produced and sold by the domestic industry have not been considered.

H. MAGNITUDE OF INJURY MARGIN

96. The Authority has determined the NIP for the domestic industry on the basis of principles laid down in the Rules read with Annexure III, as amended. The NIP of the product under consideration has been determined by adopting the information/data relating to the cost of production provided by the domestic industry for the POI. The NIP has been considered for comparing the landed price from the subject countries for calculating injury margin. For determining the NIP, the best utilisation of the raw materials and utilities has been considered over the injury period. Best utilisation of production capacity over the injury period has been

considered. Extraordinary or non-recurring expenses have been excluded from the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the NIP as prescribed in Annexure III to the Rules. The Authority has determined NIP separately for each of the quarters of the POI.

97. Based on the landed price and the NIP determined as above, the injury margin as determined by the Authority is provided in the table below.

Country	Period	Import volume	NIP	Landed	Injury margin	Injury margin	Range
		MT	USD/MT	USD/MT	USD/MT	%	%
China	POI-Q1	371	***	2,038.35	***	***	0-10
	POI-Q2	1377	***	1,612.28	***	***	20-30
	POI-Q3	72	***	1,546.97	***	***	20-30
	POI	1820	***	1,696.55	***	***	15-25
Saudi Arabia	POI-Q1	1240	***	2,180.89	***	***	0-10
	POI-Q2	1500	***	1,662.33	***	***	20-30
	POI-Q3	1280	***	1,409.73	***	***	30-40
	POI	4020	***	1,741.85	***	***	15-25
Taiwan	POI-Q1	567	***	1,781.97	***	***	20-30
	POI-Q2	620	***	1,528.36	***	***	30-40
	POI-Q3	770	***	1,356.70	***	***	40-50
	POI	1957	***	1,534.30	***	***	25-35

I. PUBLIC INTEREST

I.1 Views of other interested parties

98. The other interested parties have made the following submissions with regards to public interest:
- i) It has been submitted that end-user should provide a letter regarding substitution of imported product with domestic product.
 - ii) The Authority should critically examine consumer's interest and interest of the public at large.

I.2 Views of the domestic industry

99. The domestic industry has made the following submissions with regards to public interest:
- i) Imposition of anti-dumping duties is essential to ensure a level playing field and prevent India from becoming solely import reliant on the product. There are no other industries in

India selling the subject goods in the Indian market which would mean that in case of a collapse of the applicant, the Indian market would become entirely reliant on imports to meet the demand of the subject goods, leading to issues such as high prices, disrupted availability, or trade deficits in a larger picture.

- ii) It is in the interest of consumers to have a market with fairly priced products powered by a competitive the domestic industry that can compete with the imports.
- iii) Encouraging domestic manufacturing activities in India is essential to aid its role in becoming a manufacturing powerhouse. Domestic production will further boost employment and increase the GDP of the country.
- iv) Previous duties levied since 2002 have not created any adverse impact.
- v) Other parties have sought consumers interest to be checked, however, none have substantiated with evidence. Whereas applicant has submitted detailed EIQ in the case.

I.3 Examination by the Authority

100. The Authority notes that the purpose of imposition of anti-dumping duty, 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 does not aim to restrict imports from the subject country in any way.
101. The Authority issued initiation notification inviting views from all the interested parties, including importers, consumers and others. The Authority also prescribed a questionnaire for the users/ consumers to provide relevant information about the present investigation including any possible effects of anti-dumping duty on their operations. The Authority issued gazette notification inviting views from all the interested parties, including importers, consumers and other interested parties. The Authority also prescribed a questionnaire for the consumers to provide relevant information with regard to present investigations, including effect of anti-dumping duty on their operations. The Authority sought information on, *inter-alia*, interchangeability of the product supplied by various suppliers from different countries, ability of the domestic industry to switch sources, effect of anti-dumping duty on the consumers, factors that are likely to accelerate or delay the adjustment to the new situation caused by imposition of anti-dumping duty.
102. The Authority has not received any response to questionnaire issued to the interested parties, besides the domestic industry.
103. It is noted that the primary consumption of the subject goods is primarily used in the paints industry (commanding more than 90% of total consumption). The domestic industry has submitted that since, there is past history of imposition of anti-dumping duties, it has relied on the annual reports of the major end-users of the product under consideration, like Asian Paints, Nerolac Paints, and Berger Paints, wherein the paints industry has not referenced to any increased cost or hardship caused to duties that were imposed. The Authority considers

that duties were in force prior to the POI and the performance of these industries, as seen through the annual reports placed on record, does not show any adverse effect. It is thus seen that while the duties had no known adverse effect on the consumers, cessation of anti-dumping duty on the subject goods from the subject countries has had significantly adverse effect on the domestic industry, as is evident from the injury analysis conducted in this notification.

104. Several interested parties have argued that imports into India are necessary because there is gap between demand and supply in India and the single domestic producer in India has a limited capacity and cannot meet the entire demand of Pentaerythritol in India. The Authority notes that the gap between demand and supply cannot justify dumping and injury to the existing the domestic industry. Also, the situation regarding gap between demand and supply has been remedied with the investment by new domestic producer Perstorp India. Perstorp India has commenced production of Pentaerythritol India in November 2023 and has a capacity of 40,000 MT per annum. The combined capacity of domestic producers in India would be far higher than the demand of Pentaerythritol in India. However, it has been claimed the dumped imports are threatening effective establishment of the company. The anti-dumping duties that were in force earlier had encouraged the Indian industry to invest and expand to meet the domestic demand, however the establishment of the same is now threatened by the dumped imports.
105. The opposing interested parties have not provided any information on how the anti-dumping duty is likely to adversely impact the downstream industry and end customers. The domestic industry has provided calculations on the impact of duty on the end consumers, i.e., paint industry. It is seen that subject goods do not even constitute a major input in the production of subject goods. Thus, the impact of the anti-dumping duty will be too low.
106. The Authority proposes to come to a final conclusion on the matter after receiving the comments of the interested parties on this disclosure statement.

J. METHODOLOGY FOR DETERMINATION OF NON-INJURIOUS PRICE

107. The non-injurious price of the product under consideration has been determined by adopting the verified information / data relating to the cost of production for the period of investigation (1st July 2022 to 31st March 2023) in respect of the domestic industry. Detailed analysis / examination and reconciliation of the financial and cost records maintained by the company, wherever applicable, were carried out for this purpose. The non-injurious price for the domestic industry has been determined in terms of the principles outlined in Annexure – III to the Rules as briefly described below:

- a. **RAW MATERIAL COST:** The best utilization of raw materials by the domestic producers, over the period of investigation and preceding three years period, at the rates prevailing in the period of investigation was considered.
- b. **COST OF UTILITIES:** The best utilization of utilities by the domestic producers, over the period of investigation and preceding three years' period, at the rates prevailing in the period of investigation was considered.
- c. **PRODUCTION:** The best utilization of production capacity over the period of investigation and preceding three years' period was considered.
- d. **SALARY & WAGES:** Salary and wages paid was reviewed and reconciled with the financial records of the domestic industry.
- e. **DEPRECIATION:** The reasonableness of the amount of depreciation charged to the cost of production was examined to ensure that no charge has been made for facilities not deployed on the production of the subject goods.
- f. **IDENTIFICATION AND ALLOCATION/APPORTIONMENT OF EXPENSES:** The expenses to the extent identified to the PUC were directly allocated and common expenses or overheads classified under factory, administrative and selling overheads were apportioned on reasonable basis. It is ensured that no extraordinary or non- recurring expenses were charged to the cost of production.
- g. **REASONABLE RETURN ON CAPITAL EMPLOYED:** A reasonable return (pre-tax) at 22% on average capital employed (that is Average Net Fixed Assets and Average Working Capital) for the product under consideration was allowed for recovery of interest, corporate tax and profit. Interest is allowed as an item of cost of sales and after deducting the interest, the balance amount of return has been allowed as pre-tax profit to arrive at the Non- injurious Price.
- h. **NON-INJURIOUS PRICE FOR THE DOMESTIC INDUSTRY:** The NIP for the product under consideration is proposed as Rs. *** **per MT.**