

**F. No. 7/6/2020-DGTR
Government of India
Ministry of Commerce & Industry
Directorate General of Trade Remedies
4th Floor Jeevan Tara Building, New Delhi-110001**

Dated 08th January, 2021

NOTIFICATION

FINAL FINDINGS

Case No. (SSR 05/2020)

Subject: Sunset Review anti-dumping investigation concerning imports of 'Plain Medium Density Fibre Board having thickness of 6mm or more' originating in or exported from China PR, Malaysia, Thailand and Sri Lanka.

Having regard to the Customs Tariff Act 1975, as amended from time to time (hereinafter also referred to as the 'Act') and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules 1995, as amended from time to time (hereinafter also referred to as 'the Rules' or 'AD Rules') thereof;

A. BACKGROUND OF THE CASE

1. The Designated Authority (hereinafter referred to as the Authority) initiated an anti-dumping investigation in respect of imports of Plain Medium Density Fibre Board having thickness of 6mm or more (hereinafter also referred to as "subject goods" or "PUC" or "Product Under Consideration") originating in or exported from China PR, Malaysia, Thailand and Sri Lanka (hereinafter referred to as the "subject countries") on 6th June, 2008 and preliminary anti-dumping duty was recommended vide Preliminary Findings Notification No. 14/12/2007 dated 2nd February, 2009. On the basis of recommendations made by the Authority in the preliminary findings, provisional anti-dumping duty was imposed by the Central Government vide Notification No. 21/2009 – Customs (ADD) dated 27th February, 2009. Thereafter, the Authority issued Final Findings recommending imposition of definitive anti-dumping duty vide Final Findings Notification No. 14/12/2007 – DGAD dated 26th August, 2009. On the basis of recommendations made by the Authority in the Final Findings, the Central Government imposed definitive anti-dumping duty vide Notification No. 116/2009 – Customs (ADD) dated 8th October, 2009. Thereafter, a Sunset Review (SSR) investigation was initiated by the Authority in respect of imports of the subject goods originating in or exported from the subject countries vide Notification No 15/28/2013-DGAD dated 18th February, 2014. The Authority vide Final Findings Notification No. 15/28/2013-DGAD dated 17th August, 2015 concluded that the expiry of anti-dumping duty would lead to continuation or recurrence of dumping and consequent injury and recommended continued imposition of the anti-dumping duty. On the basis of recommendations made by the Authority in the final findings. The Central Government imposed duties vide Notification No. 48/2015-Customs (ADD) dated 21st October, 2015.

2. In terms of Section 9A (5) of the Act, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on expiry of five years from the date of such imposition and the Authority is required to review whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury. In accordance with the above, the Authority is required to review, on the basis of a duly substantiated request made by or on behalf of the domestic industry, as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
3. Rule 23(1B) of the Rules provides as follows:

"...any definitive anti-dumping duty levied under the Act, shall be effective for a period not exceeding five years from the date of its imposition, unless the Designated Authority comes to a conclusion, on a review initiated before that period on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to the expiry of that period, that the expiry of the said anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry."
4. M/s Greenply Industries Limited / Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Décor Limited (hereinafter referred to as 'applicants' or 'domestic industry') filed a duly substantiated application on behalf of the domestic industry before the Authority, in accordance with the Act and the Rules alleging likelihood of continuation or recurrence of dumping of the subject goods, originating in or exported from the subject countries and consequent injury to the domestic industry and have requested for review and continuation of the anti-dumping duties, applicable on the imports of the subject goods, originating in or exported from the subject countries.
5. Based on the substantiated application with prima facie evidence of likelihood of dumping and injury filed on behalf of the domestic industry in accordance with Section 9A(5) of the Act, read with Rule 23 of the Anti-dumping Rules, the Authority initiated the sunset review investigation vide Notification No. F. No. 7/6/2020-DGTR (SSR No. 05/2020) dated 28th February, 2020 to review the need for continued imposition of the anti-dumping duty in respect of the subject goods, originating in or exported from the subject countries and to examine whether the expiry of the said duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
6. In exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act and in pursuance of Rule 23 of the Anti-Dumping Rules, the Central Government vide Notification No. 30/2020 – Customs (ADD) dated 13th October, 2020 extended the Anti-dumping duties till 20th January, 2021.
7. The scope of the present review covers all aspects of the previous investigations concerning imports of the subject goods, originating in or exported from the subject countries.

B. PROCEDURE

8. The procedure described below has been followed with regard to the investigation:
 - i. The Authority notified the embassy of the subject countries in India about the receipt of the present application before proceeding to initiate the investigations in

accordance with sub-rule 5(5) of the AD Rules.

- ii. The Authority issued a Notification dated 28th February, 2020, published in the Gazette of India Extraordinary, initiating investigation concerning imports of the subject goods from the subject countries.
- iii. The Authority sent a copy of the initiation notification to the Embassy of the subject countries in India, known producers/exporters from the subject countries, known importers/users and the domestic industry as well as other domestic producers as per the addresses made available by the applicant and requested them to make their views known in writing within 30 days from the receipt of notice in accordance with Rule 6(4) of the AD Rules.
- iv. The Authority provided a copy of the non-confidential version of the application to the known producers/exporters, known importers and to the embassy of the subject countries in India in accordance with Rule 6(3) of the AD Rules.
- v. The Embassy of the subject countries in India was also requested to advise the exporters/producers from the subject countries to respond to the questionnaire within the prescribed time limit. A copy of the letter and questionnaire sent to the producers/exporters was also sent to them along with the names and addresses of the known producers/exporters from the subject countries.
- vi. The Authority sent exporter's questionnaire to the following known producers/exporters in the subject countries, whose details were made available by the applicants, to elicit relevant information in accordance with Rule 6(4) of the Rules:
 - a. Merbok MDF Lanka Pvt. Limited
 - b. Dongwha Fibreboard Sdn. Bhd.
 - c. Daiken Sarawak Bdh. Sd.
 - d. M/s. Evergreen Fibre Berhad (JB) Sdn. Bhd.
 - e. M/s. Evergreen Fibre Berhad (EFB)
 - f. Robin Resources (Malaysia) Sdn Bhd
 - g. M/s. Segamat Panel Boards Sdn Bhd
 - h. M/s. Advance Fibre Co.
 - i. Khon Kaen MDF Board
 - j. Vanachai Panel Industries Co., Ltd.
 - k. Siam Fibreboard Co Limited
 - l. M/s. Metro Fiber Co. Ltd.
 - m. M/s. Vanachai Group Public Co. Ltd.
 - n. M/s. Metro M.D.F. Co. Ltd.
 - o. Tomrich International Trading Limited
 - p. Nanjing ETAI Trading Co Limited
 - q. Linyi Baideli International Trade Co Ltd.
 - r. Linyi Hongfu Timber Co Limited
 - s. Wenzhou Timber Group Co. Ltd.
 - t. Shouguang Guihe Economic and Trade Co Limited
 - u. Zhanjiang Kingstar Building Material Co Limited
 - v. Guangdong Weihua Holding Co., Ltd.
 - w. Linyi Baideli International Trade Co Ltd.
 - x. Shunlong MDF-board Co. Ltd
 - y. Shanghai Sindo Panel Co. Ltd.
 - z. Shuyang New Concept Wood Co., Ltd.

- vii. The following producers/exporters from the subject countries filed exporter's questionnaire response in prescribed manner.
 - a. Panel Plus MDF Company Limited, Thailand
 - b. Robin Resources (Malaysia) SDN. BHD., Malaysia
- viii. The Authority has rejected exporter's questionnaire response filed by Advance Fibre & Wisewoods as the same was not filed in prescribed manner.
- ix. The Authority forwarded a copy of the Initiation Notification to the following known importers/users/user associations, whose names and addresses were made available to the authority, of subject goods in India and advised them to make their views known in writing within the time limit prescribed by the Authority in accordance with the Rule 6(4):
 - a. Krishna Plywood Products Private Limited
 - b. Jacsons Veneers And Panels Private Limited
 - c. Label Sales Corporation
 - d. Kalinga Imports & Exports Private Limited
 - e. Srivari Traders
 - f. Victory Plywood Distributors
 - g. Thamarapally Brothers Trading Private Limited
 - h. Mathewsons Exports & Imports Private Limited
 - i. R.J.Metals
 - j. Feroke Boards Limited
- x. However, none of the importers/users/user associations have filed any submissions or questionnaire responses in the present investigation.
- xi. The following exporters/producers have filed legal submissions and/or letters of participation in response to the initiation notification:
 - a. Metro MDF Co. Ltd., Thailand
 - b. Wisewoods Co. Ltd., Thailand
 - c. S.P.B Panel Industries Co. Ltd., Thailand
 - d. Thai Panel Product Industry Club (TPPIC)
- xii. Exporters, foreign producers and other interested parties who have not responded to the Authority, or not supplied information relevant to this investigation, have been treated as non-cooperating interested parties.
- xiii. Information provided by interested parties on confidential basis was examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims wherever warranted and such information has been considered as confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis.
- xiv. The Authority made available non-confidential version of the evidence presented by various interested parties in the form of a public file kept open for inspection by the interested parties. Whenever they requested inspection of public file and copies of the documents therefrom were provided with the same.

- xv. The Period of Investigation (POI) for the purpose of the present investigation has been considered from 1st April 2018 to 30th September 2019 . The injury investigation period has been considered as the period from 1st April 2015 – 31st March 2016, 1st April 2016 – 31st March 2017, 1st April 2017 – 31st March 2018 and POI.
- xvi. Additional/supplementary information was sought from the applicants and other interested parties to the extent deemed necessary. Verification of the data provided by the domestic industry and exporters/producers was conducted to the extent considered necessary for the purpose of the investigation.
- xvii. The Non-Injurious Price (NIP) is based on the cost of production and cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and Annexure III to the AD Rules. It has been worked out so as to ascertain whether duty lower than the dumping margin would be sufficient to remove injury to the Domestic Industry.
- xviii. Information obtained from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) on transaction-wise import data for the past three years, and the period of investigation has been adopted for determination of volume and value of imports of product concerned in India.
- xix. In accordance with Rule 6(6) of the Rules, the Authority also provided opportunity to all interested parties to present their views orally in a hearing held on 11th November, 2020. All the parties who had attended the oral hearing were provided an opportunity to file written submissions, followed by rejoinders, if any.
- xx. The submissions made by the interested parties during the course of this investigation, wherever found relevant, have been addressed by the Authority, in these Final Findings.
- xxi. 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 considered such parties as non-cooperative and recorded these Final Findings on the basis of the facts available.
- xxii. In accordance with Rule 16 of the Rules, the essential facts of the investigation were disclosed to the known interested parties vide Disclosure Statement dated 28th December, 2020 and comments received thereon, considered relevant by the Authority, have been addressed in these final findings. The Authority notes that most of the post disclosure submissions made by the interested parties are mere reiteration of their earlier submissions. However, the post disclosure submissions to the extent considered relevant are being examined in these Final Findings.
- xxiii. *** in these final findings represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.

xxiv. The exchange rate adopted by the Authority during the POI for the subject investigation is 1 US\$= 70.79.

C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

9. The product under consideration for the purpose of present investigation is Plain Medium Density Fibre Board, also known as Plain MDF Board.
10. It is a composite wood product made out of wood waste fibres glued together with urea formaldehyde resin or melamine resin by applying heat and pressure. It is widely used for partitions, Modular furniture, cabinets etc, due to its smooth and uniform finish. MDF Board is produced in plain form and lamination is additional processing which is carried out after production of Plain MDF Board.
11. The laminated Medium Density Fibre Board (laminated MDF Board) is beyond the scope of product under consideration. The Plain Medium Density Fibre Board below 6MM thickness is excluded from the product scope.
12. The product under consideration accordingly is, "Plain Medium Density Fibre Board having thickness of 6 MM or more and are classified under Chapter 4, Custom subheading no. 44111300 and 44111400 of the Customs Tariff Act. However, the subject goods are being imported under other tariff sub-heading i.e.44111200, 44111292, 44111293 and 44111294 as well.

C.1 Views of the Domestic Industry

13. The domestic industry has submitted as follows with regard to product under consideration and like article:
 - i. Present investigation being a sunset review investigation, product under consideration remains the same as defined in the original as well as previously conducted investigations. Further, no significant development has taken place over the period. Therefore, domestic industry refers to and relies upon the previous investigation with regard to product under consideration and like article. The domestic industry is producing the like article to the product under consideration.
 - ii. As regards the contention of the interested party regarding PCN, the domestic industry has submitted that the issue was raised by some interested party in the previous investigation but the same was not accepted by the Authority. However, if the Authority decides, the domestic industry will provide relevant information.

C.2 Views of the other interested parties

14. The following submissions have been made by other interested parties with regard to the product under consideration and like article:
 - i. Robin manufactures and sells three broad types of products covered in PUC i.e., E0, E1/Carb and E2 based on Formaldehyde Emission and cost and price of these grades vary significantly as is evident from the cost sheets provided. Different grades use different glue and other materials depending on the applicable standards on such grades which results in significant differences in both cost and prices of such grades. PUC covers inter se grades with significant cost and price differences which warrant

separate determination of dumping and injury margin for such different grades and therefore Dumping Margin and injury Margin to be determined grade wise.

- ii. Justification for PCN has been provided in the response that the costs of the PCNs identified vary very significantly due to the differences in the cost of inputs used in such specific grades.
- iii. Robin Resources' request for a PCN wise analysis justified in view of Article 2.4 of the WTO Anti-Dumping Agreement which mandates fair comparison between export price and normal value and Article 3.6 of the WTO Anti-Dumping Agreement which states that the effect of dumped imports is to be assessed in relation to domestic production of the like product when available data permit separate identification. Data has been provided for determination of dumping margin.
- iv. The Authority should seek corresponding injury data/NIP from petitioners for determination on injury margin.

C.3 Examination by the Authority

15. The product under consideration in the earlier as well as present investigation resented sunset review is Plain Medium Density Fibreboard having thickness of 6mm or more. In the previous investigation, the product under consideration was defined as under:

"The product under consideration is Plain Medium Density Fibre Board, also known as Plain MDF Board. It is a composite wood product made out of wood waste fibres glued together with urea formaldehyde resin or melamine resin by applying heat and pressure. It is widely used for partitions, Modular furniture, cabinets etc, due to its smooth and uniform finish. MDF Board is produced in plain form and lamination is additional processing which is carried out after production of Plain MDF Board.

The laminated Medium Density Fibre Board (laminated MDF Board) is beyond the scope of product under consideration. The Plain Medium Density Fibre Board below 6MM thickness is excluded from the product scope. The product under consideration accordingly is, "Plain Medium Density Fibre Board having thickness of 6 MM or more."

16. The subject goods produced by the domestic industry and that imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. In view of the same, the product under consideration produced by the domestic industry is treated as like article to the product under consideration imported from subject countries.
17. As regards the arguments of the interested parties regarding the adoption of PCN in the present investigation, it is noted that same issue was earlier dealt by the Authority in case of ADD investigation for the same product wherein it was decided not to adopt PCN methodology on this basis. There does not seem to be any justification to deviate from the stand taken earlier by the Authority.

18. The present investigation, being a sunset review investigation, the scope of product under consideration remains the same as in the previously conducted investigation. The subject goods are classifiable under Chapter 4 of the Customs Tariff Act, 1975 under sub-headings 44111300 & 44111400. However, the subject goods are being imported under other tariff sub-heading i.e. 44111200, 44111292, 44111293 and 44111294 as well. These custom classifications are indicative only and in no way binding on the scope of this investigation.

D. DOMESTIC INDUSTRY AND STANDING

19. Rule 2(b) of the AD rules defines domestic industry as under:

"(b) "domestic industry" means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in such case the term, 'domestic industry' may be construed as referring to the rest of the producers."

D.1 Views of the Domestic Industry

20. Following submissions have been made by the domestic industry with regard to standing and scope of the domestic industry:
- i. The Application for initiation of Sunset Review investigation has been jointly filed by Greenply Industries Limited/ Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Decor Limited. Under Composite Scheme of Arrangement, Greenply Industries Limited was demerged to Greenpanel Industries Limited. Greenply Industries Limited, Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Decor Limited have provided all relevant information with regard to the present investigations.
 - ii. Greenply Industries Limited/ Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Decor Limited have not imported the subject goods.
 - iii. Greenply Industries Limited/ Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Decor Limited is not related, either directly or indirectly, to any exporter in the subject country or any importer of the dumped article within the meaning of Rule 2(b).

D.2 Views of other interested parties

21. The following submissions have been made by the exporters/other interested parties with regard to the standing and scope of the domestic industry:
- i. It is unclear whether the petitioners have standing as no percentage is provided in Annex 2.2 for the production of petitioners compared to domestic industry in general.
 - ii. There are six other Indian producers of the goods under consideration, which are not cooperating as interested parties in the present investigation. It is questionable

whether these three Applicants alone constitute the "Domestic Industry". The fact that six other Indian producers do not wish to be involved in this investigation undermines the legitimacy of the injury analysis.

D.3 Examination by the Authority

22. The Application in the present case has been jointly filed by Greenply Industries Limited/ Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Decor Limited (hereinafter also referred to as applicant companies), accounting for 47% of total Indian production. These applicant companies have provided relevant information as per the prescribed format. The Authority notes that there are six other manufactures of the product under consideration namely M/s Balaji Action Buildwell, M/s Shirdi Industries Limited, M/s Mangalam Timber Products Limited., M/s Pioneer Panel Products, M/s Metro Panels Industries and M/s Ranga Particle Board Industries Limited in India. However, these producers have neither supported nor opposed the present investigation.
23. The applicant companies have not imported the product under consideration during POI. Nor are they related to any producer/exporter of the product under consideration in subject countries or importers of PUC in India.
24. Considering the information on record, the Authority holds that the production of the applicant companies, i.e. Greenply Industries Limited/ Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Decor Limited account for a major proportion of the domestic production of the like article and the applicants thus are eligible domestic industry within the meaning of Rule 2(b) of the Rules. The application therefore satisfies the criteria of standing in terms of Rule 5(3) of the Rules.

E. CONFIDENTIALITY

E.1 Submissions by the domestic industry

25. Following submissions have been made by the domestic industry with regard to confidentiality –
 - i. The exporters and producers have resorted to excessive confidentiality. The non-confidential version of the responses filed do not allow a meaningful understanding of the information claimed confidential.
 - ii. The information kept confidential by the responding interested parties forms an essential part of the exporter questionnaire responses. Due to lack of such vital information in the non-confidential version, the Domestic Industry is unable to offer any meaningful submissions and assist the Authority in identifying discrepancies or misrepresentations in the responses.
 - iii. The exporters have not furnished a sufficient non-confidential version of the appendices. Even indexed information has not been made available to the domestic industry.
 - iv. The exporters have not provided information that is freely available in the public domain.
 - v. Submissions filed by the exporters, Advance Fibre and Wisewoods, are in violation of Rule 7 of the Anti-Dumping Rules. The non-confidential version of the responses contains only the write up and no appendix. Reliance is placed on the case of Argentina – Ceramic Tiles wherein the Panel held that the Authority may rely on the confidential information to make determinations only if the non-confidential versions inform the interested parties and enable them to defend their

- interests. The domestic industry had also relied upon CESTAT decisions in Essar Steel Ltd vs UOI and H. R. Johnson vs Designated Authority in this regard wherein it was stated that a non-confidential summary is to be furnished and if the information is not susceptible to summary, a statement of reasons is to be provided.
- vi. For the purpose of transparency, there is an obligation on the authority to require the parties to furnish non-confidential summaries which shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence, and this is an important element incorporated in Rule 7(2) of the Anti-Dumping Rules.
 - vii. The non-confidential version of the responses filed by the exporters are not a replica of the confidential information. This is in violation of the practice and procedure followed by the Authority and Trade Notice 1/2009 dated 25th March 2009, Trade notice 1/2013 dated 28th February 2020
 - viii. If the Designated Authority is of the opinion that confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in a generalized form, then the Authority may choose to disregard such information and issue the findings accordingly.
 - ix. There is no questionnaire issued to the domestic industry. The domestic industry has provided detailed non confidential version of the application. Para 1 and Para 8 of the initiation notification establishes that the domestic industry is cooperative.

E.2. Submissions by other interested parties

26. Following submissions have been made by other interested parties with regard to confidentiality-
- i. The non-confidential files do not include copy of the non-confidential questionnaires of the domestic industry that should normally be made available to all interested parties in the defence of their interest.
 - ii. The lack of non-confidential summary of questionnaire response pertaining to the domestic industry has impeded Thai producers to adequately exercise their rights of defence in these proceedings and this constitutes a breach of Articles 6.4 and 6.5 of the WTO Anti-Dumping Agreement..
 - iii. The investigating Authority has not asked additional information or issued any deficiency letter.
 - iv. It is a wrong conclusion on the part of domestic industry that the respondents suppressed information and adopted excessive confidentiality.

E.3 Examination by the Authority

27. With regard to confidentiality of information, Rule 7 of the AD Rules provides as follows:

“Confidential information: (1) Notwithstanding anything contained in sub-rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, sub-rule (4) of rule 15 and sub-rule (4) of rule 17, the copies of applications received under sub-rule (1) of rule 5, or any other information provided to the designated authority on a confidential basis by any party in the course of investigation, shall, upon the designated authority being satisfied as to its confidentiality, be treated as such by it and no such information shall be disclosed to any other party without specific authorization of the party providing such information.

(2) The designated authority may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of a party providing such information, such information is not

susceptible of summary, such party may submit to the designated authority a statement of reasons why summarization is not possible.

(3) Notwithstanding anything contained in sub-rule (2), if the designated authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalized or summary form, it may disregard such information.”

28. The Authority made non-confidential version of the information provided by various interested parties available to all interested parties for inspection through the public file containing non-confidential version of evidences submitted by various interested parties. A list of all interested parties was uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties since the public file was not accessible physically due to ongoing global pandemic
29. As regards the submission of non-confidential version of the questionnaire responses of the domestic industry, the Authority notes that no questionnaire is issued to the domestic industry. The domestic industry has filed the application as per the prescribed format.
30. Submissions made by the domestic industry and other opposing interested parties with regard to confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. The Authority notes that the information provided by the interested parties on confidential basis was duly examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient non-confidential version of the information filed on confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

F. MISCELLANEOUS SUBMISSIONS

F.1. Submissions by the domestic industry

31. The following miscellaneous submissions have been made by the domestic industry:
 - i. The responding exporters have filed incomplete responses and have failed to furnish many vital information such as list of products sold and the details in the appendixes.
 - ii. The Authorities in Vietnam have initiated an anti-dumping duty investigation on exports of product under consideration from the subject countries, including Malaysia and Thailand.
 - iii. The exporters have not co-operated sufficiently in the present investigation. No questionnaire response has been filed by any exporter from Sri Lanka and China PR. Therefore, the exporters from these countries are to be considered non-cooperative.
 - iv. As regards the contention of the interested parties that the imports from subject countries cannot be of any adverse effect, it is submitted that the duty is extended by the Authority only when the legal requirements are met. The period for which the duty has been in force is not relevant. It is not for the domestic industry to

justify how long it needs protection. It is for the exporter to justify how long he would resort to dumping.

- v. The dumping margin is subject to verification and it is for the Authority to determine. Further, the present investigation being a sunset review investigation, the legal requirement is whether dumping and consequent injury is likely in the event of cessation of Anti-dumping duty. The domestic industry has provided sufficient information on the basis of evidence regarding likelihood of dumping and consequent injury to the domestic industry in the event of cessation of anti-dumping duty.
- vi. The matter regarding imposition of anti-dumping duty on Robin Resources in the original investigation is sub-judice, as admitted by the interested parties. The customs notification imposing Anti-dumping duty has not been withdrawn. Further in the last sunset review, the dumping margin of the responding exporter was more than *de minimis*.

F.2. Submissions by other interested parties

32. Following miscellaneous submissions have been made by other interested parties:

- i. Duties have been in force for more than a decade and facts in the present investigation show that imports from Thailand and Malaysia cannot be of any adverse effect on the domestic industry even on expiry of existing duties.
- ii. Purpose of ADD has been met as is evident from current dumping and injury situation.
- iii. Issue regarding non-termination of original investigation despite negative dumping margin in case of exports by Robin Resources is pending before the Supreme Court. Authority rejected Robin's contention that the first SSR was not applicable since the original investigation was liable to be terminated and injury margin of USD 5.72 CBM was determined. Robin has been deprived of fair legal treatment.
- iv. Robin Resources' dumping margin was negative in the original investigation and very low in the first SSR. The injury margin determined for the company was of no consequence and meaning as the dumping jurisprudence is that any injury on account of dumping alone is addressable under the AD rules. Information pertaining to the current POI to determine dumping in the response will show that the exporter continues to sell to India at a price comparable to its domestic market and dumping is not practiced. History of absence of dumping and negligible dumping margin for the past 10-15 years is a fair ground for expiry of present ADD.
- v. Data regarding exports from Robin Resources show that the exporter did not use or misuse the absence of duty to export more to India. The exports will not go up on expiry of ADD, which is also evident from its past behaviour. It could have exported any volume to India without any duty burden if the allegations of excess capacity, inventory pressure, third country dumping etc. alleged by the petitioner were true. Certain users find Robin's products most suitable and Robin does not resort to price distortion practices to cater to them.
- vi. The present investigation is required to be terminated against Thailand where the evidences indicate neither likelihood of dumping from Thailand nor likelihood of injury to the domestic industry caused by the products exported from Thailand. This will lead to the mutual benefit of all parties involved and the favourable bilateral trade relations between the Republic of India and the Kingdom of Thailand.

F.3 Examination by the Authority

33. The Authority has noted all the arguments and counter-arguments of the interested parties and has examined all the submissions made.

- i. With regard to the issue of continuation of duty raised by the interested parties, it is noted that the recommendation for extension of anti-dumping duty is made only when the requisite legal requirements are met.
- ii. With regard to the submissions of interested parties regarding adequacy and accuracy of the application, the Authority notes that the application contained all the information relevant for the purpose of initiation of investigation. The Authority only after satisfaction that application contained sufficient prima facie evidence to justify initiation of the investigation decided to initiate the present investigation.

G. DETERMINATION OF NORMAL VALUE, EXPORT PRICE AND DUMPING MARGIN

G.1. Normal Value

34. 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 transshipped 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.

G.2 Submissions by the domestic industry

35. The submissions made by the domestic industry with regard to normal value, export price and dumping margin are as follows:
- i. The applicants have calculated Normal value for Thailand, Malaysia and Sri Lanka on the basis of price reported in Market Research Report by Maia Research.
 - ii. Applicants submitted that the Designated Authority is not required to use Chinese prices or costs for the purpose of determination of normal value unless the Chinese exporters establish that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of the product under consideration.
 - iii. The Applicants have submitted that their domestic price and cost cannot be considered unless the Chinese exporters demonstrate that the costs and domestic prices are appropriate and reasonably reflect the costs and price of the product under consideration.
 - iv. The Designated Authority shall follow Para 1-6 of Annexure I for 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.
 - v. The applicants consider New Zealand as appropriate third country for determination of normal value for China. The Applicants have calculated normal value for China on the basis of price at which goods have been sold from New Zealand to consumers in Canada.
 - vi. Export price is calculated after making various adjustments based on market information and general experience and considering most conservative estimates.
 - vii. Dumping margin from subject countries is not only significant, but also substantial.
 - viii. The past investigations have established that the Thai producers were dumping the product under consideration in India.
 - ix. As regards the Trade Map data, the domestic industry has provided information to the best of its ability.

G.3. Submissions by other interested parties

36. The submissions made by other interested parties with regard to normal value, export price and dumping margin are as follows:
- i. Exports of the goods under consideration to India during the POI is around 500-800 MT with export prices well above normal value.
 - ii. Dumping margin should be calculated grade wise based on the separate cost sheet and price for all three grades submitted by Robin Resources (Malaysia) SDN BHD
 - iii. The Dumping margin claimed in the data based on average price is misleading as it shows third country exports of 70122 MT out of which 23911MT (35%) is claimed as having the potential of triggering positive dumping margin if diverted to India. PCN wise data provided in responses will show that exports if diverted will not create any such dumping effects. Even the 23911MT claimed as having the potential of dumping effect is very low volume compared to Indian demand and even such volumes will not have any adverse effect on the Indian market.
 - iv. Dumping margin for Thailand and Malaysia provided by petitioner based on third country average export price on the basis of Trademap data is unreliable and does

not ensure fair comparison.. If such trademap data was reliable, petitioners have to explain why T/T data was used instead of DGCI&S published data. Dumping Margin for POI has to be determined based on responses to ensure adequacy and accuracy of data.

- v. Exporters do not seek to dump product in any markets. There has been no case brought against TPPIC members on unfair trade, and a recent case brought by Vietnam was terminated without measures.

G.4. Examination by the Authority

37. The Authority sent questionnaires to the known producers/exporters from the subject country, advising them to provide information in the form and manner prescribed by the Authority. The following producers/exporters have co-operated in this investigation by filing the prescribed questionnaire responses:

- i. Panel Plus MDF Company Limited, Thailand
- ii. Robin Resources (Malaysia) SDN. BHD., Malaysia

Market Economy status for China PR

38. Article 15 of China PR'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.

(b) 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.

(c) 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.

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 non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector."

39. The Authority notes that while the provisions of Article 15 (a) (ii) of China PR's Accession Protocol have expired with effect from 11 December 2016, the provision under Article 2.2.1.1 of the Anti-Dumping Agreement read with obligation under 15 (a) (i) of the Accession protocol require criterion stipulated in Para 8 of the Annexure 1 of Anti-Dumping Rules to be satisfied through the information/data to be provided in the supplementary questionnaire for claiming MET status. The Authority notes that none of the producer/exporter from China PR have submitted any response. The Authority therefore considers it appropriate to proceed with para-7 of Annexure-I to the Rules for determination of normal value.

G.4.1 Normal Value determination for all producers/exporters from China PR

40. None of the producers from China PR have co-operated in the present investigation and provided any information for rebutting the non-market treatment as per Para 8(2) of Annexure 1 of the AD Rules. Therefore, the presumption of non-market economy as per Para 8(2) of Annexure 1 of the AD Rules remains un-rebutted. The Authority, therefore, has determined the Normal value in accordance with Para 7 of Annexure I to the AD Rules.
41. The Authority explored the option of construction of normal value as per the hierarchy laid down in Para 7 of Annexure-I to the Rules which 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 countries, 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.
42. The Authority has, constructed the normal value for China PR on the basis of cost of production in India, duty adjusted, including selling, general and administrative plus reasonable profits. The constructed normal value so determined for Chinese producers/exporters is mentioned in the dumping margin table below.

G.4.2 Normal Value determination for producers/exporters from Thailand

Panel Plus MDF Co. Ltd.

43. The Authority notes that Panel Plus MDF Co. Ltd. is a producer and exporter of the subject goods based in Thailand. Its related trader, namely, Panel Plus Co. Ltd. has also filed the questionnaire response. Panel Plus MDF Co. Ltd. has claimed normal value on the basis of sales made in the domestic market. As per information available in the EQ response, during the period of investigation, the ordinary course of trade (80:20) test conducted on the domestic sales of Panel Plus MDF Co. shows ***% of sales as profitable. Therefore, normal value of the subject goods in the POI has been determined by taking only profitable domestic sales in the subject country. Panel Plus MDF Co. has claimed adjustments on account of inland freight and bank charges. Authority has allowed the same after due verification and normal value thus arrived is shown in dumping margin table below.

Normal value for all non-cooperative producers/exporters from Thailand.

44. Normal Value for non-cooperative producers/exporters from Thailand has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table below.

G. 4.3 Normal Value determination for producers/exporters from Malaysia

Robin Resources (Malaysia) SDN. BHD.

45. The Authority notes that Robin Resources (Malaysia) SDN. BHD. is a producer and exporter of the subject goods based in Malaysia. Robin Resources (Malaysia) SDN. BHD has claimed normal value on the basis of sales made in the domestic market. As per information available in the EQ response, during the period of investigation, the ordinary course of trade (80:20) test conducted on the domestic sales of Robin Resources (Malaysia) SDN. BHD shows *** % sales as profitable. Therefore, normal value of the subject goods in the POI has been determined by taking average price of total domestic sales in the Malaysia. Robin Resources (Malaysia) SDN. BHD has claimed adjustments on account of inland freight, credit cost and bank charges. Authority has allowed the same after due verification and normal value thus arrived is shown in dumping margin table below.

Normal value for all non-cooperative producers/exporters from Malaysia.

46. Normal Value for non-cooperative producers/exporters from Malaysia has been determined on the basis of facts available in terms of Rule 6(8) of the Rules. The normal value so determined is mentioned in the dumping margin table below.

G.4.4 Normal Value determination for producers/exporters from Sri Lanka

47. The Authority notes that none of the producers/exporters from Sri Lanka have filed Exporter Questionnaire Response. In view of non-cooperation from all the producers/exporters in Sri Lanka, the Authority has determined normal value on the basis of best available information in terms of Rule 6(8) and the same is indicated in the dumping margin table given below.

G4.5 Export Price

Determination of export price in respect of producers/exporters from Thailand

Panel Plus MDF Co. Ltd. (Exporter/Producer)

48. Panel Plus MDF Co. Ltd. has filed questionnaire response along with its related trader, namely Panel Plus Co. Ltd. The Authority, however, notes that Panel Plus MDF Co. has exported the product under consideration directly to India during the period of investigation. Adjustments have been made on account of inland transportation, port and other related expenses, credit cost and bank charges as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Panel Plus MDF Co. Ltd. has been determined, which is indicated in the Dumping Margin Table below.

Other producers and exporters from Thailand

49. Since no response has been received from any other producer/exporter of the subject goods from the Thailand, the Authority has determined export price as per facts available in terms of Rule 6(8) of the AD Rules in respect of other producers/exporters from Thailand.

Determination of export price in respect of producers/exporters from Malaysia

Robin Resources (Malaysia) SDN. BHD.

50. Robin Resources (Malaysia) SDN. BHD. has exported the product under consideration directly to India during the period of investigation. Adjustments have been made on account of ocean freight, insurance, inland transportation, port and other related expenses and commissions, as claimed by the exporter in its response to the questionnaire in order to arrive at the net export price at ex-factory level. Accordingly, the net export price at ex-factory level for Robin Resources (Malaysia) SDN. BHD. has been determined, which is indicated in the Dumping Margin Table below.

Other producers and exporters from Malaysia

51. Since no response has been received from any other producer/exporter of the subject goods from the Malaysia, the Authority has determined export price as per facts available in terms of Rule 6(8) of the AD Rules in respect of other producers/exporters from Malaysia.

Determination of export price in respect of Non-cooperative Exporters/ Producers from China PR and Sri Lanka

52. The Authority notes that none of the producers/exporters from Sri Lanka and China PR have filed Exporter Questionnaire Response. In view of non-cooperation, the Authority has determined export price on the basis of facts available in terms of Rule 6(8), in respect of exporters from China PR and Sri Lanka. The same is indicated in the dumping margin table given below.

G.4.6 Dumping Margin

53. Considering the normal value and export price as above, the dumping margins for all producers/exporters of the subject goods from the subject country is determined as below.

SN	Producer	Export Volume	Normal Value	Export Price	Dumping Margin	Dumping Margin%	Range
		CBM	US\$/MT	US\$/MT	US\$/MT	%	%
1.	Panel Plus MDF Co. Ltd., Thailand	***	***	***	***	***	10-20
2.	Non-cooperative producer/exporter from Thailand	***	***	***	***	***	25-35
3.	Robin Resources (Malaysia) SDN. BHD., Malaysia	***	***	***	***	***	0-10
4.	Non-cooperative producer/exporter from Malaysia	***	***	***	***	***	15-25
5.	All producers/exporters from China PR	***	***	***	***	***	Negative
6.	All producers/exporters from Sri Lanka	***	***	***	***	***	30-40

H. METHODOLOGY FOR INJURY DETERMINATION AND EXAMINATION OF INJURY AND CAUSAL LINK

54. 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 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.
55. Rule 23 of the Rules provides that the provisions of Rule 6, 7, 8, 9, 10, 11, 16, 18, 19 and 20 shall apply mutatis mutandis in case of a review. The Authority in its examination has evaluated the injury parameters which are required under Rule 11 and Annexure II of the Rules and has also examined as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.
56. The Authority notes that the application for imposition of antidumping duty has been filed by M/s Greenply Industries Limited / Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Décor Limited. In terms of Rule 2(b) of the Rules, the Applicants have been treated as the domestic industry for the purpose of this

investigation. Therefore, the cost and injury information of the Applicants, constituting the domestic industry, have been examined.

H.1 Submissions by the domestic industry

57. The submissions of the domestic industry with regard to injury and causal link are reproduced herein below:

- i. Cumulative assessment of the effects of likely dumped imports in the course of their likelihood-of-injury determinations is appropriate in the present investigation.
- ii. Demand has increased throughout the injury period and the increase has been substantial.
- iii. Imports from subject countries have increased throughout the injury period with a slight decline during period of investigation. However, the levels of imports in period of investigation is higher than as compared to base year as well as 2016-17 despite anti-dumping duty in existence.
- iv. The subject countries hold a significant 28% share in the total imports of the subject goods in the country.
- v. Imports from subject countries have increased despite existence of anti-dumping duty and the increase in capacities by Domestic Industry to overcome the demand-supply gap in the country.
- vi. Imports from all subject countries are undercutting the prices of the domestic industry. The imports from Sri Lanka and Malaysia are undercutting the prices of the domestic industry.
- vii. The Domestic Industry is facing price suppression and depression from the prices of the dumped imports from the subject countries. During period of investigation, when the cost of the domestic industry has increased as compared to 2017-18, domestic industry has been forced to reduce its selling price due to dumped imports.
- viii. The profitability of the domestic industry has significantly declined in the period of investigation due to presence of dumped imports. The domestic industry is faced with decline in cash profits and return on investments. In the event of cessation of duties, the profitability of the domestic industry would be further impacted.
- ix. The inventories with the domestic industry have significantly increased throughout the injury period despite offering suboptimal prices.
- x. While the performance of the domestic industry was reasonable during the period 2016-18 and 2017-18, the domestic industry has once again suffered deterioration in performance due to dumping from subject countries.
- xi. The imports from the subject countries have continued at dumped prices in the POI.
- xii. The imports from the subject countries are undercutting and depressing the prices of the Domestic Industry.
- xiii. The producers in the subject countries have surplus capacities. In the event of cessation of anti-dumping duty, these surplus capacities will be diverted to India.
- xiv. In the event of cessation of the duty, the consequent increase in subject imports would force the Domestic Industry to reduce its prices significantly:
- xv. In case prices are reduced, the profitability of the Domestic Industry would be impacted. Further decline in profits would lead to a major decline in cash flow and return on investment.
- xvi. In case the Domestic Industry chooses to maintain its normal price levels, it is likely to lead to loss of sales volumes.

- xvii. In case the loss of sales volumes is preferred by the Domestic Industry, it would lead to much bigger injury since inventories would rise while production, capacity utilization, and productivity would decline.
- xviii. Imports from Malaysia has significantly increased.
- xix. On the price levels being in the overall interest of India, it is submitted that the domestic industry is responsible and responsive. The purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. Imposition of antidumping measures would not restrict imports from the subject country/territory in any way, and, therefore, would not affect the availability of the product to the consumers.
- xx. Public statements in the Annual Report do not alter the conclusion that dumping of the product has contributed to injury to the domestic industry. It has been wrongly assumed that dumping is the sole cause of injury. The statements in the annual report are not with regard to deterioration in performance of domestic industry over the injury period and they are concerned with overall operations of the company.

H.2 Submissions by other interested parties

58. The submissions of other interested parties with regard to injury and causal link are reproduced herein below:
- i. As noted from the public Annual Report, Indian producers are experiencing impressive growth rates even with newly installed capacities.
 - ii. Export volumes from Thailand are negligible both in terms of total imports and market share.
 - iii. Export from Thailand have not caused or contributed to the alleged continuation of injury.
 - iv. Thai exporters are not dumping anywhere globally and believe in selling at fair prices.
 - v. GreenPly Industries Ltd./ GreenPanel Industries Ltd. have witnessed strong growth in revenues with healthy profit margins in 2018 and 2019.
 - vi. Relative decline in profits in 2019, is attributable to increased finance costs and these are most likely linked to increase in capacity.
 - vii. Performance for CenturyPly has also seen positive growth, as per public documents.
 - viii. In public documents, no mention is made of any problem due to imports and dumping of the PUC.
 - ix. Actual exports from Thailand for the PUC stands at about 500-800 MT, which are lesser than the import statistics used by the petitioners.
 - x. During the POI, the share of total imports is less than 1% and in terms of market share of the Indian domestic market and consumption, it is far less than 1%. Selling prices are the highest amongst the subject countries and fourth highest amongst the 21 countries that supplied the subject goods during the investigations.
 - xi. Based on the Indian import statistics, Thai CIF prices are the highest amongst the exporting countries under investigation.
 - xii. There is no undercutting, as acknowledged by the Petitioners. There may be a price effect, but the volumes are insignificant.
 - xiii. The NIP calculations of industry would mean that almost all countries are underselling.

- xiv. Cost of production should be re-examined owing to the finance costs due to increased investments.
- xv. Petitioners made profits despite high costs for increase in capacities.
- xvi. Reduction in profits is more likely attributable to the increase in costs associated to the new investments.
- xvii. Subject imports did not cause any continued injury to the domestic Industry. Domestic Industry is not vulnerable to imports from the exporters. Volume parameters have gone up and price parameters were in the positive region. Slight dip in profitability cannot be attributed to subject imports as higher imports are taking place from other countries.
- xviii. The domestic industry seemingly seeks to increase prices when their performance has been very impressive. The interested parties have relied upon a Statement by Chairman of Century Plyboards India, Sajjan Bhajanka, wherein he has stated that the key growth driver of the performance during year under review was the MDF business and a 65% capacity utilization was achieved in FY19, 161.11% increase in revenue from H113.11 crore in FY18 to H295.35 crore in FY19.
- xix. The injury and causal link claimed by petitioners is not true. All the volume parameters of the petitioners such as capacity, production, sales etc. have gone up and even price parameters were in the positive region and any slight dip in the profitability cannot be attributed to subject imports as imports at much higher level were taking place from other countries. The subject imports did not cause any continued injury to the domestic industry and the injury as claimed cannot be linked to the subject imports.
- xx. The domestic industry has been performing in a stable manner over the years and did not show any continued injury in the POI or in the injury period. The overall situation justifies expiry of present anti-dumping duties applicable on imports of subject goods from Thailand.

H.3. Examination by the Authority

- 59. The Authority has taken note of the submissions made by the interested parties. Annexure-II of the Anti-Dumping Rules provides for objective examination of both (a) the volume of dumped imports and the effect of the dumped imports on prices in domestic market for the like articles; and (b) the consequent impact on domestic producers of such products.
- 60. According to Section 9(A)(5) of the Customs Tariff Act, 1975, anti-dumping duty imposed shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition, provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time-to-time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of the order of such extension.
- 61. In consideration of the various submissions made by the interested parties in this regard, the Authority proceeds to examine the current injury, if any, to the domestic industry before proceeding to examine the likelihood aspects of dumping and injury on account of imports from the subject countries.
- 62. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration, while some others may not. The Authority considers all injury parameters and, thereafter, concludes whether the domestic industry has suffered injury due to dumping or not. The Authority has examined the injury parameters objectively

taking into account the facts and arguments submitted by the domestic industry and other interested parties.

H.3.1. ASSESSMENT OF DEMAND

63. The Authority has determined demand or apparent consumption of the product in India, as the sum of domestic sales of the Indian producers, and imports from all sources. The demand so assessed is given in the table below.

Demand in India	Unit	2015-16	2016-17	2017-18	POI	
					Annualized	Actual
Sales of Domestic Industry	CBM	***	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>95</i>	<i>106</i>	<i>134</i>	<i>134</i>
Sales of Other Indian Producers	CBM	***	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>104</i>	<i>104</i>	<i>119</i>	<i>119</i>
Imports from- Subject Countries	CBM	34,287	33,391	44,423	39,446	59,170
China	CBM	179	400	466	74	112
Malaysia	CBM	12,501	18,848	27,904	30,716	46,074
Thailand	CBM	3,406	2,271	3,681	1,914	2,872
Sri Lanka	CBM	18,201	11,872	12,371	6,741	10,112
Other Countries attracting ADD	CBM	61,099	92,335	1,41,284	97,447	1,46,171
Indonesia	CBM	16,977	6,724	856	97	145
Vietnam	CBM	44,123	85,611	1,40,427	97,350	1,46,026
Imports from other countries	CBM	17,881	23,094	22,302	18,306	27,459
Total Demand in India	CBM	***	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>108</i>	<i>123</i>	<i>128</i>	<i>128</i>
Market Share in Demand						
Domestic industry	%	***	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>88</i>	<i>86</i>	<i>105</i>	<i>105</i>
Other Indian Producers	%	***	***	***	***	***
<i>Trend</i>		<i>100</i>	<i>97</i>	<i>85</i>	<i>93</i>	<i>93</i>
Imports from- Subject Countries	%	7	6	7	6	6
China	%	0	0	0	0	0
Malaysia	%	3	4	5	5	5
Thailand	%	1	0	1	0	0
Sri lanka	%	4	2	2	1	1
Other Countries attracting ADD	%	12	17	23	15	15
Indonesia	%	3	1	0	0	0
Vietnam	%	9	16	23	15	15
Other Countries	%	4	4	4	3	3
Total Demand	%	100	100	100	100	100

64. The Authority notes that the demand in India has increased throughout the injury period

and in the POI.

H.3.2. VOLUME EFFECT OF DUMPED IMPORTS

65. 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:-

Import Volume	Unit	2015-16	2016-17	2017-18	POI	
					Annualized	Actual
Imports from Subject Countries	CBM	34,287	33,391	44,423	39,446	59,170
China	CBM	179	400	466	74	112
Malaysia	CBM	12,501	18,848	27,904	30,716	46,074
Thailand	CBM	3,406	2,271	3,681	1,914	2,872
Sri Lanka	CBM	18,201	11,872	12,371	6,741	10,112
Other Countries attracting ADD	CBM	61,099	92,335	1,41,284	97,447	1,46,171
Indonesia	CBM	16,977	6,724	856	97	145
Vietnam	CBM	44,123	85,611	1,40,427	97,350	1,46,026
Imports from other countries	CBM	17,881	23,094	22,302	18,306	27,459
Total Import Volume	CBM	1,13,267	1,48,820	2,08,008	1,55,199	2,32,799
Subject Countries Imports in relation to						
Imports	%	30.27	22.44	21.36	25.42	25.42
Production	%	***	***	***	***	***
Trend		100	94	120	81	81
Consumption	%	***	***	***	***	***
Trend		100	122	149	107	107

66. The Authority notes that the volume of dumped imports of the product under consideration from the subject countries has increased in 2017-18 and declined in POI. However, compared to base year 2015-16, the imports from subject countries have increased in the POI.

H.3.3. PRICE EFFECT OF THE DUMPED IMPORTS

67. In terms of Annexure II (ii) of the Rules, the Authority is required to consider the effect of the dumped imports on domestic prices in terms of price undercutting, price underselling, price suppression and price depression, if any.

i. Price undercutting

68. With regard to the effect of dumped imports on prices, the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared to the price of the like product 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. In this regard, a comparison has been made between the landed value of the product from the subject countries and the average selling price of the domestic industry, net of all rebates and

taxes, at the same level of trade. The prices of the domestic industry were determined at ex-factory level.

Particulars	Unit	2015-16	2016-17	2017-18	POI
Net sales realization	Rs/CBM	***	***	***	***
Subject countries as a whole					
Landed price of imports without ADD	Rs/CBM	18,215	15,734	15,582	15,063
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	10-20	20-30	20-30	20-30
China					
Landed price of imports without ADD	Rs/CBM	26,495	21,588	19,495	22,214
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	Negative	Negative	10-20	Negative
Malaysia					
Landed price of imports without ADD	Rs/CBM	16,621	14,589	14,979	14,899
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	20-30	30-40	30-40	20-30
Thailand					
Landed price of imports without ADD	Rs/CBM	16,980	17,304	17,333	15,354
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	20-30	10-20	20-30	20-30
Sri Lanka					
Landed price of imports without ADD	Rs/CBM	19,461	17,054	16,274	15,651
Price undercutting	Rs/CBM	***	***	***	***
Price undercutting	%	***	***	***	***
Price undercutting	Range	10-20	20-30	20-30	20-30

69. It is noted the import prices from Malaysia, Thailand and Sri Lanka are undercutting the prices of the domestic industry. The price undercutting with respect to China is negative.

ii. Price Suppression/ Depression

70. In order to determine whether the dumped imports are suppressing or depressing the domestic prices and whether the effect of such imports is to depress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority notes the changes in the costs and prices over the injury period. The position is shown as per the table below:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Cost of Sales	Rs/CBM	***	***	***	***
Trend		100	94	100	100

Selling Price	Rs/CBM	***	***	***	***
<i>Trend</i>		100	99	102	90
Landed Price from subject countries	Rs/CBM	18,215	15,734	15,582	15,063
<i>Trend</i>		100	86	86	83

71. It is noted that the landed price of imports from subject countries is below the cost of sales during the period of investigation. Consequently, when the cost has declined over the injury period, selling price of the domestic industry has declined more than cost decline. The imports are suppressing the prices of the domestic industry.

iii. Price underselling

72. The price underselling has been evaluated by comparing the non-injurious price with the landed price of the subject imports.

Particulars	UOM	China PR	Malaysia	Thailand	Sri Lanka
Import Volume	CBM	***	***	***	***
Non-Injurious Price (NIP)	Rs/CBM	***	***	***	***
Landed Price	Rs/CBM	22,213.7	14,898.8	15,354.1	15,651.4
Injury Margin	Rs/CBM	***	***	***	***
Injury Margin	%	***	***	***	***
Injury Margin	%, Range	Negative	10-20	10-20	10-20

73. It is seen that the price underselling is positive for each of the subject countries except for China PR.

H.3.4. Impact on Economic Parameters of the Domestic Industry

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

a. Capacity, Production, Capacity Utilization and Sales

75. The Authority has considered capacity, production, capacity utilization and sales volume of the domestic industry over the injury period and notes as follows:

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Annualized	Actual
Installed Capacity-Plant	CBM	***	***	***	***	***
<i>Trend</i>		100	100	137	284	284

Production Quantity-Plant	CBM	***	***	***	***	***
<i>Trend</i>		100	108	128	185	185
Capacity Utilization-Plant	%	***	***	***	***	***
<i>Trend</i>		100	108	94	65	65
Production Quantity-PUC	CBM	***	***	***	***	***
<i>Trend</i>		100	103	113	171	171
Domestic Sales-PUC	CBM	***	***	***	***	***
<i>Trend</i>		100	95	106	134	134

76. It is noted from the above table that –

- The capacity of the domestic industry has increased in 2017-18 and in the POI. The Authority considers that the increase in capacity is due to the entry of Century Plyboards and the establishment of new capacities by Greenply/Greenpanel and Century Plyboards.
- The production quantity of the domestic industry increased in 2017-18 and in the POI.
- The capacity utilization has declined in 2017-18 and thereafter in the POI.
- The domestic sales has shown the same trend as production.

b. Market Share of Domestic Industry in Demand

77. Market share of the domestic industry have been examined as below: –

Particular	Unit	2015-16	2016-17	2017-18	POI
					Actual
Domestic industry	%	***	***	***	***
<i>Trend</i>		100	88	86	105
Other Indian Producers	%	***	***	***	***
<i>Trend</i>		100	97	85	93
Imports from-Subject Countries	%	7	6	7	6
Other Countries attracting ADD (Vietnam & Indonesia)	%	12	17	23	15
Other Countries	%	4	4	4	3
Total Demand	%	100	100	100	100

78. It is noted that the market share of the subject countries have remained more or less same while the market share of the domestic industry has increased in the POI. The domestic industry has submitted that the increase in market share is due to capacity additions and offering suboptimal prices to sustain in the market.

c. Inventories

79. The data relating to inventory of the subject goods are shown in the following table:

Particulars	Unit	2015-16	2016-17	2017-18	POI
Inventory – Average	CBM	***	***	***	***
<i>Trend</i>		100	151	318	431

80. The Authority notes that the inventories with the domestic industry has increased substantially over the injury period and further in the POI.

d. Profit or loss, cash profits and return on investment

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Annualized	Actual
Cost of Sales	Rs/CBM	***	***	***	***	***
<i>Trend</i>		100	94	100	100	100
Selling price	Rs/CBM	***	***	***	***	***
<i>Trend</i>		100	99	102	90	90
Profit before tax	Rs/CBM	***	***	***	***	***
<i>Trend</i>		100	116	113	51	51
Total Profit before Tax	Rs.Lacs	***	***	***	***	***
<i>Trend</i>		100	111	120	68	68
Total Profit before interest	Rs.Lacs	***	***	***	***	***
<i>Trend</i>		100	105	114	77	77
Cash Profit	Rs.Lacs	***	***	***	***	***
<i>Trend</i>		100	107	133	96	96
Return on capital employed	%	***	***	***	***	***
<i>Trend</i>		100	122	76	29	29

81. Performance of the domestic industry has been examined

82. It is noted that the profitability, cash profits and return on capital employed of the domestic industry increased consistently till 2016-17 but thereafter declined in the POI.

e. Employment, wages and productivity

83. The situation of the domestic industry with regard to employment, wages and productivity was as below –

Particulars	Unit	2015-16	2016-17	2017-18	POI	
					Annualized	Actual
Employment	Nos	***	***	***	***	***
<i>Trend</i>		100	102	155	237	237
Productivity per day	CBM	***	***	***	***	***
<i>Trend</i>		100	103	113	171	171
Productivity per Employee	CBM	***	***	***	***	***
<i>Trend</i>		100	101	73	72	72
Wages	Rs.Lacs	***	***	***	***	***

<i>Trend</i>		<i>100</i>	<i>101</i>	<i>134</i>	<i>247</i>	<i>247</i>
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84. It is noted that the employment, wages and productivity per day have shown a substantial increase in 2017-18 and in the POI. The domestic industry has submitted that these parameters are not reflective of the impact of dumped imports on the domestic industry.

f. Growth

85. Examination of growth parameters of the domestic industry during the injury period is shown below –

Particular	Unit	2015-16	2016-17	2017-18	POI Annualized
Production (PUC)	%	-	2.79	9.92	51.51
Domestic Sales Volume	%	-	(4.78)	11.81	25.96
Capacity utilization	%	-	8.02	(13.03)	(30.71)
Profit/Loss domestic(Per CBM)	%	-	16.09	(2.76)	(54.90)
ROI	%	-	22.03	(37.80)	(61.18)
Cash Profit	%	-	7	20	(26)

86. It is noted that the growth of the domestic industry in terms of production and sales is positive, whereas the growth in terms of capacity utilization, profits, and return on capital employed is negative.

g. Factors affecting domestic prices

87. The Authority notes that the domestic prices have been affected due to the presence of dumped imports in the country.

h. Ability to raise fresh investment

88. The domestic industry has claimed that the Domestic Industry has been operating at low capacity utilization despite significant demand in the country and it has weakened the ability of the Domestic Industry to raise capital investment

Conclusion on injury

89. Considering various parameters relating to material injury, the Authority notes that there has been increase in the volume of dumped imports of the subject goods, in absolute terms. Imports are undercutting the domestic prices in the POI, and the domestic industry was suffering a suppressing effect on the domestic selling prices. Overall performance of the domestic industry have deteriorated in respect of various economic parameters such as capacity utilization, profits, cash profits and ROI in the POI Inventories with the domestic industry has increased.

I. CAUSAL LINK

90. As per the AD Rules, the Authority, inter alia, is required to examine any known factors other than dumped imports which are injuring or are likely to cause injury to the domestic industry, so that the injury caused by these other factors may not be attributed

to the dumped imports. While the present investigation is a sunset review investigation and causal link has already been examined in original investigation, the Authority examined whether other known listed factors have caused or are likely to cause injury to the domestic industry. It was examined whether other factors listed under the AD Rules could have contributed or are likely to contribute to the injury suffered by the domestic industry.

a. Volume and price of imports from third country:

91. The Authority notes that the volume of imports of the product under consideration from other countries are either attracting Anti-dumping duty or are at higher prices.

b. Contraction in Demand and/or Change in Pattern of consumption

92. The demand of the subject goods has increased throughout the injury period. The pattern of consumption with regard to product under consideration has not undergone any change. Changes in the pattern of consumption could not have, therefore, contributed to the injury to the domestic industry.

c. Export Performance

93. Applicants have exported the subject goods. However, they have claimed likelihood of injury in the domestic operations. Applicants have provided costing and injury information for domestic sales separately. Hence, likelihood of injury considered cannot be attributed to exports.

d. Development of Technology

94. None of the interested parties have raised any issue with regard to developments in technology as being the cause of injury to the domestic industry.

e. Performance of other products of the company

95. The Authority notes that no submission has been made by any of the interested parties to the effect that the performance of other products being produced and sold by the applicants is a possible cause of injury to the domestic industry.

f. Trade Restrictive Practices and Competition between Foreign and Domestic producers

96. The import of the subject goods is not restricted in any manner and the same are freely importable in the country. The domestic producers compete with the landed prices of the subject goods. The price of the domestic industry is influenced substantially by the landed prices of subject goods. Moreover, no evidence has been submitted by any interested party to suggest that the conditions of competition between foreign and domestic producers have undergone any change.

g. Productivity of the domestic industry

97. The Authority notes that no submissions have been made by either the domestic industry or any of the interested parties regarding possible injury to the domestic industry on account of productivity of the domestic industry.

J. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY

98. In a review investigation, the Authority has to determine whether the subject goods are continuing to enter or likely to enter the Indian market at dumped prices and whether injury to the domestic industry is likely to continue or recur due to these dumped imports if the duty is removed.

J.1. Submissions by the domestic industry

99. The domestic industry submitted as follows with regard to likelihood of continuation or recurrence of dumping and injury –
- i. Producers in the subject countries maintain huge capacities.
 - ii. Due to excess capacities, the producers have also accumulated high inventories. The presence of these inventories in itself shows huge likelihood of increased exports to India on the event of cessation of anti-dumping duties.
 - iii. The producers/exporters from the subject countries have high export orientation. A large portion of their revenue is generated from export sales.
 - iv. The producers/exporters from the subject countries have significant unutilised capacities which can easily cater the entire demand in India.
 - v. The producers/exporters from the subject countries have freely disposable production capacities.
 - vi. Producers in Thailand have either initiated capacity expansions or have proposed expansions in the recent periods. Expansions taking place despite ample capacities in Thailand.
 - vii. The exporters from subject countries are prima-facie exporting the product under consideration to third countries at dumped prices.
 - viii. There has been a decline in demand for the subject goods in China.
 - ix. The questionnaire responses filed by exporters/producers also clearly establish that there is a likelihood of dumping and consequent injury to the domestic industry. The responses filed by the exporters show: (1) surplus and unutilized capacities with the exporters; (2) freely disposable capacities with the exporters; (3) increase in inventories; (4) significant decline in selling price of exports to India; (5) export orientation.
 - x. The exporters have acknowledged their intention to export to India in their responses. They have also acknowledged that the impact of the existing ADD has forced them to export to other countries. Therefore, it is very likely that these imports will be redirected to India in the event of cessation of anti-dumping duty.
 - xi. The demand of the domestic industry has declined in China PR over the period. With presence of excess capacities in China, the decline in demand in china will force the producers to look for the more lucrative markets.
 - xii. There exists likelihood of continuation or recurrence of dumping and likelihood of continuation or recurrence of injury.
 - xiii. The exporters have not provided any evidence to dispute the claims of the domestic industry on likelihood.
 - xiv. As per the Part 2 of the questionnaire response, Panel Plus MDF Co. Ltd. has increased its capacities in the year Jan-Dec 18 by 76%. The capacity utilization of the company has declined by 45%. The inventories have increased by 53% in 2018 and 19% during period of investigation. With decline in capacity utilization by 45% shows that the exporter has significant unutilized capacities.
 - xv. There is a significant increase in inventories. Increase in inventories in one of the parameters of threat analysis as well. There need not be any further analysis

- required for establishing likelihood. Increase in inventories of the exporter is sufficient.
- xvi. The Part 2 of the questionnaire shows that the capacity utilization of Robin Resources (Malaysia)SDN. BHD. has declined by 39% in the period of investigation, which establishes increase in unutilized capacities. If the domestic sales of the exporter have increased and still capacity utilization declined, it means that the unutilized capacities are meant for exports. However, the submissions of the exporter is contradictory to the information provided in Part 2 of the response. The submissions states that Domestic uptake was robust however response shows that domestic sales have declined by 9%.
 - xvii. Now that the responding exporters have filed the responses including third country export price, the likelihood analysis can be based on the exporter's data subject to adequacy and accuracy of the information. Further, the Authority may determine likelihood both from the questionnaire response as well as from exporting countries' trade data.
 - xviii. As regards distortions in capacity and production figures for Thailand, the domestic industry has provided information to the best of its abilities. Further the capacities of PUC and NPUC can be used interchangeably. Now that the exporter has provided actual information regarding their production and capacities, same may be relied upon subject to adequacy and accuracy of the information.

J.2. Submissions by other interested parties

100. Following submissions have been made by other interested parties with regard to likelihood of continuation or recurrence of dumping and injury:

- i. There is no likelihood as main focus of the producers is on domestic market, Middle East and the ASEAN market.
- ii. Capacities and utilization rates and production numbers of Thailand producers provided in the petition are inaccurate and is not clear if claim is made for PUC alone or for MDF. There is no surplus capacity that would enter India in the absence of measures. The concern of Thai exporters is to maintain the existing customer base in India, and not to be closed out from the benefits of a presence on a highly innovative market.
- iii. Out of the total capacity, a number of producers do not even produce the PUC. Capacities cannot be switched according to market demands etc.
- iv. There is no likelihood as can be established from the fact that no other country has imposed ADD on Thai exports.
- v. Based on information from Thai producers, their average export prices are about 10% above the domestic selling prices for the same specifications being exported and the same level of trade.
- vi. A large portion of the capacities is already dedicated to non-PUC and other markets like Middle East and ASEAN. The Indian market is not considered core market for Thailand, either past present or future.
- vii. In case of HS 441113, Over 59% of total imports of PUC from Thailand are destined for the Middle East and 15 % to the ASEAN. Over the period 2015 to 2019, imports to the Middle East have increased by 82,025 MT. A significant volume of these exports is for thickness of less than 5mm. Over 95% of the 12,000 MT exported to India in 2019 is not PUC.
- viii. Exports of HS 441114 to India are less than 0.3% and the exports are mostly destined for Middle East and ASEAN.
- ix. Information provided on likelihood of dumping and injury is grossly insufficient and unreliable to prove the conditions for continuation of existing anti-dumping

- duty in an expiry review as mandated in the Rules. The parties have relied on Rule 23 of the Anti-dumping Rules in this regard. The claimant domestic industry has to demonstrate the consequences of such an expiry based on facts and not merely on presumptions, assumptions and conjectures. Exporters have provided details to show absence of likelihood and same has to be considered.
- x. Parameters relevant to gauge the possibilities of likelihood of dumping and injury clearly shows no likelihood of dumping and injury in the event of expiry of duties on Thailand. The exporters are operating in a well-established market and the expiry of the duties will not change the behaviour of the exporters in any manner. There is no compulsion to export to India by reducing the prices in the event of expiry of duties.
 - xi. The details of capacity, third country exports details etc. provided in the petition are misleading and cannot be relied upon. The Authority must use the data provided in the Responses for all determination of current and likelihood parameters.
 - xii. Exports from Malaysian exporter will not go up as alleged by the petitioner in the event of expiry of duty and trend of exports after no levy of ADD in the original case. Certain users in India find its product the most suitable and the exporter does not have to resort to any price distortion practices to cater to such users.
 - xiii. Claims of excess unutilized capacities are not true since the capacities remained same in POI and Post POI while capacity utilization increased and the exporter has been operating in the range of 90 – 99%. Production slightly increased with declines in exports to India and third countries. Domestic uptake was robust. Data shows that the capacity utilization of the exporter is not directly linked to its export market and domestic supplies hold the key.
 - xiv. . Claims of excess unutilized capacities are not true since the exporter's capacity remained same in POI and post POI and utilization has been between a reasonable level of 75% - 85%. The real utilization at the plant level is even higher on account of the product mix.
 - xv. Likelihood examination is a forward looking statement and the domestic industry has referred to the movements in parameters during the injury period. The Capacity of the Company remained same in the post POI period also. There are no threats from Panel Plus as the company is not sitting on any significant excess capacity etc.
 - xvi. Participation by the party is to refute the wrong claims of the DI and it doesn't show Indian market is lucrative for exporters.
 - xvii. The absence of injury from continued imports indicates absence of likelihood of injury also in the event of expiry of present duties.
 - xviii. There are no threats from Robin Resources as the company is not sitting on any significant excess capacity etc. and the dumping margin determined for the company in the past was also either negative or very negligible only.
 - xix. There is a lack of excess capacity that would undermine the possibility of Thai industry to increase the exports to India, in conjunction with the higher average selling price of Thai producers to major export markets comparing to domestic market.

J.3. Examination by the Authority

101. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A(5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure – II (vii) of the Anti-

Dumping Rules, and other relevant factors brought on record by the interested parties. The Authority notes as under.

102. The present investigation is a sunset review of duties imposed on the imports of subject goods from the subject countries. Under the Rules, it is required to be determined whether continued imposition of antidumping duty is warranted. This also requires an examination of whether the duty imposed is serving the intended purpose.

103. Further, the Authority has also examined other relevant factors which could have a bearing on the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry. The examination of the likelihood of continuation or recurrence of dumping and consequent injury to the domestic industry is as follows:

i. **Significant production capacities with the producers/exporters in subject countries and ability of other export markets to absorb additional capacities**

104. Analysis of the questionnaire responses filed by the responding exporters shows as follows:

Particular	Unit	Robin Resources (Malaysia) Sdn. Bhd. Malaysia	Panel Plus MDF Co. Thailand
Capacity	CBM	***	***
Plant Production	CBM	***	***
Capacity Utilization	%	***	***
Production-PUC	CBM	***	***
Domestic Sales	CBM	***	***
Exports to India	CBM	***	***
Exports to Other Countries	CBM	***	***

105. Further information provided by the domestic industry with regard to subject countries shows as follows with regard to capacities.

Producer	Capacities (MT)
DARE	11,25,000
Guangdong Weihua	10,12,500
Vanachai Group Public Company Limited, Thailand	8,77,500
Panel Plus Thailand	5,02,500
Green Panel Products	3,75,000
Metro MDF Co. Ltd.	3,75,000
Advance Fiber Co. Ltd.	3,37,500

Guangzhou Huafangzhou Wood Co., Ltd.	2,62,500
M/S Dongwha Global Sales Sdn. Bhd., Malaysia	2,70,000
MDF Co. Ltd.	1,92,750
S. Kijchai Enterprises Co. Ltd.	2,10,000
DAIKEN Group	1,72,500
Wisewoods	1,80,000
M/S MerbokMDF Lanka (Private) Limited, Sri Lanka	1,35,000
M/S Robin Resources (Malaysia) Sdn Bhd., Malaysia	1,46,250
S.P.B.P. Panel Industries Co. Ltd.	1,50,000
M/S Dongwha MDF (M) Sdn. Bhd., Malaysia	97,500
Yonglin Group	90,000
Magna Foremost	75,000
Yunfu Zhenying Wood Co. Ltd.	78,750
Sagamat Panel Board SDH BHD	60,000

106. It is noted that the capacities indicated in the report furnished by the domestic industry in its application suggest capacities with these foreign producers far in excess of demand in India.

i. Increase in Inventories

107. The Authority notes that the responses from the exporters show that the inventories with the responding exporters have increased. The Authority also notes that the producers in the subject countries are export oriented. In the event of cessation of the anti-dumping duty, it is likely that the subject countries will increase their exports to India.

ii. Third country dumping and injury

108. The following exporters have filed questionnaire responses in the form and manner prescribed, including questionnaire response relevant for sunset review investigation. Therefore, the Authority has examined the questionnaire response and ascertained the volume of exports by these exporters to third countries at prices below normal value (i.e., dumped) and injurious (i.e., below NIP of the domestic industry).

- i. Panel Plus MDF Co. Ltd.
- ii. Robin Resources (Malaysia) SDN. BHD

109. The table below shows volume of exports by these exporters to third countries at dumped, attractive and injurious prices.

POI Period Robin Resources (Malaysia) SDN. BHD - Malaysia

	Exports to India CBM	Exports to Third country CBM	Total CBM
Volumes below NIP	***	***	***
Volume above NIP	***	***	***
Volumes below normal value	***	***	***
Volume above normal value	***	***	***

Demand in India	***	***	***
% in relation to demand	***	***	***
Volume below normal value (i.e., dumped) in %	***	***	***
Volume below NIP (i.e., injurious) in %	***	***	***

POI Period – Panel Plus MDF Co. Ltd Thailand

	Exports to India CBM	Exports to Third country CBM	Total CBM
Volumes below NIP	***	***	***
Volume above NIP	***	***	***
Volumes below normal value	***	***	***
Volume above normal value	***	***	***
Demand in India	***	***	***
% in relation to demand	***	***	***
Volume below normal value (i.e., dumped) in %	***	***	***
Volume below NIP (i.e., injurious) in %	***	***	***

110. It is seen that the volume of exports by Robin Resources and Panel Plus to rest of world at a price below normal value and NIP is quite significant. It is noted that whereas volume of exports to India by Robin Resources constituted ***% of its global exports; ***% of its production; and ***% of its capacity, the exports to India by Panel Plus constituted only ***% of its global exports, ***% of their production and ***% of its capacity. It is also noted that volume of exports to India by Robin Resources constituted ***% of imports from Malaysia.
111. It is seen that volume of exports to India by Panel Plus constituted ***% of imports from Thailand and ***% of imports from various sources. Imports from Malaysia and Thailand during POI constituted ***% and ***% of total imports into India during the POI. Further, the volume of exports of Panel Plus to India is quite insignificant.

K. MAGNITUDE OF INJURY AND INJURY MARGIN

112. The Authority has determined Non-Injurious Price for the domestic industry on the basis of principles laid down in anti-dumping Rules read with Annexure III, as amended. The NIP 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. The NIP of the domestic industry has been worked out and it has been considered for comparing the landed price from the subject country for calculating injury margin. For determining NIP, the best utilization of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been done with the utilities. The best utilization of production capacity over the injury period has been

considered. The optimum production in POI has been calculated considering the best capacity utilization and the same production has been considered for arriving per unit fixed cost. No extraordinary or non-recurring expenses have been charged to 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 and being followed. The non-injurious price so determined has been compared with the landed price of imports from the subject country to determine the injury margin.

113. The non-injurious price of the subject goods produced by the domestic industry when compared with the landed value of the exports from the subject countries shows following injury margin during POI.

SN	Producer	NIP	Landed value	Injury margin	Injury margin	Injury margin
		Rs/CBM	Rs/CBM	Rs/CBM	%	Range
1.	Panel Plus MDF Co. Ltd., Thailand	***	***	***	***	Negative
2.	Non-cooperative producer/exporter from Thailand	***	***	***	***	0-10
3	Robin Resources (Malaysia) SDN. BHD., Malaysia	***	***	***	***	10-20
4	Non-cooperative producer/exporter from Malaysia	***	***	***	***	40-50
5	All producers/exporters from China PR	***	***	***	***	(15-25)
6	All producers/exporters from Sri Lanka	***	***	***	***	10-20

Conclusion on Likelihood of Dumping and Injury

114. The evidence on record show that there has been increase in the volume of dumped imports of the subject goods, in absolute terms. Imports are undercutting the domestic prices in the POI, and the domestic industry is suffering suppressing effect on the domestic selling prices. Overall performance of the domestic industry has deteriorated in respect of various economic parameters such as capacity utilization, profits, cash profits and ROI in the POI. Inventories with the domestic industry has increased. The information on record shows that the capacities with the producers in the subject countries is far higher than the domestic demand in India, and the subject countries are holding significant surplus capacities. The questionnaire responses of the exporters show high volume of exports to third countries at dumped and injurious prices. Thus, all these parameters indicate that in the event of cessation of ADD, the exporters in the subject

countries are likely to intensify export of the product in India at dumped prices, leading to injury to the Domestic Industry.

L. POST DISCLOSURE COMMENTS

115. The Authority notes that most of the submissions made by the interested parties in response to the disclosure statement are repetitive in nature and the interested parties have largely reiterated their earlier submissions, which have already been examined and addressed by the Authority. Following are new submissions made by the domestic industry and other interested parties on the disclosure statement.

L.1 Submissions made by the domestic industry

116. The submissions made by the domestic industry on the disclosure statement are as follows:

- i. Methodology adopted by Authority in previous investigations will hold field unless interested parties establish a need for deviation. The facts regarding adoption of PCN are not new facts. The Authority had not adopted PCN in previous investigations.
- ii. The Authority is right in rejecting the responses filed by Advance Fibre Co. Ltd., Thailand and Wisewoods Co. Ltd., Thailand as the responses filed by them were grossly deficient.
- iii. Increase in imports is despite the existence of anti-dumping duty.
- iv. The increase in inventories is despite offering subject goods at sub-optimal prices.
- v. In the event of cessation of anti-dumping duties, the profitability of the petitioning domestic industry would be further impacted.
- vi. Negative weighted average injury margin of Panel Plus is not sufficient to conclude absence of likelihood for Panel Plus. Significant exports made by Panel Plus are at prices below NIP.
- vii. Negative injury margin based on weighted average is insufficient to conclude absence of likelihood. Available information does not show export price to third countries as materially higher than export price to India. Reference is made to Kothari Sugars & Chemicals v. Designated Authority where transaction below NIP was allowed to be considered to calculate injury margin, which was also referred to in Honest Enterprises Ltd. v. Designated Authority.
- viii. Extension of duty has been recommended in past cases even after negative injury margin in the POI and therefore, there is no justification for withdrawal of duty on exporter merely due to negative injury margin.
- ix. The average injury margin in the present investigation is misleading and duty is required to be extended on Panel Plus, as injurious imports by Panel Plus is likely to cause injury to the domestic industry.
- x. The non-injurious price considered by the Authority is at a different level as compared to Net Sales Realization. Adjustments has to be made to either Net Sales Realization or non-injurious price in order to bring both at the same level.
- xi. There is continued dumping and injury to the domestic industry due to the presence of dumped imports from the subject countries. There also exists sufficient likelihood of dumping and injury to the domestic industry in the event of cessation of anti-dumping duty.

- xii. Extension of anti-dumping duties will not be against public interest as domestic industry has increased capacities and is capable of catering to total demand in the country. India has become self-reliant.
- xiii. The objective of dumping law is to establish a level playing field and allow fair competition for the Indian industry. It will not restrict imports or affect availability of product to consumers.
- xiv. The interested parties are producers from Thailand and Malaysia who are naturally concerned only with their own interests and not India's interests. None of the consumers have raised concerns against extension of duty.

L.2 Submissions made by other interested parties

117. The submissions of other interested parties on disclosure statement are as under:

- i. Wisewoods Co. has fully co-operated with the present investigation and provided all documents and data accurately.
- ii. Wisewoods' business activities do not cause any injury to India and hence individual duties need to be accorded rather than mixing the duty rate with companies who have not cooperated in the investigation.
- iii. With regard to the view taken by the Authority on PCN methodology for dumping and injury margin determination in para 17, it is submitted that adoption of a past practice without looking at the merit of the claim in the present case is not justified. The normal value and export price be considered taking into account the comparable product type and such comparison is a basic requirement under the AD Agreement and also under the Indian AD Rules. The Company here has provided separate cost and price details of such types showing significant differences which alone justify a PCN to PCN comparison to determine dumping and injury margin.
- iv. Meagre 47% is not a sufficient percentage to determine standing as the injury claimed by petitioners holding such meagre share cannot be treated as representative of injury having been suffered by the Indian producers.
- v. The dumping margin as determined in the disclosure is the result of an inappropriate comparison of normal value and export price and fair determination of such margin by comparing the identical types would give a nil or very negligible dumping margin.
- vi. The petitioners did not face any adverse effects on account of some imports from subject countries. The Authority should note the larger fact that duties have been in force for quite some time on the subject goods from subject countries and the imports from subject countries were only about 6% of the Indian demand during the POI which is not any alarming level of imports. Nor such import can be perceived as having any threat of injury to the petitioners in the event of expiry of present duties.
- vii. The performance of the domestic industry has increased manyfold in terms of volume parameters. There is no volume injury. The domestic industry has claimed some decline in the profitability in the POI. It may be noted in this regard that the imports from subject countries were not impacting the performance of the domestic industry in any manner and there were higher volumes of import taking place from other countries. The dip in profitability has been the result of down-time in the user industries, which had nothing to do with imports. The injury examination may be conducted in view of such broader economic realities and not on a narrow prism so as to conclude that there is injury. If the claims of price

undercutting/underselling/suppression were true, then the domestic industry would not have increased the sales. Pricing was apparently impacted due to indigenous factors and not because of any alleged unfair competition from imports from subject countries.

- viii. The observation of likelihood of more exports in the event of expiry of duties as made in the disclosure is denied. Since the Authority has not disclosed any information under consideration even in indexed form other than the table at para 104, the party is not in any position to offer any meaningful comments and reiterates its submissions earlier made on likelihood.
- ix. The observation that capacities with the producers in the subject countries are far higher than the domestic demand in India does not indicate any likelihood of dumping and injury in the event of expiry of duties. Merely showing capacity in subject countries higher than that of demand in India is not any parameter of likelihood examination. It should be demonstrated that all such capacities are excess and idle capacities and are waiting for the expiry of duty in India to be activated for India. Had the likelihood been so vigorous, then the imports in POI also would have been much higher and injurious and at a higher dumped rate.
- x. The data on injury and limited information provided on likelihood shows that expiry of the existing anti-dumping duty is not likely to lead to continuation or recurrence of dumping and injury to the domestic industry.
- xi. The duties have met all its intended purposes in the present case and the present case is a fit case for recommending discontinuation of existing duties and we pray for the same.
- xii. Thai exporters have not caused any injury to the domestic industry.
- xiii. The rate of duty should be considered specifically for Advance Fibre Co. Ltd. as they have cooperated in this investigation.

L.3 Examination of the Authority

118. The Authority notes that most of the submissions by the domestic industry and other interested parties are repetitive in nature. These submissions have already been examined at appropriate places in this finding. Further, the Authority has examined additional/new relevant submissions of the interested parties as under:

- a. As regards absence of injury to the domestic industry, the same has been adequately examined. The Authority notes that the present investigation is a sunset review investigation and the Authority is required to consider both current and likely injury.
- b. As regards PCN wise analysis, it is reiterated that that same issue was earlier dealt by the Authority in case of ADD investigation for the same product wherein it was decided not to adopt PCN methodology on this basis. No justification has been given by interested parties which justify the need for deviation from the previous findings.
- c. As regards possibility of absence of dumping in case of PCN wise analysis, the Authority notes that the present investigation is a sunset review investigation and therefore even if there was no current dumping, the exporters are required to establish absence of likelihood of dumping and injury in the event of cessation of ADD.
- d. As regards communication of deficiency to the interested parties from the Authority, it is noted that opportunity for rectification of deficiency cannot be utilised by interested parties to complete the questionnaire response and provide some new/ fresh information which was not provided at the stage of filing questionnaire response.

- e. As regards likelihood examination, it is noted that likelihood determination is not limited to capacities with the responding exporters. All the factors listed in the relevant paragraphs hereinabove cumulatively show that in the event of cessation of ADD, the exporters in the subject countries are likely to intensify export of the product to India at dumped prices, leading to injury to the Domestic Industry
- f. As regards argument on the disclosure of likelihood information, it is noted that the information is based on responses filed by the exporters themselves. Since the information is only for one year, the same cannot be provided in indexed form.
- g. As regards argument of weighted average negative injury margin of Panel Plus, it is noted the company is dumping the product into India despite anti-dumping duty in existence. Further the information provided by the company with regard to unutilized capacities, exports to third countries, dumped and injurious exports to third countries clearly shows likelihood of dumping and injury in the event of cessation of ADD. The volume of current exports by Panel Plus to India is quite insignificant having regard to consumption in India, its exports to various countries globally, its production and installed capacities. These parameters collectively establish that the current injury margin is not representative of the likely behaviour of the exporter in the event of cessation of Anti-dumping duty.
- h. The Authority also considered the volume of exports to India by different cooperating exporters/producers. It is noted the quantum of ADD on Robin Resources was US\$ 5.72 per CBM. Its volume of exports to India increased significantly in relation to its exports to various countries and also in relation to total imports of PUC into India from Malaysia. Further, the quantum of ADD on Panel Plus was much higher (US\$ 45.27 per CBM) and accordingly its volume of exports to India is quite insignificant in relation to its exports to various countries and also in relation to imports of PUC into India from Thailand. Further, the volume of exports of both Robin Resources and Panel Plus to third countries at prices below normal value and NIP is quite significant, having regard to consumption in India. This indicates that in the event of cessation of ADD, the exporters in the subject countries are likely to intensify export of the product in India at dumped prices, leading to injury to the Domestic Industry.

M. INDIAN INDUSTRY'S INTEREST

- 119. The Authority notes that the purpose 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 would not restrict imports from the subject country in any way, and, therefore, would not affect the availability of the product to the consumers.
- 120. It is noted that fair competition in the Indian market will not be reduced by the anti-dumping measure, particularly if the levy of the anti-dumping duty is restricted to an amount necessary to redress the injury to the domestic industry. On the contrary, imposition of anti-dumping measure would remove the unfair advantages gained by dumping practices, prevent the decline in the performance of the domestic industry and help maintain availability of wider choice to the consumers of the subject goods.

N. CONCLUSION

121. Having regard to the contentions raised, information provided and submissions made and facts available before the Authority as recorded in the above findings and on the basis of the above analysis of the likelihood of continuation or recurrence of dumping and injury to the domestic industry, the Authority concludes that:

- a. There is continued dumping of the subject goods from subject countries except for China. Except China, imports are likely to enter the Indian market at dumped prices in the event of expiry of duty.
- b. The domestic industry has suffered continued injury.
- c. The information on record shows likelihood of continuation of dumping and injury in case the anti-dumping duty in force is allowed to cease.
- d. Factors such as positive price undercutting, excess capacities over demand and significant volume of exports to third country at price below normal value and Non-Injurious Price collectively establish likelihood of dumping and injury to the domestic industry in case the ADD in force on imports from Thailand, Malaysia and Sri Lanka is allowed to cease.

O. RECOMMENDATIONS

122. The Authority notes that the investigation was initiated and notified to all interested parties and adequate opportunity was given to the domestic industry, exporters, importers and other interested parties to provide information on the aspects of dumping, injury and the causal link.

123. Having concluded that there is likelihood of continuation of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that continuation of duty is required on the import of PUC from the subject countries except China PR. The Authority examined the quantum of duty that should be recommended. The Authority considered the volume of dumped and injurious exports from cooperating exporters to India and to the rest of the world. The Authority considers it appropriate to recommend continuation of existing quantum of ADD in respect of all exporters/producers, except Robin Resources. In case of Robin Resources, however, it would be appropriate to modify the quantum of ADD, considering the dumping margin and injury margin found in the present investigation. Further, the non-cooperating producers and exporters in this sunset review investigation are required to be accorded residual duty, as applicable at present, as per the consistent practice of not rewarding non-cooperation. Accordingly, the anti-dumping duties for responding producers and non-cooperative producers from subject countries are recommended as per the duty table below. The Authority, thus, considers it necessary to recommend continuation of definitive anti-dumping duty as modified, on all imports of the subject goods mentioned in column 3 from Malaysia, Thailand and Sri Lanka as per column 7 in the duty table below, for a further period of five years.

Duty Table

-SN	Heading	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	4411	Plain Medium Density Fibre Board from 6MM and above	Thailand	Any country including Thailand	Panel Plus MDF Company Limited	45.27	Cubic Meters	USD
2.	- do -	- do -	Thailand	Any country including Thailand	Any producer other than S.No. 1 above	45.27	Cubic Meters	USD
3.	- do -	- do -	Any country other than Thailand	Thailand	Any	45.27	Cubic Meters	USD
4.	- do -	- do -	Malaysia	Any country including Malaysia	Robin Resources (Malaysia) Sdn. Bhd.	13.29	Cubic Meters	USD
5.	- do -	- do -	Malaysia	Any country including Malaysia	Any producer other than S.No. 5 above	36.10	Cubic Meters	USD
6.	- do -	- do -	Any country other than Malaysia	Malaysia	Any	36.10	Cubic Meters	USD
7.	- do -	- do -	Sri Lanka	Any country including Sri Lanka	Any	26.49	Cubic Meters	USD
8.	- do -	- do -	Any country other than Sri Lanka	Sri Lanka	Any	26.49	Cubic Meters	USD

P. FURTHER PROCEDURE

124. An appeal against the order of the Central Government arising out of these findings shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the with the relevant provisions of the Act.



(B.B.Swain)

Special Secretary & Designated Authority