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Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
4th Floor, Jeevan Tara Building, Parliament Street, New Delhi

Dated the 20th October, 2016

FINAL FINDINGS

Subject: Anti-dumping investigation concerning imports of “Jute products” viz- Jute Yarn/Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags from Bangladesh and Nepal.

No. 14/19/2015-DGAD: Having regard to Customs Tariff Act, 1975 as amended from time to time (hereinafter 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 thereof, as amended from time to time (hereinafter referred to as the AD Rules).

A. Background of the case

1. Whereas Indian Jute Mills Association (IJMA) (hereinafter mentioned as "Petitioner") has filed an application before the Designated Authority (hereinafter mentioned as "the Authority") in accordance with ("the AD Rules") for initiation of an anti-dumping investigation and imposition of anti-dumping duty on the imports of "Jute Products" viz,- (Jute Yarn/Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags) (hereinafter mentioned as "the Subject Goods") originating in or exported from Bangladesh and Nepal (hereinafter as "the Subject Countries").

B. PROCEDURE

The procedure as described herein below has been followed:

2. The Authority under the AD Rules, received a written application from the petitioner, an association on behalf of domestic industry of subject goods, alleging dumping of subject goods originating in or exported from Bangladesh and Nepal and resultant injury to the domestic industry and requesting recommendations for imposition of antidumping duty on imports of the subject goods from the subject countries.
3. The Authority notified the Embassies of the subject countries in India about the receipt of application before proceeding to initiate the investigation in accordance with rule 5 sub-rule (5) of the AD Rules.
4. On the basis of sufficient prima facie evidence of dumping of the subject goods, originating in or exported from the subject countries, injury to the domestic industry and a causal link between the alleged dumping and injury, the Authority initiated an investigation into the alleged dumping and consequent injury to the domestic industry in terms of Rule 5 of the AD Rules to determine the existence, degree and effect of the alleged dumping of subject goods from the subject countries and to recommend an amount of antidumping duty, which if levied on the Jute products viz,- Jute Yarn/ Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags also called Product under consideration (PUC), would be adequate to remove' the 'injury' to the domestic industry.
5. The Authority issued a public notice dated 21st October, 2015 published in the Gazette of India, Extraordinary, initiating anti-dumping investigation against imports of the subject goods from the subject countries.
6. The Authority forwarded a copy of the public notice to all the known importers and users association of the subject goods in India and advised them to make their views in writing within forty days from the date of the letter.
7. The Authority provided a copy of the non-confidential version of application filed by the petitioner to the known exporters and the Embassies of the subject countries in India in accordance with Rule 6(3) of the AD Rules. A copy of the application was also provided to interested party whenever requested.
8. The Authority sent questionnaires to elicit relevant information to the following known exporters of subject goods in the subject countries in accordance with Rule 6(4) of the AD Rules.

Corofin Jutex Corporation, Bangladesh	Shamsher Jute Mills Ltd.. Bangladesh
Shinepukur Holdings Ltd., Bangladesh	World Trading Corporation, Bangladesh
Sonali Aansh Trading (Pvt) Ltd., Bangladesh	Abir International, Bangladesh
Atmmr Enterprise, Bangladesh	Alam Trade International, Bangladesh
Alif International, Bangladesh	Aliss International, Bangladesh
Amanat International, Bangladesh	Anss Corporation (Pvt) Ltd, Bangladesh
ABC Agency, Bangladesh	ACME Trade International, Bangladesh
Anika Overseas Discovery Service, Bangladesh	Arkay & Kayar Associates, Bangladesh
Asimpex Trading Corp. Ltd, Bangladesh	Amin Jute Products, Bangladesh
Bengulf Trading Co. Ltd., Bangladesh	Bengal Braided Rugs Ltd., Bangladesh
Blue Bell Enterprise, Bangladesh	Bonny International Ltd, Bangladesh
Bengal Jute & Burlap Agencies, Bangladesh	BBI Jute & Product Export Ltd, Bangladesh
Bag & Burlap International Ltd, Bangladesh	Bangladesh Allied Business Asso., Bangladesh
B.N. Trading, Bangladesh	Bankor International Corporation, Bangladesh
Banglar Annsh (Pvt) Ltd, Bangladesh	Bangladesh Jute Processing Co., Bangladesh
Beiico International Ltd., Bangladesh	Bhuiyan Int'l Corp, Bangladesh
Bulk Trade International, Bangladesh	Bizline Corporate Ltd., Bangladesh
Burlap World Ltd., Bangladesh	Brothers International, Bangladesh
B.desh Jute Diversification Center, Bangladesh	Bangladesh International Trade, Bangladesh
Beheshti Export & Import, Bangladesh	Bangladesh Export Limited, Bangladesh
CDR Trade International, Bangladesh	Commimpex, Bangladesh
Confident Jute & Bag Ltd., Bangladesh	Concrete Fibres International, Bangladesh
Consolidated Commodities, Bangladesh	Creation (Pvt) Ltd, Bangladesh

Corr-The Jute Works, Bangladesh	Crifoo Intertrade Ltd., Bangladesh
Corofin Jutex Corporation, Bangladesh	Cosmotic, Bangladesh
Dubai Jute & Bag Corporation, Bangladesh	Continental Trade Exchange Ltd., Bangladesh
Dipali Agncies, Bangladesh	Delca Bangladesh Ltd, Bangladesh
Dawan Export International, Bangladesh	Desh Bidesh Enterprise, Bangladesh
Dewan Trade International, Bangladesh	Eastern Trade International, Bangladesh
Erans Trade International Ltd., Bangladesh	Ecotrade International, Bangladesh
East Asian Business Associates, Bangladesh	Exim N. Trade, Bangladesh
Erab Limited, Bangladesh	Esses Exporters Ltd., Bangladesh
Enam & Sons, Bangladesh	Eehamm International Ltd., Bangladesh
Extra Pace Logistics Ltd, Bangladesh	Enam Express Limited, Bangladesh
Edge Trading, Bangladesh	Early Bird Corporation, Bangladesh
Faisal Trading Co., Bangladesh	Farhana Style Limited, Bangladesh
Fibres International Ltd., Bangladesh	Eshana Jute Products, Bangladesh
Food Grade Jute Traders, Bangladesh	Fibre Deals Limited, Bangladesh
Faimex Trade International, Bangladesh	Fair Trading Company, Bangladesh
Global Jute Goods, Bangladesh	Globe Solidarity Ltd., Bangladesh
Golden Jute Diversification Center Ltd., Bangladesh	Global Jute Trading Ltd., Bangladesh
H.F Exporters, Bangladesh	Hamona Trading Corporation, Bangladesh
Hanif Impex International, Bangladesh	Hossain Jute Trading Co., Bangladesh
HN Enterprise, Bangladesh	International Trade Exchange, Bangladesh
International Burlap Supplier, Bangladesh	Indus Enterprise, Bangladesh
Immense Trading House, Bangladesh	Jute Expo Trading Ltd., Bangladesh
Jute & Bags Export Corporation	Jute Heaven, Bangladesh

Bangladesh	
Jutex Bangladesh, Bangladesh	Jute Export Corporation, Bangladesh
Jainex International, Bangladesh	Jutex International, Bangladesh
Jahan Trader, Bangladesh	Jahan International Trading Co., Bangladesh
Jute Mate Packaging Co., Bangladesh	Jute Export Trading Corporation, Bangladesh
JBL International, Bangladesh	Jupiter Jute Leather Corporation Bangladesh
Jahan Enterprise, Bangladesh	Kiron Enterprise, Bangladesh
Knaf International, Bangladesh	Kingshuk Limited, Bangladesh
Khan Sons Interl (BD) Ltd, Bangladesh	Lupa International, Bangladesh
Lotus International , Bangladesh	Louis Dreyfus Co. Ltd., Bangladesh
Metropolitan Export Corp, Bangladesh	Lipton Jute Trade International, Bangladesh
Monami International Ltd., Bangladesh	M.F International, Bangladesh
Maico Jute & Bag Corporation Bangladesh	Mask Associate (Pvt) Ltd., Bangladesh
Marium Enterprise, Bangladesh	Meem International, Bangladesh
Mowlik Trade & Services Ltd, Bangladesh	Monir Trading Corporation, Bangladesh
Mohajan Trade International, Bangladesh	M.R. Associates, Bangladesh
M. Rahman & Co., Bangladesh	M.H Trading, Bangladesh
Mikuni Corporation, Bangladesh	Mawada Traders, Bangladesh
Mart Overseas Ltd, Bangladesh	Monsur & Brothers, Bangladesh
Mee Trading Corporation, Bangladesh	M.M International, Bangladesh
Modern Import & Export, Bangladesh	Neptune Enterprise, Bangladesh
Narsingdi Jute Traders, Bangladesh	Natural Jute Products, Bangladesh
Natural Fibre Services Ltd, Bangladesh	New Agencies, Bangladesh
Orient Trade International, Bangladesh	Omega Fashion Limited, Bangladesh
Neety Enterprise, Bangladesh	Online Limited, Bangladesh
Prime Enterprise, Bangladesh	Rainbow Associates, Bangladesh

Passco Jute, Bangladesh	Relible Trade International, Bangladesh
Rose Corner (Pvt) Ltd., Bangladesh	Riimex Enterprise, Bangladesh
Rush Export International Ltd. Bangladesh	Rean Trade International, Bangladesh
R.E.B Agencies, Bangladesh	Rafique Trade International, Bangladesh
Raj Fibres Ltd, Bangladesh	Seatex International, Bangladesh
Swift Trade Impex, Bangladesh	Shathi Export International Ltd., Bangladesh
Sami Enterprise, Bangladesh	Shams Trade International Ltd, Bangladesh
Sealand Export International, Bangladesh	SWS Trade Lines (Pvt.) Ltd., Bangladesh
Sonali Aansh Trading (Pvt) Ltd. Bangladesh	Sagorika International, Bangladesh
Shyamol Bangla Jutex Ltd., Bangladesh	Sonali Fibres Trading Co., Bangladesh
Sea-Rock Consortiam, Bangladesh	Sonargaon Fibres, Bangladesh
Sonjes International, Bangladesh	SMSN Trade International, Bangladesh
Sadi Enterprise, Bangladesh	Skyland & Fam Ltd., Bangladesh
Saddat Trading Co. Ltd., Bangladesh	Samser Enterprise, Bangladesh
Sadia Jute Trading, Bangladesh	Shudeepta Trade Co., Bangladesh
Sharifpur Trading Agency, Bangladesh	Sutapa Impex, Bangladesh
Sacks Export & Trading Intel., Bangladesh	S. Islam & Sons, Bangladesh
S.S Engineering Works, Bangladesh	S.S enterprise, Bangladesh
Takawa Mah Enterprise Ltd, Bangladesh	The Globe Traders, Bangladesh
The Golden Fibre Trade Center Ltd Bangladesh	Trade International, Bangladesh
Taurus Limited, Bangladesh	Trade Impex, Bangladesh
Tamara Trading Agencies Ltd. Bangladesh	Uni Exim, Bangladesh
Ujala Trading Corporation, Bangladesh	Vicar International, Bangladesh
Victory Enterprise Ltd. , Bangladesh	Varity Jute Trading Co., Bangladesh

Vertex International Ltd, Bangladesh	William Agencie, Bangladesh
Yakub Ali (Faridpur) Ltd, Bangladesh	Wizard Incorporation, Bangladesh
Bengal Carpet Ltd., Bangladesh	Saleh Carpet Mills Ltd., Bangladesh
Arku Industries Manufacturing Ltd., Bangladesh	Bangladesh Export Limited, Bangladesh
Lalmal Footwear Ltd., Bangladesh	Metropolitan Export Corporation, Bangladesh
Sonali Aansh Industries Ltd., Bangladesh	Tradewinde, Bangladesh
Afzal Jute Industries Ltd., Bangladesh	Beiico International Ltd., Bangladesh
Alijan Jute Mills Ltd., Bangladesh	B.R. Corporation, Bangladesh
Rupsa Import & Export Ltd., Bangladesh	William Agencies, Bangladesh
A.R.A Jute Mills Ltd., Bangladesh	ABC Agency, Bangladesh
Ahad Jute Mills Ltd., Bangladesh	Akij Jute Mills Ltd., Bangladesh
Al-Haj Aminuddin Jute Mills Ltd. Bangladesh	Alijan Jute Mills Ltd., Bangladesh
Anwar Jute Spinning Mills Limited Bangladesh	Aziz Fibres Ltd., Bangladesh
Bangladesh Jute Association Bangladesh	Bangladesh Jute Mills Corporation Bangladesh
B.S. Jute Spinners Ltd. , Bangladesh	Bengal Jute Industries Ltd.,Bangladesh
Chittagong Jute Mfg. Co. Ltd. Bangladesh	Charmuguria Jute Mills Ltd. ,Bangladesh
Ferdaus Jute Mills Ltd., Bangladesh	Islam Khan Jute Mills Ltd. ,Bangladesh
Janata Jute Mills Ltd., Bangladesh	Jute Spinners Ltd., Bangladesh
Keraniganj Jute Fibres Ltd., Bangladesh	Lytton Jute Mills Limited, Bangladesh
Karim Jute Spinners Ltd., Bangladesh	Metropolitan Exports Corporation Bangladesh
New Dacca Industries Limited Bangladesh	Nissan Jute Mills Limited, Bangladesh

Nawab Abdul Malek Jute Mills (BD) Ltd. Bangladesh	Mutual Jute Spinners Ltd., Bangladesh
Northern Jute Manufacturing Co. Ltd. Bangladesh	Nowapara Jute Mills Ltd., Bangladesh
Popular Jute Mills Ltd., Bangladesh	Patuakhali Jute Mills Ltd., Bangladesh
Sadat Jute Industries Limited Bangladesh	Saddat Trading Co. Ltd., Bangladesh
Sayeed Jute Spinning Ltd., Bangladesh	Sagar Jute Spinning Mills Limited Bangladesh
Sarwar Jute Mills Ltd., Bangladesh	Shamsher Jute Mills Ltd., Bangladesh
Sharif Jute Mills Ltd., Bangladesh	Shihab Jute Spinners Ltd., Bangladesh
Shyamol Bangla Jutex Ltd., Bangladesh	Shinepukur Holdings Limited. Bangladesh
Sidlaw Textile (Bangladesh) Ltd. Bangladesh	Sonali Aansh Industries Ltd., Bangladesh
Specialised Jute Yarn & Twine Mfg. Co. Ltd., Bangladesh	Supreme Jute and Knitex Limited Bangladesh
Transocean Fibres Processors (BD) Ltd. Bangladesh	Usha Jute Spinners Ltd. , Bangladesh
World Trading Corporation, Bangladesh	Victory Jute Products Ltd. , Bangladesh
Ambika, Nepal	Trans Trade Service, Nepal
Asahi Overseas Traders, Nepal	General Overseas Agency, Nepal
Ashok Trading Concern, Nepal	Ghorashyar Enterprises, Nepal
Atlantic Trading Concern, Nepal	Golchha Organization, Nepal
B.K. International, Nepal	Greentex Enterprises, Nepal
Baba Enterprises, Nepal	Gupta Enterprises, Nepal
Balaju Enterprises, Nepal	Him Interntaional (P) Ltd, Nepal
Bhudeo Khadya Udyog, Nepal	Indra Trade Concern, Nepal
Bijaya Enterprises, Nepal	Jalnex Enterprises, Nepal
Binit Enterprises, Nepal	Khatu International, Nepal

Brighter Industries (P) Ltd, Nepal	Laxmi Concern, Nepal
Chhagan Mall Traders, Nepal	Madan Lal Chiranjibi Lal
Chhyangle Trade Links, Nepal	Mahesh Overseas Enterprises, Nepal
Diamond Nepal Enterprises, Nepal	Nepal United Company (P) Ltd, Nepal
Digo International (P) Ltd, Nepal	New Trade Centre, Nepal
Dugar Brothers & Sons, Nepal	Paban Overseas Concern, Nepal
Dugar Organization, Nepal	R & R Enterprises Pvt. Ltd, Nepal
Exportex Trading, Nepal	Rajshree Enterprises, Nepal
Gaurav Impex, Nepal	Sangam International Enterprises, Nepal

9. In response to the initiation notification and subsequent extension to file questionnaire responses provided by the Authority on specific request of various exporters/producers/importers and also Government of Bangladesh, the following exporters/producers have filed questionnaire response along with certain submissions as well.

- (1) Sidlaw Textiles Ltd.
- (2) Sagar Jute Spinning Mills Ltd
- (3) Afil Jute Weaving Mills Ltd.
- (4) Janata Jute Mills Ltd.
- (5) Asha Jute Industries Ltd.
- (6) Pride Jute Mills Ltd.
- (7) Sharif Jute Mills Limited
- (8) Anwar Jute Spinning Mills Ltd.
- (9) Alijan Jute Mills Ltd.
- (10) Sonali Ansh Industries Ltd.
- (11) Hasan Jute Mills Ltd.
- (12) Rahman Jute Spinners Pvt. Ltd.
- (13) Nawab Abdul Malek Jute Mills Ltd.
- (14) Rahman Jute Mills Pvt. Ltd.
- (15) Shamsheer Jute Mills
- (16) Golden jute Industries Ltd.

- (17) Purabi trading
- (18) Sonali Ansh Trading (Pvt. Ltd.)
- (19) Rajbari Jute Mills Ltd.
- (20) Nowapara Packaging Industries Ltd.
- (21) Nowapara Jute Mills Ltd.
- (22) Usha jute Spinners
- (23) B.S. Jute Spinners Ltd.
- (24) Madina Jute Industries Ltd.
- (25) Northern Jute Manufacturing Co. Ltd.
- (26) Jute Spinners Ltd.

Following four producers/exporters from Nepal have filed questionnaire response along with certain submissions are:

- (1) M/s Arihant Multi-Fibers Ltd.
- (2) M/s Shree Raghupati Jute Mills Ltd.
- (3) M/s Swastik Jute Mills Pvt. Ltd.
- (4) M/s Baba Jute Mills Pvt. Ltd.

M/s Nepal Jute Mills and M/s Chandra Shiva Jute Mills Pvt. Ltd. requested to file the questionnaire after the onsite verification of exporters of Nepal. The Authority has rejected as the request as it was made at a very belated stage and that too post onsite verification.

10. Questionnaire was sent to the following known importers/users associations of subject goods in India calling for necessary information in accordance with Rule 6(4) of the AD Rules:

Ahmed Export, West Bengal	K.L.Jute Products Pvt.Ltd, West Bengal
	R. Harilal & Co.(Calcutta), West Bengal
Kamal Kumar Goyal West Bengal	J.K. Sons & Co., West Bengal
Navin Gupta West Bengal	Sheo Kumar Agarwal West Bengal
Ashim Kar & Industries Pvt. Ltd., West Bengal	Coastal Packagers Pvt. Ltd., West Bengal
Naresh Kumar Agarwal, West Bengal	Churiwal Commercial Co. (P) Ltd., West

	Bengal
Ai Champdany Industries Ltd., West Bengal	Ganges Jute Pvt.Ltd., West Bengal
Mohan Jute Ltd. West Bengal	Yucon Exports Private Ltd, West Bengal
H.R. International Limited West Bengal	Bhagwati Sales Agency, Maharashtra
S L Packaging Private Limited, West Bengal	Terai Overseas Ltd. West Bengal
Tarun Dokania, West Bengal	G M Jute Exports Co. West Bengal
Jayvardhan Bansal, West Bengal	Sandoz Merchants Pvt. Ltd., West Bengal
Ramiz Ahamed, West Bengal	Nirmal Khandelwal, West Bengal
Sarada Trading Company, West Bengal	Hooghly Infrastructure Private Limited West Bengal
Vijaykumar & Co Jute Pvt, West Bengal	Aditya Translink Pvt. Ltd., West Bengal
Romy Enterprise, Maharashtra	
Rajesh Trading Co., Haryana	Narendra Kumar Ruia Huf, West Bengal
Krishna Jute Sales, Haryana	Ramsaran & Sons, West Bengal
Anil Traders, Haryana	Ram Kishore Luhariwala And Ors West Bengal
L G W Limited, West Bengal	Khandelwal Jutex Private Limited West Bengal
Golden Floor Furnishing Pvt Ltd, New Delhi	Magnum Marketing, West Bengal
Shilpi Saha, West Bengal	Shree Udyog, West Bengal
Mira Goel, West Bengal	Industrial Associates (Jute) Pvt Ltd West Bengal
Gopiram Gupta & Company Pvt Ltd West Bengal	Kailash Traders, Karnataka
Pratap Kumar Banerjee, West Bengal	Jindal Fibres Ltd, Punjab
Mohan Jute Bags Mfg Co, West Bengal	Vardhman Plastics Pvt. Ltd, West Bengal
Ganapati Rope Works, West Bengal	Indo Cotspin Ltd, Haryana
Shri Girirajji & Company, Madhya Pradesh	Abdul Mazed Sardar

	West Bengal
Sri Bajrang Jute Mills Ltd, West Bengal	Haryana Bardana Trading Co., Haryana
Impex Private Limited, West Bengal	Radha Krishna Jute Products Private Limited, West Bengal
Srinivasa Jute Mills (P) Ltd., Andhra Pradesh	SDJ International, West Bengal
Vivek & Company, West Bengal	Northbrook Jute Company Ltd, West Bengal
Goel Trading Company, West Bengal	Jain Associate, Assam
M.N. Associates, Madhya Pradesh	Ramesh Chandra Agarwal, West Bengal
Meghraj Madanlal Gattani, Rajasthan	JK Sons Jute Co. Private Limited, West Bengal
Global Exim Private Ltd, West Bengal	Franktex Enterprises Pvt.Ltd, West Bengal
MMB Jute Udyog, Madhya Pradesh	Jay Vardhan Bansal, West Bengal
Prabir Mitra, West Bengal	Shri Anand Jute Centre, Haryana
Sarifuddin Ahmed, West Bengal	Vishal Jute Private Limited, West Bengal
Shifa Impex, Gujarat	Tirupathi Packagers, Karnataka
Manoj Kumar Bajoria, West Bengal	Vivek Gupta, West Bengal
Satyendra Packaging Pvt. Ltd, Gujarat	Chem Worth, West Bengal
Terai Overseas Private Ltd, West Bengal	S.N. Brothers, Kerala
Chhaju Ram Nitin Kumar, Haryana	Balkrishan Gupta, West Bengal
Riviera Home Furnishings, Delhi	GM Jute Exports Co., West Bengal
Jaikrishandass Mall Jute Products (P) Ltd., Orissa	Jagrati Trade Services Pvt. Ltd. West Bengal
Reliance Jute Mills (International) Ltd, West Bengal	Bhagbara Jute Industries (P) Ltd, Maharashtra
Howrah Mills Company Ltd, West Bengal	Ramdev Industries Limited, Andhra Pradesh
Rama Trading Company, Delhi	Rajdhani Bardana Corporation, Rajasthan

The following Importers/user associations have filed response/Importer Questionnaire in response to the Initiation notification regarding filing of Importer Questionnaire Response.

- (1) M/s Ganiram Agarwal & Co. (through Lakshmi Kumaran & Shridharan)
- (2) M/s Costal Packagers (P) Ltd. (through Lakshmi Kumaran & Shridharan)

- (3) M/s Satyendar Packaging Pvt. Ltd.
- (4) M/s Unnati Overseas
- (5) M/s Sarvamangla Pratishthan
- (6) M/s Navin International
- (7) M/s LGW Limited
- (8) M/s Shree Udhyog
- (9) M/s Meghraj Madan Lal Gattani
- (10) M/s Ramsaran & Sons
- (11) M/s Industrial Associates
- (12) M/s Gurudayal Enterprises
- (13) M/s Chiranjilal Gaurishankar & Co.
- (14) M/s SL Packaging Ltd.

11. Further legal submissions were filed by the following:

- i. Jute Products Importers Association, India
- ii. AP Mesta Twine Mills Association
- iii. Indian Jute Mills Association

12. Keeping in view the request made by various exporters/ importers, Government of Bangladesh that enormous data is to be compiled, the Authority granted sufficient extension in time to file response to the questionnaire.

13. 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 all interested parties. The public file was inspected by a number of interested parties a number of times. Interested parties, who requested inspection and copies of the documents from the public file, were provided with the same.

14. The Authority accepted the confidentiality claims, wherever warranted after due examination 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 a confidential basis, which was made available through public file.

15. Further information was sought from the petitioner and other interested parties to the extent deemed necessary. Verification of the data provided by domestic industry was conducted to the extent considered necessary for the purpose of present investigation. Onsite verification of data filed by producer/exporter of Bangladesh and Nepal was also done in August, 2016.
16. Investigation was carried on for the period 1st April, 2014 to 31st March, 2015 (hereinafter referred to as the 'period of investigation' or 'POI') with injury analysis covering the period from 2011-12 to POI.
17. Request was made to the Directorate General of Commercial Intelligence and Statistics (DGCI&S) to arrange details of imports of subject goods for the past three years, and the period of investigation, and the said information was obtained from the DGCI&S and has been adopted for the purpose of the present investigation.
18. The Authority has examined the information furnished by the domestic industry to the extent possible on the basis of guidelines laid down in Annexure III of the AD Rules to work out the cost of production and the non-injurious price of the subject goods in India so as to ascertain if anti-dumping duty lower than the dumping margin would be sufficient to remove injury to the domestic industry.
19. In accordance with Rule 6(6) of the Rules, the Authority provided opportunity to all interested parties to present their views orally in a public hearing held on 26th July 2016 which was attended by various parties including the representatives from the Government of Bangladesh and Nepal. The all parties who presented their views in the oral hearing were requested to file written submissions of these views for mutual exchange with opposing interested parties for filing rejoinders thereafter by others.

20. In accordance with Rule 16 of the Rules Supra, the essential facts were disclosed by the Authority on 11th October, 2016 to the concerned interested parties. Comments were requested by 17th October, 2016. Comments received on the disclosure statement to the extent considered relevant by the Authority have been considered in this final finding.

21. Various Average Exchange rates for the POI are considered as

1 US \$= Rs 61.69

1 US \$= 77.2 BDT

1 RS = NRS 1.6

22. *** represents information furnished by an interested party/any other party on a confidential basis and so considered by the Authority under the rules.

A. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

23. The product under consideration in the present investigation is ‘Jute Products’ comprising of Jute yarn/twine (multiple folded/cabled and single), Hessian Fabrics and Jute Sacking bags.

Views of the Domestic Industry:

24. Following submissions have been made by the domestic industry with regard to the product under consideration (PUC) and like article:

- a. The product under consideration is “jute products” comprising of Jute Yarn/Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags. Other types of jute goods are beyond the scope of the present investigation.
- b. The import of product is allowed under Open General License (OGL) policy and there are no restrictions on the imports of the subject goods.
- c. There is no difference in the subject goods produced by the domestic industry and exported from subject countries. The two are comparable and technically and commercially substitutable. The consumers are using the two interchangeably.

- d. Merely because the three jute products are classified under separate custom classifications, they cannot be implied to be three different PUCs. To facilitate ease of investigation the injury information has been provided separately for the three forms of the product. However, the three should be treated as one product. The products only constitute an incremental process from one to the other.
- e. The interested parties have not established how unit of measurement is likely to prejudice the investigation. The yarn is in measured meters while the fabric is in measured sqm, therefore for uniformity kilogram has been used.
- f. The PUC has been defined correctly. As against the allegation that the PUC cannot contain both raw material and products higher in the value chain, it is submitted that the raw material for all three products is raw jute, which is not a part of PUC. The product under consideration is jute products all three of which have a common manufacturing process that emanates from raw jute. The slight incremental processes do not qualify them into three different PUCs under present circumstances.

Moreover, a raw material and end product is not precluded from forming part of one PUC. For instance in WTO cases of Chicken Meat and Chicken products, both Chicken i.e. the raw material and the products form part of the same PUC.

Views of Exporters, Importers, Consumers and other Interested Parties

25. Following submissions have been made by the other interested parties with regard to the product under consideration (PUC) and like article:

- a. There is no explanation in the petition as to how all the import volumes and prices use “kilograms” (weight) as units as opposed to “square meter” (area) which is the standard of measurement as per first schedule of the Act.
- b. The PUC has been incorrectly defined as one product i.e. Jute yarn is raw material for other two i.e. Hessian Fabrics and Jute sacking bags. The PUCs cannot contain both

raw material and products higher in the value chain at the same time. This is unprecedented and unreasonable. The Authority should re-define the PUC.

- c. The imports of product under consideration from Bangladesh are not being dumped or causing injury. The subject imports are supplementing the domestic industry and penetrating the segment of the market that Indian Jute Industry is incapable to cover due to capacity constraints.
- d. Petitioner has not included CBC while making injury analysis although this product is being regularly imported in India.

Examination of Authority

26. The product under consideration in the present investigation is “Jute Products” comprising of Jute Yarn/twine (multiple folded/cabled and single), Hessian Fabrics and Jute Sacking bags. At the time of initiation the classification was considered under Chapter 53 and 63 of the 1975 Act and further sub-classified under custom heads 5307, 5310 and 6305. It was stated that the said customs classification is however only indicative and is in no way binding on the scope of the present investigation. However, it is later noted from the data filed by producers/exporters from Nepal that the exports of yarn/twine have also been made by exporters/ producers of the product from Nepal under Custom heading no. 5607, which covers Twine, Cordage, Ropes and Cables whether or not Plaited or Braided and whether or not impregnated, coated, covered or sheathed with rubber and plastics.
27. The Authority notes that Jute is a natural and an eco-friendly fiber, which comes from the inner bark of plants. The broad usages of jute include packaging, geo-textiles, protection of rooting plants, making of cloths, bags, wrapping, boot and shoe lining, fuse yarns, aprons, canal and motor linings, ropes, strings, upholstery foundation, curtains and furnishing fabrics etc. Further, Jute can also be mixed with wool for fine yarn and fabric production.
28. Raw jute in the form of bales is processed in jute mills to produce products like jute yarn/twine, hessian fabric, sacking bags, and other products. The manufacturing process of Jute entails different stages such as selection of jute for a batch, piecing up, softening and

lubricating, conditioning or piling, breaker carding, finisher carding, first drawing, second drawing, third drawing and spinning

29. The PUC can be produced by different quality/grade of raw jute, can have different count mentioned as pound/ply specification and can even have different unit of measurement. In the letter dated 6th November, 2015 sent to the interested parties it was mentioned that the unit of measurement in the present investigation is in weight. In case the information is supplied in numbers as a unit of measurement, it should be converted into equivalent weight. The above approach of common denomination in kg/MT facilitates evaluation of price and appropriate comparison for all product types. Therefore, the unit of measurement i.e. MT adopted is appropriate.

30. As regards the definition of the product under consideration, the Authority notes that the raw material of all three products type under PUC is raw jute. From raw jute, first jute yarn/twine is produced. This jute yarn can either be sold in the market or processed further to make fabric and bag. Producers in India, Nepal and Bangladesh produce significant volume of the products from raw jute stage. Some producers produce fabric and bag from purchased yarn while some are integrated backwards being composite.

31. With regard to like article in India, Rule 2(d) provides as follows:

“Rule 2(d) relating to the definition of “like article” specified that “like article” means an article which is identical or alike in all respects to the article under investigation, or in the absence of such an article, another article having characteristics closely resembling those of the article under investigation.”

32. The petitioners claimed that the subject goods exported from subject countries into India are comparable to the goods produced by the domestic industry. Jute products produced by the domestic industry and imported from subject countries are comparable in terms of physical and chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable and hence, should be treated as ‘like article’ under the AD Rules.

Therefore, for the purpose of the present investigation, the subject goods produced by the petitioner companies in India are treated as 'like article' to the subject goods being imported from the subject countries.

33. For the purpose of evaluating dumping margin, comparison of constructed normal value with ex-factory export price has been made amongst similar product types of Product under consideration. The same approach has been adopted for producers/ exporters from Nepal as the basis on information made available in the questionnaire responses and on site data verification.

B. DOMESTIC INDUSTRY AND STANDING

34. 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.”

Views of the Domestic Industry:

35. Following submissions have been made by the domestic industry with regard to domestic industry and standing:

- a. The petitioner is Indian Jute Mills Association on behalf of 17 petitioner companies. At the time of filing the petition there were 15 petitioner companies which comprised 36% market share. Subsequently injury information of two other companies namely East India Commercial Co. Ltd and Gondalpara Jute Mill (unit of Murlidhar Ratanlal Exports Ltd) have been filed. Therefore the share of these petitioner companies in total production of PUC becomes 42%.

- b. The production of the petitioner companies constitutes a major proportion in Indian production.
- c. As per established position of law the Authority may, in its discretion include a producer who is either related to the producer/exporter of the subject goods or has imported the subject goods, within the scope of the domestic industry.
- d. The following nineteen companies that have shut down as on 11th June, 2015 namely:
- i. Delta Limited (Unit: Delta Mill)-Delta Jute Mills Ltd.
 - ii. National Jute Mfg Co. Ltd (Unit: Khardah)
 - iii. Essem Jute Industries Ltd
 - iv. Tirupati Jute Industries Ltd
 - v. The Calcutta Jute Mfg Co. Ltd
 - vi. Prabartak Jute Mills Ltd
 - vii. RDB Textiles Ltd (Unit: Victoria Jute Works)
 - viii. Kanknarrah Co. Ltd
 - ix. Naffar Chandra Jute Mills Ltd
 - x. WB Agro Text Corpn Ltd (Unit: Bharat Jute Mills)
 - xi. Hooghly Mills Co. Ltd (Unit: Hooghly Jute Mills)
 - xii. New Central Jute Mills Co. Ltd
 - xiii. The Naihati Jute Mills Co. Ltd
 - xiv. Aditya Translink Pvt. Ltd
 - xv. Weaverly Jute Mills Pvt. Ltd
 - xvi. AI Champdany Industries Ltd (Unit: Anglo India Jute Mills Co. Ltd)
 - xvii. Murlidhar Ratanlal Exports Ltd (Unit: Hastings Jute Mill)
 - xviii. Northbrook Jute Co. Ltd
 - xix. Murlidhar Ratanlal Exports Ltd (Unit: India Jute Mill)
- e. The petitioner companies' production constitutes a major proportion of Indian production. A major proportion is a significant and important share and not necessarily

more than 50% share. This is evidenced by practice of Designated Authority in various cases.

- f. There is no selective choosing. Companies having significant production have been considered to be petitioner companies.
- g. The major proportion is being proved only on the basis of the petitioners' share, excluding the supporters. The information on supporters has been given to see who is supporting and whether the support is more than the opposition or not. This is a specific legal requirement under Article 5.4.

Views of Exporters, Importers, Consumers and other Interested Parties

36. Following submissions have been made by the other interested parties with regard to domestic industry and standing:

- a. There is no evidence or name of the nineteen companies that shut down as a result of imports.
- b. Most of the petitioners are importers and therefore they do not have standing. Market intelligence provides that except Hukumchand Jute Mills, Naihati Jute Mills Co. Ltd, Bowreah Jute Mills Private Ltd, Murlidhar Ratanlal Exports Limited (Unit: India Jute Mills) and Murlidhar Ratanlal Exports Limited (Unit: Hastings Jute Mills) all others are importers.
- c. Petitioners have erroneously mentioned that only Gloster and Budge Budge have imported. The standing should be reanalyzed after removing these two companies.
- d. The volume of imports of the petitioners and their share in production should also be disclosed.
- e. 36% does not constitute major proportion as per Rule 2(b).

- f. The petitioners have done cherry picking as only 15 companies have been chosen where there are 91 mills and 31 members from the petitioning association.
- g. Supporters should be distinguished from petitioners while determining major proportion of production.
- h. More than 10 petitioner companies directly imported PUC from Bangladesh and petitioner has itself admitted to imports by two companies.
- i. The petitioner does not have standing and total production of 36% disqualifies them to be an industry as per AD rule of WTO

Examination of Authority

37. The Authority notes that the application was filed by Indian Jute Manufacturers Association (IJMA) on behalf of the domestic industry of the product under consideration. 34 members were producers of the product under consideration. At the time of filing the petition, 15 companies who sought imposition of anti-dumping duty provided their injury information. Further, 14 producers of the product under consideration supported the petition and imposition of anti-dumping duty. The production of these 15 petitioner companies constituted 36% of total domestic production of the subject goods.

38. The production share of 15 petitioner companies along with 14 supporting companies constituted 56% in Indian production of the product under consideration.

39. Two other producers viz M/s East India commercial Co Ltd and M/S Gondapara Jute Mills further provided costing data and injury data. After inclusion of the above two companies the share of the domestic industry becomes 42%.The details are as under:

SN	Petitioner companies	SN	Supporter companies
1	Birla Corporation Ltd	1	Agarpara
2	Budge Budge Co. Ltd.	2	Jagatdal

3	Gloster Ltd.	3	Sunbeam VaniyaPvt Ltd (SVPL)
4	Hooghly Infrastructure Private Limited	4	The Empire Jute Company (EJC)
5	Ludlow Jute &Specialities Ltd.	5	The Hooghly Mills company Limited
6	The Naihati Jute Mills Co. Ltd.	6	Auckland International Limited
7	Bally Jute Company Limited	7	East India Commercial Co. Ltd
8	Bowreah Jute Mills Pvt. Ltd.	8	ShriBajrang Jute Mills Limited
9	India Jute Mills	9	Chattisgarh Jute Industries
10	Reliance Jute Mills(INTL) Ltd	10	Vijai Shree Limited
11	Caledonian Jute & Industries Ltd.	11	Nellimarla Jute Mill Co. Ltd.
12	Hastings	12	Mahadeo Jute
13	Victoria- RDB - Adhunik	13	AI Champdany Industries Limited
14	Kamarhatty Co. Ltd.	14	The Mahabir Jute Mills Ltd
15	Cheviot Co. Ltd		

40. The authority notes as follows:

- a. In a situation where a domestic producer has imported the product under consideration or is related to an exporter of importer of the product under consideration, there is no automatic bar of such domestic producer under 2(b) for being treated as "domestic industry". It is Authority's discretion in such cases to treat such domestic producer as a domestic industry by applying discretion on a case by case basis.
- b. the Authority has considered that imports made in investigation period alone (which is April, 2014 - March, 2015 in the present case) are relevant for the purpose of deciding eligibility under Rule 2(b);
- c. the Authority considers that in case a domestic producer has bought jute yarn from a trader and such trader has provided jute yarn produced in Bangladesh or Nepal to such domestic producer, such procurement of yarn by a producer does not disqualify them from being

treated as domestic industry under Rule 2(b), if it is not related to the trader. The Authority notes in this regard that whereas some producers are completely backward integrated from raw jute stage, some are partially and some are completely dependent on purchased yarn for production of fabric;

- d. the volume of jute yarn produced in subject countries and procured by these producers from the domestic market in any case is quite low and should not disqualify them from being treated as domestic industry;
- e. The Authority notes that during POI 3 petitioner companies viz. Kamarhatty Co. Ltd., Ludlow Jute & Specialties Ltd., and Cheviot Co. Ltd. have imported Jute yarn to an extent of 90, 25.42, and 1225 MT from Bangladesh respectively. The imports constitute 0.01%, 0.0001%, and 0.14%, of their production respectively. Imports by AI – Champdany Industries Ltd., the supporter are 668 MT but not of PUC. These import volume are extremely minimal to warrant exclusion of the 3 petitioning companies from the scope of Domestic Industry or not to consider the fourth company i.e. AI- Champdany Industries Ltd. eligible as a supporter. M/s Gloster, and Budge-Budge has also made small imports of PUC but outside the POI. Hence none of the petitioner companies have been excluded from the scope of Domestic Industry.
- f. Rule 2(b) defines domestic industry as domestic producers as a whole. The Authority has included as many as possible producers of the like product in India. Merely because one producer has produced some fabric/ bag out of jute yarn produced in subject countries, the same should not disqualify such domestic producer from being treated as domestic industry.

41. In view of the above, the authority has not treated any domestic producer as ineligible domestic industry merely because such company has bought some small volume of jute yarn produced in subject countries from the domestic market.

42. At the stage of initiation, standing of the Petitioner was as follows

	Number of producers	Production (MT)	Share in Indian production
Companies giving injury information	15	436017	36%
Companies supporting the imposition	14	232463	19%
Other producers	64	535220	45%
Total	93	1203700	

43. Post initiation, two companies have filed complete injury information. Thus, share of Petitioner companies who have provided injury information, share of companies who have supported companies and share of other producers is as follows

	Number of producers	Production	Share in Indian production
Companies giving injury information	17	514985	42.78%
Companies supporting the imposition	13	195473	16.24%
Other producers	63	493242	40.98%
Total	93	1203700	100

44. It is thus seen that the share of petitioner companies who have provided injury information constitutes 42.78% of Indian production. Further, share of companies who have supported the petition constitutes 16.24% of Indian production. Thus, the Petition is now supported by those producers whose collective output constitutes 59.02 % of Indian production. Thus, share of companies who have provided injury information constitutes 42.78% which constitutes a significant share in terms of Indian production of the product under consideration. These companies collectively constitutes domestic industry under Rule 2 (b). The Authority has not undertaken any selective sampling to undertake injury assessment. Domestic industry has been defined as per Authority's consistent past practice and considering the information on record of the authority.

45. As regards alleged cherry picking of the constitution of the domestic industry, the Authority notes that domestic industry is representative of entire industry and need not necessarily constitute the entire Indian production. At present there are 17 petitioner companies who constitute domestic industry. The authority has considered each and every company who has provided its injury data and included the same within the scope of the domestic industry. Further, there is no evidence provided by any interested party that Petitioner has selectively provided data of some companies and has resorted to cherry picking of the data.
46. In view of the information on record and after careful consideration legal provisions, the Authority holds that the petitioner companies satisfy the requirements of Rule 2(b) and Rule 5(3) of the AD Rules, i.e. the requirement of standing and scope of the domestic industry under the Rules. The petitioner companies are therefore held to constitute domestic industry within the meaning of Rule 2(b).
47. Domestic producers expressly supporting the application account for more than twenty five percent of the total production of the like article by the domestic industry. Further, the application is deemed to have been made on behalf of the domestic industry, as it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of the like article produced by that portion of the domestic industry expressing either support for or opposition, as the case may be, to the application. This requirement is explicitly satisfied by the petitioners.

C. CONFIDENTIALITY

48. With regards to confidential information Rule 7 provides as follows:

7. 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 authorize its disclosure in a generalized or summary form, it may disregard such information.

Views of the Domestic Industry:

49. Following submissions have been made by the domestic industry with regard to confidentiality:

- a. Petitioners have claimed only such information as confidential, confidentiality of which is protected under the law.
- b. The annual reports are readily available and can be seen on the websites.
- c. The petitioners have provided sufficient non-confidential summaries of the information provided on confidential basis except for those which are not susceptible to summarization, unlike the responding interested parties who have resorted to excessive confidential information.

Views of Exporters, Importers, Consumers and other Interested Parties

50. Following submissions have been made by the other interested parties with regard to confidentiality:

- a. The IVA parameters are either confidential or not given at all or given in indexed form.
- b. Annual reports which are not in public domain have not been given.
- c. There is excessive confidentiality which does not adhere to confidentiality requirements under Rule 7 of the AD Rules and Trade Notice 1.

Examination of Authority:

51. The Authority holds that the information provided by interested parties on confidential basis meets the sufficiency requirement of the confidentiality claim, and has accepted the confidentiality claims wherever warranted. An information being considered confidential has not been 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 made available such non-confidential versions of the evidences submitted by various interested parties in the form of public file.

D. MISCELLANEOUS SUBMISSIONS

Views of the Domestic Industry:

52. Following miscellaneous submissions have been made by the domestic industry:

- a. Notice of initiation establishes that all requirements were fully met.
- b. There is no requirement to provide injury information for each types of the product under consideration.
- c. Under any circumstances the respondents are not authorized for access to such excel files. Such import data should instead be provided from the association to the Designated Authority.
- d. the methodology used for segregation of imports is that:

The product under consideration has been identified where the item description reads as Hessian Fabric, Sacking Bags and Jute Yarn, within the product under

consideration, wherever the unit of measurement is SQM, it has been converted in weight (kgs or MT), and the unit of measurement other than sqm or in weight has been considered as N-PUC.

- e. Performa IV A part II i.e. Jute Product excluding government procurement clearly shows only open market operations.
- f. All parameters related to Government protection are applicable to only a part of PUC.
- g. There is no evidence to prove adverse effect on employment in Bangladesh, whereas the employment of Indian Jute sector is already adversely affected.
- h. The accounting standards of Bangladesh are very well developed. The Institute of Chartered Accountants of Bangladesh (ICAB) and The Institute of Cost and Management Accountants of Bangladesh (ICMAB) can be said to be reflecting the accounting standards of the country. The exam of ICMAB is said to be one of the toughest exams. ICMAB also includes in its curriculum subjects like Principles of Accounting, Business Communication and Office Management, Intermediate Financial Accounting, Cost Accounting etc which are comparable to the Indian system.
- i. In fact ICMAB is a member of various international accounting bodies such as International Federation of Accountants (IFAC), Confederation of Asia Pacific Accountants (CAPA), South Asian Federation of Accountants (SAFA) and International Accounting Standard Board (IASB).
- j. Moreover the DGAD does not demand financial or accounting information of a new kind. The formats required by DGAD can at best amount to being rearrangement of the already existing costing and financial information of a company. The request of Bangladesh Government to circumvent the submission of quality data should be denied.
- k. As per Article 11(a) of SAFTA, constructive remedies refer specifically to consultations and undertakings. Consultations were conducted and there were no requests of price undertaking by the subject country and therefore it can't be looked into.
- l. A level playing field will be ensured by imposition of antidumping duties.
- m. A level playing field will ensure better prices and be encouraging to the farmers.
- n. There are reservations to dumped imports and not imports per se.
- o. The interested party has given no reason or evidence to show how the said rules have been violated.

- p. The financial data furnished by exporters does not refer to the POI consistently as the exporters' accounting year is 16th July to 15th July (Nepal) and 1st July to 30th June. Financial statements have been constructed by doing some 'minus' and 'plus' and not by following accounting principles.

Views of Exporters, Importers, Consumers and other Interested Parties

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

- a. The initiation itself is bad in law and on this ground the investigation must be terminated.
- b. The petitioners have not separately provided data related to market share, domestic sales, and imports volumes of three product categories.
- c. Raw and sorted import data should have been provided to respondents in MS-Excel format.
- d. There is no explanation provided for the method of sorting import data from raw import data and a similar explanation of the raw jute import statement provided.
- e. No clear indication as to which set of profits/losses indicated in the Proforma IVA reflects the open market operations by the domestic producers.
- f. There is no requirement of additional protection as the Indian Government is already actively protecting the Indian producers of jute goods by setting prices for raw jute, statutorily mandating the use of indigenously made jute bags for packaging food items pursuant to compulsory jute packaging order under JPMA and procuring a bulk of the indigenously made sacking bags at a cost plus formula based pricing.
- g. Any shock on export performance of Jute sector in Bangladesh will have a deteriorating effect on employment situation.
- h. Quality data cannot be given in questionnaire as Bangladesh's accounting and financial reporting systems are still not as well developed as per DGAD. Bangladesh has limited experience in a complex field of anti-dumping.
- i. As per Article 11(a) of SAFTA, constructive remedies should be looked into.
- j. The balance of trade is heavily inclined in favour of India and imposition of antidumping duties will worsen the situation.
- k. The trade gap situation will worsen as Indian imports are much more than Bangladesh imports.

- l. The duties will affect fair competition and hurt the consumers.
- m. The farmers will be discouraged to plant crops of this environment friendly product.
- n. Bangladesh had promptly lifted a temporary ban on export of jute products on friendly concerns raised by India. This should be reciprocated.
- o. The petitioners at the hearing made generalized submissions and no specifics on the issues raised by the respondents.
- p. Rules 8 and 9(2) have not been followed.
- q. To ensure undue profit margin, Indian mills are importing Bangladeshi Low Quality Raw Jute in Huge Quantity which is being used to produce sacking. Therefore, imports are helping Indian Jute Mills.
- r. Jute is a common heritage of India and Bangladesh and imposition of antidumping duties will impede growth of this industry.

Examination of Authority

54. As regards the initiation, the Authority notes that all relevant procedures were carried out and all laid down requirements with regard to initiation of investigation have been followed in the present case. The product under consideration is Jute products and the petitioners have provided information of 3 product types separately for injury assessment, to be carried out for the like article produced and sold by the domestic industry.
55. As regards the contention that raw and sorted import data must've been provided by the petitioner in MS Excel format for making the same available to the other interested parties, the Authority notes that DGCIS data has been placed in the public file.
56. As regards explanation of method of sorting data by petitioner, the Authority notes that the petitioner gave explanation in its written submissions. None of the interested parties have offered comments thereon. The Authority has undertaken analysis for individual determinations on the basis of data provided by producers/exporters.
57. As regards the contention that there is no clarity on profit/losses position of the domestic industry for open market operations, the Authority has done a separate and detailed analysis in this finding. Further, petition contained separate information with regard to different market segments

58. As regards the contention that no additional protection is needed to the domestic industry, the Authority notes that Anti-dumping duties only ensure a level playing field to correct unfair trade practice. It should not be perceived as a protection *per se*.
59. As regards the contention of adverse impact of anti-dumping duty on Bangladesh, any duty, if applied, would not amount to restriction of imports *per se* from subject countries. The Authority holds that this will only make the imports available at a fair price.
60. As regards the issue of Bangladesh's accounting and financial reporting systems, the authority notes that the subject exporters have provided relevant information which was also verified for sampled exporters. The Authority provided sufficient extension in time and guidance whenever requested to enable producer/exporter to file the information.
61. As regards exploring constructive remedies, the authority notes that constructive remedies suggested in SAFTA have been considered, to the extent feasible
62. As regards concerns of balance of trade, the Authority reiterates that Anti-dumping duties are endeavored to provide a level playing field and fair competitive practices.
63. As regards compliance with Rule 8 and 9, it is clarified that authority has, during the course of investigation, satisfied itself as to the accuracy of the information supplied by the interested parties upon which present disclosure based.
64. The authority carried out on the spot investigation at the premises of the exporters concerned with consent of the person concerned.

E. NORMAL VALUE (NV), EXPORT PRICE (EP) AND DUMPING MARGIN (DM)

65. Under section 9A(1)(c), normal value in relation to an article means:

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

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 to 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.

Views of the Domestic Industry:

66. Following submissions have been made by the domestic industry with regard to normal value export price and dumping margin:
- a. After making relevant efforts the petitioners have not been able to get any documentary information/evidence of price of subject countries. Normal value has therefore been determined considering constructed value approach.
 - b. Export price has been determined considering volume and value of imports for the period of investigation as per DGCI&S data transaction wise. The exchange rate has been considered on the basis of notifications issued by Ministry of Finance. For fair comparison the export price has been adjusted for expenses such as ocean freight, commission, port expenses, bank charges, inland freight and insurance.
 - c. The adjustments have been made based on market information and general experience on the basis of most conservative estimates.

- d. Dumping margin has been determined as per normal value and export price and is not only de-minimis but also significant and substantial.
- e. Since normal value is constructed on the basis of domestic industry consumption norms, the consumption norms are business sensitive information that is confidential and not amenable to summarization. The consumption norms of the domestic industry are never disclosed in the non-confidential version.
- f. The exports price provided is consistent with the practice of the Designated Authority.
- g. “Best Available Information” standard will apply even to a market economy country. India and Bangladesh are among the top five jute producing countries of the world. Therefore, in the present case it is even more appropriate to construct the normal value on the basis of domestic industry’s data.
- h. There is no legal basis that efforts made have to be proved in detail. However, if the Authority requires the petitioners can explain the efforts made and how they failed.
- i. The Authority can take consumption norms as per best information available to it.
- j. With respect to allegedly inflated raw material costs for Hessian fabrics, the Authority may examine as it considers it prudent.
- k. Mere statement that Bangladesh prices are higher than normal value does not amount to substantiated evidence.
- l. As regards the petition for countervailing duty on imports of Jute Products from Bangladesh is concerned, the domestic industry received a letter by Authority dated 11th April, 2016, wherein it was provided that based on pre-initiation consultations with Government of Bangladesh, it was agreed to keep the above mentioned Countervailing Duty petition in abeyance. It was postponed to be reconsidered based on outcome of the ongoing antidumping investigation. Therefore the same should be taken into account as regards subsidy received by Bangladesh Jute exporters.

Views of Exporters, Importers, Consumers and other Interested Parties

67. Following submissions have been made by the other interested parties with regard to normal value export price and dumping margin:

- a. The petitioners have not provided consumption norms for normal value.
- b. There is no evidence for adjustments of export price as claimed.
- c. Normal value cannot be constructed for a market economy country.
- d. There is no positive evidence for the basis of adoption of costs and there is no specification of the so called efforts made and how they failed.
- e. The consumption norms of the participating exporters should be considered while determining the normal value.
- f. The raw material costs for Hessian Fabric is inflated which has inflated the dumping margin. Normal values as constructed for Hessian Fabric must be rejected.
- g. The basis of export price determination is erroneous and without any evidence.
- h. The exporter has cited 2 cases viz. Government of Andhra Pradesh & Ors. v. K. Brahmanandam & Ors. and Guatemala- Anti-Dumping investigation regarding Portland cement from Mexico.
- i. Since the costs of raw jute, labour and other factors of cost are lower in Bangladesh as compared to India, the claims of normal value as per the petition are false.
- j. Bangladesh prices are higher than normal value.

Examination of Authority

68. The authority for the purpose of evaluating dumping margin has undertaken comparisons at the level of product types i.e. Jute Yarn/ Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags separately for an apple to apple comparison and holds that these be accorded separately.

69. The Authority notes that under section 9A (1) (c) of the Customs Tariff Act, 1975, normal value means:

“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

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 to an appropriate third country as determined in accordance with the rules made under sub-section (6); or

(b) the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section (6):

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transhipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.”

70. Since a large number of producers/exporters for Bangladesh have responded, the Authority has undertaken sampling as per the relevant provisions relating to sampling is Article 6.10 of the Anti-Dumping Agreement (WTO) and Rule 17 (3) of the Custom Tariff Rules, 1995 are as follows:

Article 6.10: *“The authorities shall, as a rule, determine an individual margin of dumping for each known exporter or producer concerned of the product under investigation. In cases where the number of exporters, producers, importers or types of products involved is so large as to make such a determination impracticable, the authorities may limit their examination either to a reasonable number of interested parties or products by using samples which are statistically valid on the basis of information available to the authorities at the time of the selection, or to the largest percentage of the volume of the exports from the country in question which can reasonably be investigated.*

6.10.1 Any selection of exporters, producers, importers or types of products made under this paragraph shall preferably be chosen in consultation with and with the consent of the exporters, producers or importers concerned.

6.10.2 In cases where the authorities have limited their examination, as provided for in this paragraph, they shall nevertheless determine an individual margin of dumping for any exporter or producer not initially selected who submits the necessary information in time for that information to be considered during the course of the investigation, except where the number of exporters or producers is so large that individual examinations would be unduly burdensome to the authorities and prevent the timely completion of the investigation. Voluntary responses shall not be discouraged.”

Rule 17 (3): “The designated authority shall determine an individual margin of dumping for each known exporter or producer concerned of the article under investigation:

Provided that in cases where the number of exporters, producers, importers or types of articles involved are so large as to make such determination impracticable, it may limit its findings either to a reasonable number of interested parties or articles by using statistically valid samples based on information available at the time of selection, or to the largest percentage of the volume of the exports from the country in question which can reasonably be investigated, and any selection, of exporters, producers, or types of articles, made under this proviso shall preferably be made in consultation with and with the consent of the exporters, producers or importers concerned:

Provided further that the designated authority shall, determine an individual margin of dumping for any exporter or producer, though not selected initially, who submit necessary information in time, except where the number of exporters or producers are so large that individual examination would be unduly burdensome and prevent the timely completion of the investigation.”

Keeping in view of the above, the Authority had undertaken sampling of 26 exporters questionnaires filed by various producers/exporters from Bangladesh in response to the antidumping investigation initiated on 21.10.2015. The sampling has been done by selecting

exporters with different quantum of exports to India. Based on the sampling following 12 producers/exporters were firmed up as a sample after seeking views of all concerned cooperative producers/exporters. The onsite verification was undertaken for all these 12 sampled producers/exporters during August 2016.

Sampled Producers/exporters

- (1) Sidlaw Textiles Ltd.
- (2) Sagar Jute Spinning Mills Ltd
- (3) Afil Jute Weaving Mills Ltd.
- (4) Janata Jute Mills Ltd.
- (5) Asha Jute Industries Ltd.
- (6) Pride Jute Mills Ltd.
- (7) Sharif Jute Mills Limited
- (8) Anwar Jute Spinning Mills Ltd.
- (9) Alijan Jute Mills Ltd.
- (10) Sonali Aansh Industries Ltd.
- (11) Hasan Jute Mills Ltd.
- (12) Rahman Jute Spinners Pvt. Ltd.

M/s Afil Jute Weaving Mills Ltd. and M/s Rahman Jute Spinners Pvt. Ltd. though presented their data for verification but did not submit cost record for verification and hence have been taken under residual category.

71. The Authority has accorded individual dumping margins to all the sampled producers/exporters. In the case of Nepal, all 4 cooperative producers/ exporters have been considered for individual assessment. For the non-sampled producers/exporters, weighted average dumping margin of the sampled producers/exporters is accorded to the non-sampled producers/exporters separately for 3 product types. For the residual category non cooperative producers/exporters, highest dumping margin from the individual evaluations done for sampled producers/exporters or highest normal value along with least price of exports from DGCIS data has been considered. The non-sampled producers/exporters are as under:

- (1) Rahman Jute Mills (Pvt.) Ltd.
- (2) Shamsher Jute Mills Ltd.
- (3) Golden Jute Industries Ltd.

- (4) Purabi Trading
- (5) Sonali Aansh Trading (Pvt.) Ltd.
- (6) Rajbari Jute Mills Ltd.
- (7) Nowapara Packaging Industries Ltd.
- (8) Nowapara Jute Mills Ltd.
- (9) Usha jute Spinners Ltd.
- (10) B.S. Jute Spinners Ltd. (BSJSL)
- (11) Madina Jute Industries Ltd.
- (12) Northern Jute Manufacturing Company Limited
- (13) Jute Spinners Ltd.
- (14) M/s Nawab Abdul Malek Jute Mills (BD) Ltd. Though this producer/exporter requested to be a part of the sample during the onsite verification visit to Dhaka, and the data is verified onsite, the authority has not considered it appropriate to include this producer/exporter and in the sample it is treated in the non-sampled category.

72. For the purpose of computing Injury Margin, the Authority has considered Average export price for the 3 product types i.e. Jute Yarn/Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags separately. The landed values for the three product types are separately compared with the 3 Non Injurious Price for an apple to apple comparison. The authority notes that since there are no domestic sales for almost all producers/exporters in the sample the dumping margin determination has been done on the basis of the NV evaluated on verified cost of production.

Determination of Normal Value (NV) for all sampled exporters of Bangladesh:

\$ below implies US\$

(1) Pride Jute Mill

The producer/exporter exported 2355 MT of Jute Yarn to India during POI at a weighted average FOB Price of *** \$/MT.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/Twine. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at *** \$/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to ***\$ /MT.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the ‘Normal Value’ established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	10 - 20

(2) **Asha Jute Industries Ltd.**

The producer/exporter exported 915 MT of Jute Yarn to India during POI at a weighted average FOB Price of ***\$ /MT.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/ Twine. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at ***\$ /MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to ***\$ /MT.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	0 - 10

(3) Sonali Ansh Industries Ltd.

The producer/exporter exported 789 MT of Jute Yarn to India during POI at a weighted average FOB Price of ***/MT.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/Twine. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at ***/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to ***/MT.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	0 - 10

(4) Alijan Jute Mills Ltd.

The producer/exporter exported 27 MT of Jute Yarn to India during POI at a weighted average FOB Price of *** \$/MT.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/Twine. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at ***\$/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to *** \$/MT.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	0 - 10

The producer/exporter is related to M/s Sonali Aansh Industries Ltd. and hence same weighted average Dumping margin at ***\$/MT (0 – 10 %) is accorded to both.

(5) Sharif Jute Mills Ltd.

The producer/exporter exported 1295 MT of Jute Yarn to India during POI at a weighted average FOB Price of ***\$/MT.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/Twine. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at ***\$/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to *** \$/MT.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the ‘Normal Value’ established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	20 - 30

(6) Anwar Jute Spinning Mills Ltd.

The producer/exporter exported 1572 MT of Jute Yarn to India during POI at a weighted average FOB Price of ***\$/MT.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/Twine.

Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at ***\$/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to ***\$/MT.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	10 - 20

(7) **Hasan Jute Mills Ltd.**

The producer/exporter exported both Jute Yarn and Sacking Bags to India during POI and also sold the same in domestic market.

Exports to India

Product	Quantity (MT)	Gross EP (\$/MT)
Yarn	870	***
Bags	935	***
Total	1,805	***

Domestic Market Sales

There are no third country sales but sales in domestic market as under:

Product	Quantity MT	Gross SP (\$/MT)
Yarn	378	***
Bags	756	***

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/ Twine and Sacking Bags. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at ***/MT, and Sacking Bags at ***/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Products exported to India, which comes to ***/MT and ***/MT respectively.

The Authority notes that since the sales to India and domestic market are not identical, weighted average Cost of Production has been referenced for computation of Normal Value.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	-0 to -10
Sacking Bags	***	***	***	-20 to -30

(8) Janata Jute Mills Ltd.

The producer/exporter exported 1312 MT of Jute Yarn and 6.996 MT Hessian Fabric to India during POI at weighted average FOB price ***/MT and ***/MT respectively.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/ Twine and Hessian Fabric. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn and Hessian Fabric at ***/MT, and ***/MT respectively.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to ***/MT, and ***/MT respectively.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/ Twine	***	***	***	0 to 10
Hessian Fabric	***	***	***	-0 to -10

(9) Sidlaw Textiles Ltd.

The producer/exporter exported both Jute Yarn (7473 MT) and Sacking Bags (2758 MT) to India during POI at weighted average FOB of ***/MT and *** \$/MT respectively.

There are no domestic sales.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/ Twine and Sacking Bags. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn and at ***/MT, and Sacking Bags at ***/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Products exported to India, which comes to ***\$/MT and ***\$/MT respectively.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	0 - 10
Sacking Bags	***	***	***	10 - 20

(10) Sagar Jute Spinning Mills Ltd.

The producer/exporter exported 6068 MT of Jute Yarn to India during POI at an FOB Price of ***\$/MT.

The producer/exporter provided consolidated data on cost of production for all qualities and types of Product Under Consideration (PUC) exported to India i.e. Jute Yarn/Twine. Accordingly weighted average cost of production has been determined for the PUC exported i.e. Jute Yarn at ***\$/MT.

The weighted average Normal value has been computed by adding *** profit to the weighted average cost of production (net of interest) of the Product Under Consideration exported to India, which comes to ***\$/MT.

The Authority notes the submissions made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh that the Authority must make comparison of

Export price and Normal value at the same level, normally at the ex-factory level. As the financial data provided by the exporters does not enable working out of exfactory cost of production, the 'Normal Value' established on the basis of cost of production viz cost of sales basis as already communicated in the disclosure has been compared with the gross export price to India and dumping margin appropriately modified in this final finding as below.

PUC	Weighted average Normal Value (\$/MT)	Weighted Average Gross FOB Export Price (\$/MT)	Dumping Margin (\$/MT)	Dumping Margin Range %
Jute Yarn/Twine	***	***	***	20 - 30

As M/s Sidlaw Textiles Ltd. and Sagar Jute Spinning Mills Ltd. are related on account of common directors, a common weighted average Dumping margin has been be accorded to them at ***\$/MT (10 – 20%).

If any product type viz. Yarn/Twine, Sacking Bag or Hessian Fabric has not been exported by any sampled producer/exporter, dumping margin and injury margin as determined for residual category of producers/exporters has been accorded to such producer/exporter for the product type not exported to India during POI.

Any producer/Exporter who has not exported during POI can apply for review as per rule 22 of AD rules.

(11) Non Sampled category of producers/exporters

The Authority has considered the weighted average dumping margin and injury margin evaluated on the basis of individual dumping margins and injury margins determined for the producers/exporters of the sampled category. This weighted average dumping margin and injury margin is accorded to the non-sampled category of producers/exporters for Yarn/Twine and Sacking Bag. In case of Hessian Fabric, as the only producer/exporter is *de minimis*, the Authority has accorded the dumping margin and injury margin as determined for the residual category of producers/exporters to the non-sampled producers/exporters as per the methodology even mentioned above.

PUC	Dumping Margin (\$/MT)	Injury Margin (\$/MT)	Dumping Margin Range (%)	Injury Margin Range (%)
Jute Yarn/ Twine	***	***	10 - 20	20 - 30
Sacking Bag	***	***	10 - 20	10 - 20
Hessian Fabric	***	***	60 - 70	40 - 50

(12) Residual/Non cooperative producers/exporters of Bangladesh

For recommending the Anti-Dumping Duty as per lesser duty rule, the Authority has referenced highest dumping margin and injury margin amongst the sampled producers/exporters in respect of Jute Yarn/Twine and Sacking Bags. In case of Hessian fabric, as the only producer/exporter in the sampled category is *de minimis* and the remaining producers/exporters in the sampled category have not exported Hessian Fabric during POI to India, the Authority has constructed the normal value for Hessian Fabric for residual/non cooperative producers/exporters based on the weighted average cost of production of the Domestic Industry, as also correlated with the normal value of the only sampled exporter, from Bangladesh. The weighted average export price of Hessian Fabric to India as per the DGCIS data during POI has been adopted for the purpose of evaluating dumping margin and injury margin for this product type for the residual category producers/exporters. The dumping margin and injury margin are as under:

PUC	Dumping Margin (\$/MT)	Injury Margin (\$/MT)	Dumping Margin Range (%)	Injury Margin Range (%)
Jute Yarn/ Twine	***	***	20 – 30	30 - 40
Sacking Bag	***	***	10 - 20	10 - 20
Hessian Fabric	***	***	60 - 70	40 - 50

NORMAL VALUE OF PRODUCERS/EXPORTERS OF NEPAL

(i) Arihant Multi-Fibres Ltd.

The Authority notes that M/s Arihant Multi-Fibres Ltd. has exported all 3 product types of PUC to India. Further there have been sales of all 3 product types in the domestic market and export of some quantities of two product types i.e. Yarn/Twine and Hessian Fabric to third countries also. The weighted average cost of production for the three product types i.e. Yarn/Twine, Sacking Bags and Hessian Fabric have been evaluated at, ***/MT, ***/MT and ***/MT respectively. As the product type is quite diversified and keeping in view that quantities of sales are small both in domestic market and third country, the Authority has applied a reasonable profit of *** on the weighted average cost of production (net of interest) to construct the normal value which comes to ***/MT, ***/MT, and ***/MT respectively. The details of sales of PUC in POI by the Producer/Exporter are as below.

Sales to India

PUC	India	
	Qty (MT)	Price (NRS/KG)
Twine/Yarn	1117.4	***
Sacking Bags	12694.721	***
Hessian (overall)	5403.18	***

The Authority notes the submissions made by producers/exporters from Nepal on comparison between normal value and export price to India stating double counting of adjustments. The Authority has considered the same and has undertaken comparison between the normal value constructed on the basis of weighted average cost of production at cost of sales level along with appropriate return with the gross FOB export price to India during POI. The dumping margin have been revised accordingly as below.

Product	NV (\$/MT)	Gross FOB EP to India \$/MT	DM \$/MT	DM Range%
Yarn	***	***	***	0 - 10
Hessian	***	***	***	-0 to -10
Sacking Bags	***	***	***	0 to 10

(ii) Shree Raghupati Jute Mills Ltd.

The Authority notes that M/s Shree Raghupati Jute Mills Ltd. has exported all 3 product types of PUC to India. Further there have been sales of all 3 product types in the domestic market and export of some quantities of two product types i.e. Yarn/Twine and Hessian Fabric to third countries also. The weighted average cost of production for the three product types i.e. Yarn/Twine, Sacking Bags and Hessian Fabric have been evaluated at ***\$/MT, *** \$/MT and ***\$/MT respectively. As the product type is quite diversified and keeping in view that quantities of sales are small both in domestic market and third country, the Authority has applied a reasonable profit of *** on the weighted average cost of production (net of interest) to construct the normal value which comes to ***\$/MT, ***\$/MT, and ***\$/MT for Twine, Sacking Bags and Hessain respectively. The details of sales of PUC in POI by the Producer/Exporter are as below.

Sales to India

PUC	India	
	Qty (MT)	Price (NRS/KG)
Twine/Yarn	1467.6	***
Sacking		

Bags	8554.5	***
Hessian (overall)	3253.03	***

The Authority notes the submissions made by producers/exporters from Nepal on comparison between normal value and export price to India stating double counting of adjustments. The Authority has considered the same and has undertaken comparison between the normal value constructed on the basis of weighted average cost of production at cost of sales level along with appropriate return with the gross FOB export price to India during POI. The dumping margin have been revised accordingly as below.

Product	NV (\$/MT)	Gross FOB EP to India \$/MT	DM \$/MT	DM Range%
Yarn	***	***	***	0 - 10
Hessian	***	***	***	0 - 10
Sacking Bags	***	***	***	0 - 10

M/s Arihant Multi-Fibres Ltd. is principal shareholder in M/s Shree Raghupati Jute Mills Ltd. and thereby the 2 producers/exporters are related, hence same weighted average dumping margin has been accorded to both at ***\$/MT, ***\$/MT and ***\$/MT for Yarn/Twine, Sacking Bag and hessian Fabric respectively.

(iii) Swastik Jute Mills Pvt. Ltd.

The Authority notes that the Producer/Exporter has exported 5688.26 MT of 3 types of PUC to India comprising of 1995.2 MT of Sacking Bags, 2519.8 MT of Hessian Fabric and 1173.26 MT of Yarn/Twine.

Product	Qty MT	Fob \$/MT
Yarn	1,173.26	***

Hessian	2,519.80	***
Sacking Bags	1,995.20	***

The domestic sales of producer/exporter in POI are only *** NRS. As the domestic sales are quite low and there are no third country sales, constructed Normal Value methodology has been adopted.

The Weighted Average Cost of Production for the 3 product types i.e. Yarn/Twine, Sacking Bags and Hessian Fabric has been evaluated as *** \$/MT, ***\$/MT, and ***\$/MT and *** profit has been added to compute the weighted average Normal Value as ***\$/MT, ***\$/MT and ***\$/MT respectively. Based on the above the Dumping Margin is evaluated as under.

The Authority notes the submissions made by producers/exporters from Nepal on comparison between normal value and export price to India stating double counting of adjustments. The Authority has considered the same and has undertaken comparison between the normal value constructed on the basis of weighted average cost of production at cost of sales level along with appropriate return with the gross FOB export price to India during POI. The dumping margin have been revised accordingly as below.

Product	NV (\$/MT)	Gross FOB EP to India \$/MT	DM \$/MT	DM Range%
Yarn	***	***	***	0 - 10
Hessian	***	***	***	0 - 10
Sacking Bags	***	***	***	0 - 10

(iv) BABA Jute Mills Pvt. Ltd.

The producer/exporter has exported all 3 product types i.e. Twine, Sacking Bags, and Hessian Fabric to India. The producer/exporter has mentioned that they have exported Twine/HVC and not Yarn. The domestic sales of Twine and HVC in domestic market is 768.16 MT and 1520.500 MT to India. The domestic sales of sacking bags and Hessian Fabric in domestic market are quite small i.e. 8.7 MT and 15.32 MT respectively as compared to 586.4 MT and 909.5 MT to India

respectively and is thus small for comparison. The authority in view of heterogeneity in the products in domestic and export market for twine has to adopt 'Normal Value', for all three product types Hessian Fabric, Twine and Sacking Bags, by adding *** profit on the weighted average Cost of Production (net of interest) computed separately. NV comes to ***\$/MT, ***\$/MT and *** \$/MT for Twine, Sacking Bag and Hessain Fabric respectively.

Product	Qty MT	Fob \$/MT
Yarn	1,520.50	***
Hessian	909.50	***
Sacking Bags	586.41	***

The Authority notes the submissions made by producers/exporters from Nepal on comparison between normal value and export price to India stating double counting of adjustments. The Authority has considered the same and has undertaken comparison between the normal value constructed on the basis of weighted average cost of production at cost of sales level along with appropriate return with the gross FOB export price to India during POI. The dumping margin have been revised accordingly as below.

Product	NV (\$/MT)	Gross FOB EP to India \$/MT	DM \$/MT	DM Range%
Yarn	***	***	***	0 - 10
Hessian	***	***	***	0 - 10
Sacking Bags	***	***	***	0 - 10

M/s Nepal Jute Mills and M/s Chandra Shiva Jute Mills Pvt. Ltd. requested to file the questionnaire after the onsite verification of exporters of Nepal. The Authority has rejected the request as the same was made at the terminal stage of investigation that too post onsite verification. M/s Nepal Jute Mills and M/s Chandra Shiva Jute Mills Pvt. Ltd. have therefore been treated in residual category.

(v) **Residual/Non cooperative producers/exporters of Nepal**

For recommending the Anti-Dumping Duty as per lesser duty rule, the Authority has adopted highest dumping margin and injury margin from the data of the cooperating producers/exporters for evaluating dumping margin and injury margin for producers/exporters in residual category in respect of Yarn/Twine, sacking bag and hessian fabric. The dumping margin and injury margin are as under:

PUC	Dumping Margin (\$/MT)	Injury Margin (\$/MT)	Dumping Margin Range (%)	Injury Margin Range (%)
Jute Yarn/Twine	***	***	0 - 10	40 - 50
Sacking Bag	***	***	0 - 10	10 - 20
Hessian Fabric	***	***	0 - 10	0 - 10

DETERMINATION OF INJURY AND CAUSAL LINK

73. Rule 11 of Antidumping 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.

74. The Authority notes that the application for imposition of antidumping duty has been filed by Indian Jute Mills Association (IJMA) on behalf of their member, whose commands a major proportion of total production of the subject goods in India. In terms of Rule 2(b) of the Rules the petitioners companies has been treated as the domestic industry for the purpose of this

investigation. Therefore, for the purpose of this determination the cost and injury information of the petitioner, constituting the domestic industry as defined in Rule 2(b), has been examined.

Views of the Domestic Industry:

75. Following submissions have been made by domestic industry with regard to determination of injury and causal link:

- a. A significant part of the product under consideration is consumed by the Govt. sector, wherein the imported product does not compete with the domestic industry. Therefore the petitioners have segregated sales made by the domestic industry to Govt. sector.
- b. The imports from the subject countries have increased significantly despite decline in demand for the product in the Country.
- c. The imports have increased in absolute terms as well as in relation to production and consumption in India.
- d. Imports are preventing the price increase that would have occurred in the absence of dumped imports.
- e. The demand for the subject goods significantly declined in the POI. However, imports from subject countries have increased.
- f. Sales of the domestic industry declined significantly in the POI.
- g. The production and capacity utilization has moved in tandem with the demand of the goods. Production has significantly declined in the POI.
- h. The profitability of the domestic industry has significantly declined over the injury period and was negative during 2013-14 and the POI.
- i. Owing to the above factors, ROI and the cash profits of the domestic industry have substantially declined over the injury period and have become negative in the POI.
- j. The injury to the domestic industry has been caused by the dumped imports. The landed price of imports is below the level of cost and therefore preventing the domestic industry from increasing its prices to the level of increase in costs.

- k. There is significant difference between the prices offered by the domestic industry and producers from the subject countries. Resultantly, domestic industry lost significant sales volumes, which is a direct consequence of dumped imports from the subject countries;
- l. Imported product is undercutting the prices of the domestic industry. Resultantly, the domestic industry has been prevented from increasing its prices to the extent of cost increases ;
- m. Deterioration in profits, return on capital employed and cash profits are a result of dumped imports;
- n. Market share of the imports from the subject countries increased significantly. As a direct consequence, the market share of the domestic industry has declined.
- o. Production, sales and capacity utilization of the domestic industry has deteriorated due to presence of dumped imports.
- p. The price suppression effect of dumped imports from subject countries has resulted in significant losses to the domestic industry.
- q. Growth of the domestic industry became negative in respect of a number of parameters.
- r. There is no change in patterns of consumption, trade restrictive practices, condition of competition between foreign and domestic producers, developments in technology.
- s. Although domestic industry has exported product under consideration, it has provided costing and pricing information for domestic sales separately. There is no injury due to such exports.
- t. The increased share of imports is due to adverse market situation in Bangladesh. In case of Bangladesh two press reports of 8th March 2015 and 11th July, 2016 clearly show that due to adverse market conditions in Bangladesh and lack of global demand, heavy exports are being made to countries like India. These reports reveal liquidation of goods worth Rs. 300 crores in the Indian market and establish focused dumping by Bangladesh into India.
- u. Consumption in Nepal is extremely limited and the capacities have been set up only to target Indian market.
- v. The exporters' questionnaire response of Arihant Multi-Fibres shows various exemptions and subsidies received from the Government of Nepal. They enjoy substantial income tax rate exemption, electricity subsidies and income tax and VAT subsidies on imports of Store Spares of Jute Mill Machinery.
- w. There is no requirement to provide injury margin at the stage of petition.

- x. The NCV Annexures show losses on all three parameters. Therefore there are no accounting errors as alleged.
- y. Any injury due to government procurement has been segregated as required by the law. Any issue of corruption has no effect on determination of injury in the present case.
- z. When there are other causes of injury the dumping need not be the sole or principle cause of injury. In the EC case of Brother Industries v. Council, the Court of Justice has said that the fact that an industry's difficulties are in part attributable to causes other than dumping is not a reason for depriving it of protection against injury caused by dumped imports. In various cases such as Sinochem v. Council, Petrorub and Republica v. Council, Moser Baer v. Council, the European Community has followed the approach that one or more of the other factors are not such, so as to 'break the causal link' between the dumping and injury. In fact it is widely accepted that if a causal link exists between dumped import and material injury to an industry then it is not obvious how that link could be broken merely by the existence of other injurious factors.
 - aa. Even if there is a demand supply gap, that cannot be met by dumped imports.
 - bb. The imports from subject countries have increased and constitute more than 700 crores which amount to a substantial market share.
 - cc. As regards the undercutting only a range has been given. There is nothing to conclude the interested parties' allegation.
 - dd. The domestic industry may not be the total Indian production.
 - ee. The substitution by synthetic bags is responsible for decline in demand. However imports have taken away substantial portion of existing demand.
 - ff. Increase in wages is the part of normal wage increases and are not peculiar to a particular company or industry. If cost of production has increased due to natural factors such as increase in raw material prices or increase in wages, the petitioner are requested to increase their selling price proportionately. In fact, the rules clearly recognize this and provide that the authority shall examine that the imports are preventing price increases. The plausible reason for increase in prices could be many, such as increase in raw material prices, increase in utility prices, increase in wages, increase in interest rates etc. whatever may be the reason for increase in cost of production, the rule clearly recognizes and provides that whether imports have prevent the domestic industry from raising its prices. If so, it must considered that dumping is causing injury to the domestic industry.

- gg. If product prices could not be increased despite increase in cost, it must be concluded that imports are preventing the price increases in the market.
- hh. There is no steep reduction in exports by the domestic industry.
- ii. Cost advantages of Bangladesh do not justify dumping per se. Despite having cost advantages the Bangladesh Jute Mills are enjoying huge subsidies which are further fuelling the injury being suffered by the domestic industry.
- jj. If exchange rate has fluctuated, it is true for both raw material and finished product. While finished product are fully susceptible to exchange fluctuations, the raw material cost are susceptible to exchange fluctuations only to the extent of domestic industry exposed to imports. However, a significant proportion of cost of production of domestic industry is not impacted by exchange fluctuations.
- kk. None of the petitioning companies have been fined by the competition commission of India.
- ll. There was no ban on Govt. quota over the injury period. A future possibility is immaterial to the present case.
- mm. Petitioners have claimed injury on the basis of economy performance of the participating companies. The same was not impacted due to such factors relating to Punjab crackdown.
- nn. The so-called protection by Government is in a limited sector and does not impact product under consideration as a whole.
- oo. Government procurement is on order basis which the domestic industry is able to fulfill. There are substantial sales in the open market as far as sacking bags are concerned.
- pp. The percentage of Nepal in the POI is 26% which is not insignificant.

Views of Exporters, Importers, Consumers and other Interested Parties

76. Following submissions have been made by the other interested parties with regard to injury and causal link:
- a. No details of injury margin were provided in the petition.
 - b. The petition has accounting errors as the total profit/loss shows profit while cash profit and profit before interest and tax show losses. This is an error as the latter two profits are higher in quantum as additions are made to the actual profit.

- c. There are other factors responsible for injury to domestic industry. The sales to government and the corruption among the petitioners have caused injury and should be given equal weightage. Hot Rolled Steel products from Japan are relied upon in this regard.
- d. All the import volumes are in tandem with the domestic demand.
- e. Subject countries imports have a limited market share and therefore they cannot cause injury.
- f. A uniform price undercutting cannot give rise to such wide fluctuations in losses.
- g. The Authority should conduct injury determination based on data of the domestic market rather than the data that represents only a fraction of the domestic producers of the like product.
- h. The trend comparing profits/losses and import volumes reflect that there is no injury as a result of the imports for the subject countries. That there are other market-factors at play.
- i. There is increased use of synthetics bags as a substitute of sacking bags by user industries as is evidenced by audit reports of Birla Corporation and Cheviot Company Ltd.
- j. There is a sudden and sharp increase in wages if the Audit reports of Birla Corporation, Ludlow Jute & Specialties Ltd are seen.
- k. The audit reports of Birla Corporation, Gloster Ltd, Naihati Jute Mills Co. Ltd, Ludlow Jute and Specialties Ltd show that the production of raw jute declined leading to rise in prices and resulting in increased costs and losses.
- l. The injury is due to dilution of Jute Packaging Materials (Compulsory Use in Packaging Commodities) Act, 1987 [JPMA] as it adversely affects the monopoly of the domestic industry as users have shifted to other alternatives for packing materials.
- m. The domestic industry has acknowledges a steep reduction in exports by domestic industry.
- n. Bangladesh Jute Mills enjoy cost advantages.
- o. The injury is also due to fluctuations in exchange risk and mitigation measures.
- p. In 2014 Competition Commission of India fined Jute mills and gunny trade bodies for unfair trade practices.
- q. There is a threat of ban on jute sector in the Government quota.
- r. The Punjab crack down on mills is one of the important reasons for crisis being faced by Jute sector.

- s. The domestic industry is suffering injury due to sales at government controlled prices.
- t. Indian Government is protecting the Indian producers of jute and any duty will be a setback to free market operations.
- u. Indian jute mills are unable to meet the whole of Government's requirements and hence they are hardly a seller for sacking bags in open market.
- v. The injury is due to other factors such as inadequate supply of raw jute, shortage of skilled man power, raise in labor wages, higher tax and depreciation, dilution of government procurement, inability to meet whole of government's requirements, and because more than 70% of the domestic sales are at government controlled prices.
- w. The percentage of imports from Nepal is too insignificant to cause injury to the domestic industry.
- x. Nepal does not export jute Yarn to India. Therefore there should not be any cumulative assessment with respect to yarn from Nepal.
- y. The Authority has taken note of submissions made by the interested parties. The Authority has examined the injury to the domestic industry in accordance with the Antidumping Rules and considering the submissions made by the other interested parties.
- z. The AD Rules require the Authority to examine injury by examining both volume and price effect. A determination of injury involves an objective examination of both (a) the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for the like article and (b) the consequent impact of these imports on domestic industry. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. With regard to the effect of the dumped imports on prices the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of 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.
- aa. Imports should be historically analyzed for five years instead of merely considering nine months. (April 2014- December 2014)
- bb. The decrease in government consumption in India in the POI is the reason for low domestic sales.

- cc. Information on cost and normal value of PUC in subject countries, export price of PUC to India and other markets, price at which PUC's are being sold in Indian domestic market, historical analysis in terms of Domestic production of PUC by IJMA members before India started importing goods and after India started importing goods from Bangladesh, domestic sale of PUC by IJMA members before and after India started importing goods from Bangladesh, Individual product specific analysis of all the PUCs, historical product specific profit and loss analysis of all the IJMA members and historical audited balance sheet and other financial statements has not been provided.
- dd. The imports from Bangladesh too insignificant to dictate price of dictate domestic market in India.
- ee. Any injury to the domestic industry is due to capacity constraints and emergence of new market demands for import quality yarn and Hessian only available in Bangladesh and not due to dumped imports.
- ff. 70% of Indian production is mandatorily assured by Government and therefore the Bangladeshi PUC is not affecting domestic industry with regard to price or profit or financially.
- gg. There is no price undercutting by the exporters of PUC from Bangladesh. The prices are competitive due to lower price of superior raw material and lower cost of labor in Bangladesh.
- hh. JPMA has been diluted due to inability and inefficiency of the IJMA and non-IJMA manufacturers in meeting the domestic demand.
- ii. Injury is inflicted owing to Punjab Government's decision to slash government order from 7,00,000 bales to 300,000 bales as poor quality, inferior and second hand bags were supplied by Indian mills.
- jj. Imposition of antidumping duties will widen the trade imbalance.
- kk. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure II of Antidumping rules states as under:-
 - ll. (iv) The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including natural 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.
- mm. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration; while some may show improvement. The Designated

Authority considers all injury parameters and thereafter concludes whether the domestic industry has suffered injury due to dumping or not.

nn. The Authority has examined the injury parameters objectively taking into account the facts and arguments in the submissions.

Examination by the Authority

77. The Authority has taken note of submissions made by the interested parties. The Authority has examined the injury to the domestic industry in accordance with the Antidumping Rules and considering the submissions made by the other interested parties.

78. The AD Rules require the Authority to examine injury by examining both volume and price effect. A determination of injury involves an objective examination of both (a) the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for the like article and (b) the consequent impact of these imports on domestic industry. With regard to the volume of dumped imports, the Authority is required to consider whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. With regard to the effect of the dumped imports on prices the Authority is required to consider whether there has been a significant price undercutting by the dumped imports as compared with the price of 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.

79. As regards the consequent impact of dumped imports on the domestic industry, Para (iv) of Annexure II of Antidumping rules states as under:-

(iv) The examination of the impact of the dumped imports on the domestic industry concerned, shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including natural 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.

80. It is not necessary that all parameters of injury show deterioration. Some parameters may show deterioration; while some may show improvement. The Designated Authority considers all injury parameters and thereafter concludes whether the domestic industry has suffered injury due to dumping or not.
81. The Authority has examined the injury parameters objectively taking into account the facts and arguments in the submissions.

Cumulative assessment

82. With regard to cumulative assessment Annexure II (iii) to the Rules provides as follows:

In cases where imports of a product from more than one country are being simultaneously subjected to anti-dumping investigation, the designated authority will cumulatively assess the effect of such imports, only when it determines that (a) the margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is three percent of the import of the like article or where the export of individual countries less than three percent, the imports collectively accounts for more than seven per cent of the imports of like article and (b) cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

83. The Authority notes that the dumped imports are entering the Indian market simultaneously from the subject countries. Therefore, the issue of cumulative assessment of the injury caused to the domestic industry due to dumped imports from these sources has been examined with respect to parameters in Annexure II (iii) to the Rules. It was observed that:
- a. The margins of dumping of product under consideration from each of the subject countries are more than the de-minimis limit;
 - b. The volume of imports of product under consideration from each of the subject countries is more than de minimis;

- c. Imports from the subject countries are undercutting the prices of the domestic industry in the market.
- d. As regard export of Yarn/Twine from Nepal, the Authority notes that at time of initiation, while the export of Yarn /Twine from Nepal was not reported by the Domestic Industry, the initiation notification did not exclude yarn/twine. The cooperative exporters from Nepal stated quantum of Yarn/Twine in their Questionnaire response which was verified on site by Authority. It was noted that Yarn/Twine as a product type of the PUC and was exported under different customs head. The Authority has considered all product type under PUC within the scope of investigation.
- e. The authority notes that the notice of initiation clearly stated that the customs classification is merely indicative and not binding on the scope of the product under consideration. In case imports of one type of the product have been reported in different classification, the same cannot be excluded for the present purpose only because the petition did not include imports under this different customs classification, particularly when the questionnaire responses of the responding exporters and physical verification by the authority shows imports of jute yarn into India.

84. In view of the above, the Authority holds that it would be appropriate to cumulatively assess the effects of dumped imports of the subject goods from the subject countries on the domestic industry in the light of conditions of competition between imported product and like domestic product.

Injury to the domestic industry in open market

85. The Authority notes the submissions made by various interest parties to make injury analysis by excluding the sales in the protected Government market as there can be no competition by the imports in this domain. The Authority notes that there has been some decline in demand of the Product under consideration over the injury period. It needs to examine whether with the falling demand the market share of domestic industry and the subject countries remains the same or undergo a significant change. In open market demand has declined over the injury period but market share of imports has increased as compared to base year of the

injury period whereas the market share of Domestic Industry has declined. Import from subject countries have increased from the base year of the injury period though it declined as compare to proceeding year POI. Price undercutting for sacking bag is positive in open market from Bangladesh but marginally negative in case of Nepal in POI, although it is positive in the earlier injury period.

86. The authority notes that the interested parties agree that the imports of the product under consideration specifically sacking bag are limited only in open market. As far as Govt. procurement is concerned, the imports from subject countries does not compete with the domestic industry. Therefore as per foregoing para, the authority considers to examine injury to the domestic industry by considering overall performance as also by restricting to the open market.

Assessment of Demand

87. For this purpose, demand or apparent consumption of the product in India is taken as the sum of domestic sales of the Indian producers and imports from all sources. It is seen that the demand of the subject goods declined over the injury period. However, imports have increased significantly. It is also seen that the Indian industry can meet the entire demand of the subject goods in India.

(i) Indian demand (including Govt. procurement)

Demand total -Jute product	Unit	2011-12	2012-13	2013-14	POI
Imports from Subject Countries	MT	1,26,044	1,83,534	1,62,193	1,72, 539
Other Countries	MT	64	2,299	1,250	170
Domestic industry sales	MT	5,65,672	5,94,741	5,81,366	4,90,711
Other producers sales	MT	7,40,580	7,11,510	7,24,885	8,15,541
Demand	MT	14,32,360	14,92,084	14,69,694	14,78,961
Trend	Index	100	104	103	103

(ii) Indian demand (excluding Govt. procurement)

Demand total -excluding	Unit	2011-12	2012-13	2013-14	POI
Imports from Subject Countries	MT	1,26,044	1,83,534	1,62,193	1,72,539
Other Countries	MT	64	2,299	1,250	170
Domestic industry sales	MT	2,92,395	2,62,713	2,58,755	2,17,077
Other producers sales	MT	4,48,003	3,59,061	3,33,642	2,40,789
Demand	MT	8,66,506	8,07,607	7,55,840	6,30,575
Trend	Index	100	93	87	73

88. It is seen that the demand of the product in the country decreased over the injury period.

There was a noticeable fall in demand for the product under consideration in the current POI. Further, whether Govt. procurement is excluded or included, the same pattern of decline in demand is seen.

Volume Effect of Dumped Imports - Import Volumes and Share of Subject Country

89. With regard to the volume of the dumped imports, the Authority is required to consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in India. The Authority has examined the volume of imports of the subject goods from the subject countries and other countries based on the transaction-wise import data provided by DGCI&S data. The import volumes of the subject goods and share of the dumped import during the injury investigation period are as follows:

Particulars	Unit	2011-12	2012-13	2013-14	POI
Subject Country Imports	MT	1,26,044	1,83,534	1,62,193	1,72,539
Bangladesh	MT	78,032	1,38,442	1,06,713	1,21,470
Nepal	MT	48,013	45,092	55,480	51,069
Other Country	MT	64	2,299	1,250	170
Total Imports	MT	1,26,108	1,85,833	1,63,443	1,72,709
Share of subject countries in India					
Bangladesh	%	62%	74%	65%	70%
Nepal	%	38%	24%	34%	30%
Import in relation in demand	%	9%	12%	11%	12%

Imports in relation to Indian production	%	21%	30%	27%	34%
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Demand total -Jute product	Unit	2011-12	2012-13	2013-14	POI
Imports from Subject Countries	MT	1,26,044	1,83,534	1,62,193	1,72,539
Other Countries	MT	64	2,299	1,250	170
Domestic industry sales	MT	5,65,672	5,94,741	5,81,366	4,90,711
Other producers sales	MT	7,40,580	7,11,510	7,24,885	8,15,541
Demand	MT	14,32,360	14,92,084	14,69,694	14,78,961
Trend	Index	100	104	103	103
Share in demand					
Bangladesh	%	5.45%	9.28%	7.26%	8.21%
Nepal	%	3.35%	3.02%	3.77%	3.45%
Other Country	%	0.00%	0.15%	0.09%	0.01%
Domestic industry	%	39.49%	39.86%	39.56%	33.18%
Other producers	%	51.70%	47.69%	49.32%	55.14%

90. The analysis of the above indicates the following:

- a. Imports from the subject countries have increased significantly in absolute terms as compared to the base year.
- b. Imports from the subject countries cumulatively constitute 99% of imports during POI.
- c. Whereas imports from subject countries increased, imports from third countries have been negligible.
- d. Imports from the subject countries increased significantly in relation to production in India.
- e. Imports from the subject countries increased significantly in relation to consumption of the product in India as compared to the base year.

Price Effect of the Dumped imports on the Domestic Industry

91. With regard to the effect of the dumped imports on prices, Annexure II (ii) of the Rules lays down as follows:

“With regard to the effect of the dumped imports on prices as referred to in sub-rule (2) of rule 18 the Designated Authority shall consider whether there has been a significant

price undercutting by the dumped imports as compared with the price of like product in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increase which otherwise would have occurred to a significant degree.”

92. The impact of dumped imports on the prices of the domestic industry has been examined with reference to the price undercutting, price underselling, price suppression and price depression, if any.

Price Undercutting

93. In order to determine whether the imports are undercutting the prices of the domestic industry in the market, the Authority has compared landed price of imports with net sales realization of the domestic industry. In this regard, a comparison has been made between the landed value of the product from each of 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. This comparison shows that during the period of investigation, the subject goods originating in the subject countries were imported into the Indian market at prices which were materially lower than the selling prices of the domestic industry. The table below shows the level of price undercutting from each of the subject countries:

Bangladesh- Hessian Fabric					
Price undercutting		2011-12	2012-13	2013-14	POI
Selling price	Rs./MT	****	****	****	****
Trend	Index	100	102	108	114
Landed Value	Rs./MT	43715	61640	50130	44097
Price undercutting	Rs./MT	****	****	****	****
Trend	Index	100	18	93	138
Price undercutting %	%	****	****	****	****
Trend	Range	30-40	5-15	20-30	30-40

Bangladesh- Sacking Bag					
Price undercutting		2011-12	2012-13	2013-14	POI
Selling price	Rs. /MT	****	****	****	****

Trend	Index	100	100	93	91
Landed Value	Rs. /MT	48078	51580	49118	50380
Trend	Index	100	107	102	105
Price undercutting	Rs. /MT	****	****	****	(***)
Trend	Index	100	44	27	-6
Price undercutting %	%	****	****	****	(***)
Price undercutting	Range	10-20	5-10	2-12	(0-10)

Bangladesh-Jute Yarn					
Price undercutting		2011-12	2012-13	2013-14	POI
Selling price	Rs. /MT	****	****	****	****
Trend	Index	100	106	110	126
Landed Value	Rs. /MT	38144	40000	42378	43463
Trend	Index	100	105	111	114
Price undercutting	Rs. /MT	****	****	****	****
Trend	Index	100	110	104	182
Price undercutting %	%	****	****	****	****
Price undercutting	Range	10-20	10-20	10-20	15-25

Nepal –Hessian Fabric					
Price undercutting		2011-12	2012-13	2013-14	POI
Selling price	Rs. /MT	****	****	****	****
Trend	Index	100	102	108	114
Landed Value	Rs. /MT	59113	93639	59463	64162
Trend	Index	100	158	101	109
Price undercutting	Rs. /MT	****	****	****	****
Trend	Index	100	-560	193	182
Price undercutting %	%	****	(***)	****	****
Price undercutting	Range	10-20	(30-40)	10-20	15-25

Nepal –Sacking Bag					
Price Undercutting		2011-12	2012-13	2013-14	POI
Selling price	Rs. /MT	****	****	****	****
Trend	Index	100	100	93	91
Landed Value	Rs. /MT	47391	55411	47932	51574
Trend	Index	100	117	101	109
Price undercutting	Rs. /MT	****	****	****	****
Trend	Index	100	-13	41	-22

Price undercutting %	%	****	(***)	****	(***)
Price undercutting	Range	10-20	(1-10)	10-20	(1-10)

Nepal -Jute Yarn					
Price Undercutting		2011-12	2012-13	2013-14	POI
Selling price	Rs. /MT	****	****	****	****
Trend	Index	100	106	110	126
Landed Value	Rs. /MT	34,454	35,070	39,881	44,899
Trend	Index	100	102	116	130
Price undercutting	Rs. /MT	****	****	****	****
Trend	Index	100	117	92	114
Price undercutting %	%	****	****	****	****
Price undercutting	Range	20-30	20-30	20-30	20-30

Price Underselling

94. The Authority has also examined price underselling suffered by the domestic industry on account of dumped imports from the subject countries. For this purpose, the cost of sales determined for the domestic industry has been compared with the landed price of imports. The landed price of imports considered for the purpose of price undercutting has also been adopted for the purpose of determining price underselling. Comparison of weighted average cost of sales of the domestic industry with weighted average landed price of imports shows as follows:

Hessian Fabric- Bangladesh					
Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	99	111	118
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	102	108	114
Landed value	Rs./ MT	43715	61640	50130	44097
Trend	Index	100	141	115	101
Sacking Bag- Bangladesh					
Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	110	115	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	100	93	91

Landed value	Rs./ MT	48078	51580	49118	50380
Trend	Index	100	107	102	105
Jute yarn- Bangladesh					
Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	104	110	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	106	110	126
Landed value	Rs./ MT	38,144	40,000	42,378	43,463
Trend	Index	100	105	111	114
Hessian Fabric –Nepal					
Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	99	111	118
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	102	108	114
Landed value	Rs./ MT	59,113	93,639	59,463	64,162
Trend	Index	100	158	101	109
Sacking- Bag Nepal					
Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	110	115	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	100	93	91
Landed value	Rs./ MT	47,391	55,411	47,932	51,574
Trend	Index	100	117	101	109
Jute yarn- Nepal					
Particulars	Unit	2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	104	110	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	106	110	126
Landed value	Rs./ MT	34,454	35,070	39,881	44,899
Trend	Index	100	102	116	130

Price Suppression and Depression & Undercutting

95. In order to determine whether the dumped imports are depressing the domestic prices or whether the effect of such imports is to suppress prices to a significant degree and prevent price increases which otherwise would have occurred to a significant degree, the Authority considered the changes in the costs and prices over the injury period. The position is shown as per the Table below. It is seen that whereas both the cost of production and selling price increased over the period, the increase in the cost of production was more than the increase in selling price. The imports were thus suppressing the prices of the domestic industry in the market.

Hessian Fabric

<u>Hessian Fabric –Total</u>					
Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	99	111	118
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	102	108	114
Landed Value	Rs./ MT	43715	61640	50130	45160
Trend	Index	100	141	115	103
Sacking Bag –Total					
Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	110	115	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	101	104	113
Landed Value	Rs./ MT	48078	51580	49118	50380
Trend	Index	100	107	102	105
Price Suppression and Depression (open Market) –Sacking bag –Bangladesh					
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	110	115	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	100	93	91
Landed Value	Rs./ MT	48,078	51,580	49,118	50,380
Trend	Index	100	107	102	105

<u>Price Suppression and Depression & Undercutting - (Jute yarn) Bangladesh</u>					
Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	104	110	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	106	110	126
Landed value	Rs./ MT	38,144	40,000	42,378	43,463
Trend	Index	100	105	111	114
<u>Price Suppression and Depression & Undercutting (Hessian Fabric) Nepal</u>					
Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	99	111	118
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	102	108	114
Landed Value	Rs./ MT	59,113	93,639	59,463	64,162
Trend	Index	100	158	101	109
<u>Price Suppression and Depression & Undercutting (Sacking Bag Open Market) Nepal</u>					
Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	110	115	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	100	93	91
Landed Value	Rs./ MT	47,391	55,411	47,932	51,574
Trend	Index	100	117	101	109
<u>Price Suppression and Depression & Undercutting (Jute yarn) Nepal</u>					
Particulars	Unit	2011-12	2012-13	2013-14	2014-15
Cost of Sales	Rs./ MT	****	****	****	****
Trend	Index	100	104	110	122
Selling Price	Rs./ MT	****	****	****	****
Trend	Index	100	106	110	126
Landed value	Rs./ MT	34,454	35,070	39,881	44,899
Trend	Index	100	102	116	130

Injury Margin in POI

Bangladesh	Landed Value	NIP	Injury Margin	Injury Margin
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Injury Margin	\$/MT	\$/MT	\$/MT	%
Jute Yarn/Twine	*****	*****	*****	25 - 35
Sacking Bags	*****	*****	*****	0 - 10
Hessian Fabric	*****	*****	*****	45 - 55

Nepal	Landed Value	NIP	Injury Margin	Injury Margin
Injury Margin	\$/MT	\$/MT	\$/MT	%
Jute Yarn/Twine	*****	*****	*****	20 - 30
Sacking Bags	*****	*****	*****	0 - 10
Hessian Fabric	*****	*****	*****	0 - 10

Conclusion on Volume and Price Effect of Imports

96. There has been a significant increase in dumped imports over the injury period in absolute terms and in relation to production and consumption in India. Imports undercut the prices of the domestic industry. The price undercutting was resulting in price suppression. Whereas both the cost of production and selling price increased over the period, the increase in the cost of production was more than the increase in selling price. The imports were thus suppressing the prices of the domestic industry in the market, thus leading to deterioration in profits.

Impact on Economic Parameters of the Domestic Industry

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

employment, wages, growth and the ability to raise capital investments. An examination of performance of the domestic industry reveals that the domestic industry has suffered material injury. The various injury parameters relating to the domestic industry are discussed below.

Capacity, Production, Capacity Utilization and Sales

98. The performance of the domestic industry with regard to production, domestic sales, capacity & capacity utilization is as follows:

Particulars	Unit	2011-12	2012-13	2013-14	POI
Capacity-Plant	MT	8,37,872	8,48,613	8,77,962	8,95411
Indexed		100	107	112	112
Production-Plant	MT	6,32,756	6,33,803	6,35,169	5,23,458
Indexed		100	102	104	86
Production-PUC	MT	601774	628289	608154	514985
Capacity Utilization	%	76%	75%	72%	58%
Sales volume total	MT	5,65,672	5,94,741	5,81,366	4,90,711
Sales volume open market	MT	2,51,873	2,12,879	2,30,405	1,91,400

99. It is seen that

- a. The production of the domestic industry declined sharply in the POI.
- b. As a result of decline in production, the capacity utilization of the domestic industry declined substantially in the POI.
- c. The sales of the domestic industry have considerably declined over the injury period. Further, since the domestic industry has sold the product under consideration both in open market as well as in Govt. procurement, and further since the imports of the product under consideration have not been made directly for Govt. procurement, the sales volumes of the domestic industry have been separately examined for open market. It is seen that there was significant decline in the sales volumes of the domestic industry in the open market.

100. It is noted that the performance of the domestic industry deteriorated in respect of production, sales and capacity utilization.

Profits, Return on Capital Employed and Cash Profit –Total

101. The cost of sales, selling price, profit/loss, cash profits and return on investment of the domestic industry has been analyzed as follows:

Domestic Operations		2011-12	2012-13	2013-14	POI
Cost of Sales	Rs./ MT	****	****	****	****
Selling Price	Rs./ MT	****	****	****	****
Profit/ (Loss) per unit	Rs./ MT	***	(****)	(****)	(****)
Profit/ (Loss) – Total	Rs. Lacs	***	(****)	(****)	(****)
Cash Profit	Rs. Lacs	****	****	(****)	****
Profit before Interest and Tax	Rs. Lacs	****	****	(****)	****
Return on Investment	%	****	****	(****)	****

102. The Authority notes that:

- a. Both, the cost of sales and the selling price, increased over the injury period.
- b. The increase in selling price was lower than the increase in cost, thus, leading to decline in profitability as compared to the base year.
- c. The domestic industry was earning profits during 2011-12. The profitability however deteriorated thereafter.
- d. Return on investment over the injury period has shown the same trend as that of profits. Return on investment decreased till 2013-14 and then became marginally positive in POI.
- e. Cash profits have also shown the same trend cash profits decreased till 2013-14 and then became positive in POI.

Market Share

103. The effects of the dumped imports on the market share in demand of the domestic industry have been examined as below:

Particulars	Unit	2011-12	2012-13	2013-14	POI
Domestic Industry	%	39.49	40.06	40.24	33.30
Subject countries-Imports	%	8.80	11.86	9.50	11.35
Other domestic producers	%	51.70	47.93	50.18	55.34

104. It is seen from the above table that the market share of the domestic industry has declined and that of the subject countries has increased as compared to base year. The market share of the domestic producers as a whole has increased.

Employment, Wages and Productivity

105. The position with regard to employment, wages and productivity is as follows:

Particulars	Unit	2011-12	2012-13	2013-14	POI
No. of Employees	Nos.	*****	*****	*****	*****
Indexed		100	109	116	111
Wages	Rs. Lacs	*****	*****	*****	*****
Indexed		100	106	122	112
Wages / Unit	Rs./ MT	*****	*****	*****	*****
Indexed		100	109	119	136
Productivity per employee	MT	***	***	***	***
Productivity per day	MT	***	***	***	***

106. It is noted that employment with the industry declined in period of investigation as compared to 2013 - 14. Wages paid have increased over the injury period. Productivity per day have declined in period of investigation as compare to base year.

Inventory

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

Particulars	Unit	2011-12	2012-13	2013-14	POI
Opening Stocks	MT	***	***	***	***
Closing Stocks	MT	***	***	***	***
Average Stocks	MT	30,484	26,145	29,786	32,290
Indexed		100	86	98	106

108. It is seen that inventories with the domestic industry increased significantly.

Magnitude of Dumping

109. It is noted that imports from each of the subject countries are entering the country at dumped prices and that the margin of dumping are above de-minimus limits.

Ability to raise capital investment

110. The Authority notes that given declining demand of the product in the country, there are no further investments in the industry. Further, current investments itself are not performing well and the domestic industry is suffering negative return on investment.

Growth

111. The data relating to growth of the domestic industry is shown in the following table:

Growth	Unit	2011-12	2012-13	2013-14	POI
Production	Y/Y		4%	-3%	-15%
Domestic Sales	Y/Y		5%	-2%	-16%
Cost of sales	Y/Y		7%	6%	8%
Selling price	Y/Y		2%	4%	9%
Profit/Loss	Y/Y		-116%	-321%	-41%
ROI	Y/Y		-15.14%	-5.74%	5.90%
Cash Profit	Y/Y		-93%	-514%	-103%

112. The Authority notes that growth of the domestic industry was adverse both in terms of volume and price parameters. Growth with regard to sales, production, profits, return on investments and cash flow was negative during the entire period of injury.

Factors affecting Domestic Prices

113. The examination of the import prices from the subject countries, change in the cost structure, competition in the domestic market, factors other than dumped imports that might be affecting the prices of the domestic industry in the domestic market shows that the landed value of imported material from the subject countries is below the selling price and the non-injurious price of the domestic industry, causing price undercutting as well as price underselling in the Indian market. The authority notes that the prices of the product under consideration in general should move in tandem with the prices of key raw materials and the domestic industry has been fixing its prices considering these input prices and landed price of imports.

114. The injury margin determined for subject countries, during POI as follows:

SN	Sampled Producer/Exporter	PUC	NIP	Landed price	Injury margin		
					Amount	%	Range
			(\$/MT)	(\$/MT)	(\$/MT)		%
BANGLADESH							
1	Pride Jute Mill	Jute Yarn/Twine	***	***	***	***	40 – 50
2	Asha Jute Industries Ltd.	Jute Yarn/Twine	***	***	***	***	30 – 40
3	Sonali Ansh Industries Ltd	Jute Yarn/Twine	***	***	***	***	40 – 50
4	Alijan Jute Mills Ltd.	Jute Yarn/Twine	***	***	***	***	40 – 50
5	Sharif Jute Mills Ltd.	Jute Yarn/Twine	***	***	***	***	30 – 40
6	Anwar Jute Spinning Mills Ltd	Jute Yarn/Twine	***	***	***	***	20 – 30
7	Hasan Jute Mills Ltd.	Jute Yarn/Twine	***	***	***	***	35 – 45
		Sacking Bags	***	***	***	***	15 – 25
8	Janata Jute Mills Ltd	Jute Yarn/Twine	***	***	***	***	0 – 10
		Hessian Fabric	***	***	***	***	-40 to – 50
9	Sidlaw Textiles Ltd	Jute Yarn/Twine	***	***	***	***	5 – 15
		Sacking Bags	***	***	***	***	10 – 20
10	Sagar Jute Spinning Mills Ltd	Jute Yarn/Twine	***	***	***	***	20-30
11	Non Sampled Producer/ exporters	Jute Yarn/Twine	***	***	***	***	20 - 30
		Sacking Bags				***	10 – 20
		Hessian Fabric	***	***	***	***	40 – 50
12	Residual	Jute Yarn/Twine	***	***	***	***	30 – 40

	Producer/Exporter						
		Sacking Bags	***	***	***	***	10 – 20
		Hessian Fabric	***	***	***	***	40 - 50
NEPAL							
1	Arihant Multi-Fibres Ltd	Yarn	***	***	***	***	30-40
		Hessian	***	***	***	***	5-15
		Sacking Bags	***	***	***	***	-0 to -10
2	Shree Raghupati Jute Mills Ltd.	Yarn	***	***	***	***	25 - 35
		Hessian	***	***	***	***	0 - 10
		Sacking Bags	***	***	***	***	0 - 10
3	Swastik Jute Mills Pvt. Ltd	Yarn	***	***	***	***	40 - 50
		Hessian	***	***	***	***	5 - 15
		Sacking Bags	***	***	***	***	0 - 10
4	BABA Jute Mills Pvt. Ltd.	Yarn	***	***	***	***	15 - 25
		Hessian	***	***	***	***	5 – 15
		Sacking Bags	***	***	***	***	0 - 10
5	Residual Producers/Exporters	Yarn	***	***	***	***	40 - 50
		Hessian	***	***	***	***	10 – 20
		Sacking Bags	***	***	***	***	0 – 10

115. The Authority holds that the dumped imports from subject countries have led to both volume and price effect on the domestic Industry. There has been price suppression and undercutting leading to adverse impact on profit ability.

Causal link

116. The Authority has examined other factors listed under the Antidumping Rules which could have contributed to injury to the domestic industry for examination of causal link between dumping and material injury to the domestic industry.

Imports from third countries

117. The Authority has examined import data of the subject goods obtained from DGCI&S on transaction-wise basis. It is noted that imports from third countries are negligible and could not have caused claimed injury to the domestic industry.

Contraction in demand

118. The Authority notes that the demand for the subject goods has shown some decline over injury period. However, whereas demand for the product under consideration has declined, imports from subject countries have increased.

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

119. The Authority notes that there is no trade restrictive practice which could have contributed to the injury to the domestic industry.

Developments in technology

120. The Authority notes that the existing technology and process adopted by the domestic industry is comparable with foreign producers as regards production of the final product.

Changes in pattern of consumption

121. The domestic industry is producing the subject goods that have been imported into India. Possible changes in pattern of consumption are not a factor that could have caused claimed injury to the domestic industry.

Export performance

122. Domestic industry does not have significant exports of the product under consideration. In any case, the authority has considered only domestic operations. Thus, the information relating to the domestic industry considered for the injury examination is on account of domestic operations only.

Performance of the domestic industry with respect to other products

123. The Authority notes that the performance of other products being produced and sold by the domestic industry has not affected the assessment made by the Authority of the domestic

industry's performance. The information considered by the Authority is with respect to the product under consideration only.

Productivity of the domestic industry

124. The Authority notes that the productivity of the domestic industry has followed the same trend as production. Deterioration in productivity is not a cause of injury to the domestic industry.

Factors establishing causal link

125. Analysis of the performance of the domestic industry over the injury period shows that the performance of the domestic industry has deteriorated due to dumped imports from subject countries. Causal link between dumped imports and the injury to the domestic industry is established on the following grounds:

- a. The volume of imports has increased significantly in absolute terms and in relation to production and consumption in India.
- b. The imports were undercutting the domestic prices. Whereas the cost of production and selling price of the domestic industry increased over the injury period, the increase in selling price was lower than the increase in cost of production. Thus, the imports were suppressing the prices of the domestic industry in the market.
- c. The imports of the product under consideration are causing price suppression and are preventing the domestic industry from raising the prices. Consequently, profits, cash flow and ROI has declined.
- d. Imports of the product under consideration increased significantly. Resultantly, the production, sales volumes, capacity utilization and market share of the domestic industry has suffered.
- e. The growth of the domestic industry became negative in terms of a number of price and volume related economic parameters.
- f. The Authority has determined non-injurious price for the domestic industry. For the purpose the Authority has considered best consumption norms of the raw materials & utilization. The Authority has segregated and excluded injury suffered by the domestic industry due to other

factors, in accordance the provisions of Annexure-III to the Rules.

126. **Post disclosure Comments**

(a) **Views of the exporters/subject countries**

- i. **The Government of Bangladesh** has mentioned that as per Article 4(1)(i) of the Agreement on Implementation of Article VI of the General Agreement on Tariff and Trade 1994 and Rule 2(b) of the Anti-dumping Rules of India “when producers are related to the exporter or importers of are themselves importers of the allegedly dumped product, the term ‘domestic industry’ may be interpreted as referring to the rest of the producers.” The Designated Authority has mentioned in paragraph 38 € of the said Disclosure Statement that during POI 3 petitioner companies viz. Kamarhatty Co. Ltd. Ludlow Jute and Specialties Ltd. and Cheviot Co. Ltd. have imported Jute Yarn from Bangladesh Therefore, these 3 petitioner companies should be excluded from the list of companies forming the domestic industry.
- ii. The comparison made by Designated Authority for Dumping Margin is violation of Para 6(i) of Annexure-1 of Anti-dumping Rules. Designated Authority must make comparison of Export price and Normal Value at the same level, normally at the ex-factory level. In this regards it has been noted that Designated Authority has worked out Normal Value by adding 5% profit of the weighted average cost of production for the product under consideration (PUC) export to India on gross basis whereas the Export Price has been worked out on ex-factory basis. This is inconsistent with Article 2.4 of the WTO Anti-dumping Agreement. As per the Disclosure Statement, to arrive at the Dumping Margin, the Designated Authority has not made comparison between Normal Value and Export Price on same level of trade. It is requested that the Designated Authority must made necessary amendments in its workings at Final Findings by making comparison at the same level.
- iii. There is no direct link between import of jute products from Bangladesh and profit loss incurred by Indian Jute Industry. After the POI the import from Bangladesh has increased gradually but the Indian Jute Industry has not incurred any loss in last 2 years. The authority shall consider the profitability of Indian Jute mills in last 2 years despite increasing imports.
- iv. **M/s World Trade Consultants & Advocates (WTC)** on behalf of Pride Jute Mill Ltd., Bangladesh, Asha Jute Industries Ltd., Bangladesh, Sonali Ansh Industries Ltd., Bangladesh, Alijan Jute Mills Ltd., Bangladesh, Sharif Jute Mills Ltd., Bangladesh,

Anwar Jute Spinning Mills Ltd., Bangladesh, Hasan Jute Mills Ltd., Bangladesh, Janata Jute Mills Ltd., Bangladesh, Sidlaw Textiles Ltd., Bangladesh, Sagar Jute Spinning Mills Ltd., Bangladesh have submitted that for arriving at the dumping margin for the above mentioned 10 producers/exporters, the Designated authority has calculated the Export Price and Normal Values and the methodology to arrive at the same has been explained in para 71 of the said Disclosure Statement.

- v. In the said para the authority has explained that in respect of 10 sampled exporters the export price has been worked out on ex-factory basis after deducting Packing cost, Inland Freight, Handling Charges, Credit Cost and Bank charges (wherever applicable to the concerned exporter. The Normal Value has been based on weighted average cost of production plus 5% profit of respective exporter. The confidential version of Disclosure Statement clearly shows that the Designated Authority has adopted gross cost of production of product under consideration (PUC) and added 5% profit. The same has been compared with ex-factory export price after making adjustments for (Packing, Inland Freight, Handling, Credit cost and Bank Charges). Such a comparison made by Hon'ble Designated Authority is violation of Para 6(i) of Annexure-1 of Anti-Dumping Rules.
- vi. The Authority must make comparison of Export price and Normal Value at the same level, normally at the ex-factory level. In this regards in has submitted that Authority has worked out Normal Value by adding 5% profit the weighted average cost of production of the product under consideration (PUC) exports to India on gross basis whereas the Export Price has been worked out on ex-factory basis. This is inconsistent with Article 2.4 of the WTO Agreement. As per the Disclosure Statement, to arrive at the Dumping Margin, the DA has not made comparison between Normal Value and Export Price on same level of trade. It is requested that the DA must made necessary amendments in its workings at Final Findings stage by making comparison at same level.
- vii. In order to encourage exports and support the producers, Government of Bangladesh provides cash subsidy on exports of Jute Products @7.5% for Yarn/Twine & 10% Sacking Bags. The impact of cash subsidy has been duly recognized in the profit/loss of the companies in their audited reports as part of income. This issue was discussed and explained in detail during the course of verification and relevant supporting data/information was provided to the verification team. The Disclosure Statement has not considered the impact of subsidy neither in cost nor in arriving at ex-factory export price. Subsidy can either be considered as part of cost and accordingly cost may be adjusted to account for subsidy or else the Hon'ble Designated Authority may add subsidy as part of export price to arrive at ex-factory export price. The Anti-dumping investigation is not a CVD (Anti-Subsidy investigation) investigation, hence non consideration of impact of subsidy in cost or export price is clear violation of DGAD practices and WTO agreement. In the past the Authority has never ignored the impact of subsidy in calculating ex-factory export price.

- viii. The above two issues may be addressed while working out the dumping margins for participating samples exporters and revised Disclosure Statement be issued so that we may be able to file our comments on the same.
- ix. Through letter dated 17/10/2016, **M/s Sagar Jute Spinning Mills Ltd.** Bangladesh have submitted revised appendix 5, 6, 7, 8, 8A, 8B requesting to accept the same.
- x. **M/s Ahyan Jute Mills Limited**, Bangladesh have mentioned that they have filed response through their advocate but they are not in the list of interested parties.
- xi. **The producers/exporters of Nepal** have stated that the Authority has erroneously evaluated Dumping Margin as adjustments made for evaluating ex-factory Export Price are also included in the weighted average cost of production. The Dumping Margin after correction would become de minimis; and investigation be terminated. The profit of % taken over weighted average cost of production is improper and not reasonable which should be as per actual data in terms of para 4 to Annexure I of AD Rules.
- xii. NIP has been computed erroneously and has been kept confidential and therefore no comments can be made. At a marginal level of Imports of 5.8%, 5.72% and 2.64% of Yarn/Twine, Hessian Cloth and Sacking Bag respectively no injury is likely to the Domestic Industry. Further Yarn/Twine dumping was never alleged by Indian Jute Mills Association, still it has been included in initiation. Submissions to exclude were made earlier by the producer/exporter of Nepal. Majority of the petitioning companies have imported and therefore they cannot be part of Domestic Industry.
- xiii. Nepal Jute Industry is already suffering due to electricity outrages and strikes and imposition of ADD will ruin the Jute industry of Nepal.

(b) Submissions by the Importers/Users/User Associations

- i. M/s LKS on behalf of Jute Products Importers Association have submitted that the Authority must re-define the PUC as PUCs cannot contain both a raw material and products higher in the value chain at the same time.
- ii. Standing based on production and import figures, particularly of Ludlow, Kamath, Budge Budge, Bally, Gloster and RDB among others must be reassessed. There is no difference between 'directly importing' and 'indirectly importing' as is being posed in the disclosure statement.
- iii. 42.78% share of production firstly does not constitute a major proportion and secondly is a share representative of all three categories of products taken together, which is inappropriate as share should be determined for all three product categories separately.
- iv. Petitioner has resorted to cherry picking of companies based on performance. Further supporting companies should not be considered while determining major proportion of production.

- v. Not providing transaction wise relied upon import statistics in raw and sorted form to the interested parties; the standard weight used for conversion of other units of measurements into weight; and the basis of sorting the data is against the judgment of Hon'ble Delhi High Court in Sandisk Corporation where it was held that it is obligatory for Designated Authority to share all material with interested parties.
- vi. Rate of return should be based on a historical rate and the Authority must clarify as to how the same has been arrived at.
- vii. The domestic industry is unable to prove its claim that it can meet entire demand of India.
- viii. There is hardly any increase in imports in relation to the Indian demand.
- ix. Price suppression is self-inflicted in case of open market and non-existent in case of Jute Yarn. In relation to sacking bags from Bangladesh price suppression has been assessed for both total and open market but not in case of Nepal. This should be resolved.
- x. Authority should disclose the indexed figures of assessment of economic parameters and allow respondents to comment on the same.
- xi. The volume of imports is in tandem with the industry's demand.
- xii. Imports hold a very small market share and are incapable of having a negative impact on the domestic producers.
- xiii. Inter se competition between the domestic producers and domestic industry is also a cause of injury which has not been taken into consideration by Authority.
- xiv. Injury to the domestic producers is on account of other factors like sales to the Government, alleged corruption and rise in wages, all of which has not been adequately addressed and explained by the Authority.
- xv. The mere presence of Government in the market procuring such high quantities distorts the market and sets the price for merchant market operations.

- xvi. M/s Meghraj Madanlal Gattani has submitted that as per point 33 sub point (d) of the disclosure, nineteen companies that have shut down as on 11th June, 2015 but jute Industries had misguided the Authority because from that date till year end we had purchased Jute products from many mills shown as closed down. Purchase bills are evidenced.
- xvii. None of Jute Industries in India manufacture Jute Twine in multiple folds (28 LBS X 3 PLY). Some Jute Industries producing Jute Twine in multiple folds from 8 LBS to 20 LBS only, and also Jute Twine in multiple folds (28 LBS X 3 PLY) is not manufactured in Nepal. So, we have to purchase from Bangladesh Jute Industries only.
- xviii. The Jute Industries of India be binded to produce Jute Twine in multiple folds (28 LBS X 3 PLY) one third (1/3) of their annual capacity. Or requested not to impose Anti-Dumping Duty especially on Jute Twine in multiple folds (mainly 28 LBS X 3 PLY).
- xix. If Anti-Dumping Duty is levied on Jute Twine in multiple folds (28 LBS X 3 PLY) then it will create havoc in the market, 80% is used by farmers for good grains bag packaging,

vegetables packaging, etc., it will harm the Traders badly and increase the use of Non Environment Friendly i.e. Plastic Twine/Yarn.

(c) **Submissions by the domestic industry**

- i. The disclosure statement establishes that the Jute products constitute appropriate product under consideration and should be treated as one article under the AD Rules. Designated Authority has however proposed to treat them as three different articles.
- ii. The product under consideration is Jute Products which comprises of Jute Yarn/twine ((multiple folded/cabled and single), Hessian Fabrics and Jute Sacking bags. The Authority has rightly noted that although at the time of initiation classification was considered under Chapter 53 and 63 of the 1975 Act, further sub-classified under custom heads 5307, 5310 and 6305.
- iii. Classification under Custom Heading 5607 has also been observed to include imports of yarn/twine from Nepal. Custom heading no. 5607, covers Twine, Cordage, Ropes and Cables whether or not Plaited or Braided and whether or not impregnated, coated, covered or sheathed with rubber and plastics. Therefore, even if this custom classification was not included expressly at the time of initiation, it can certainly form part of the present investigation. The authority had clearly stated that the customs classification is merely indicative and product description prevails.
- iv. It appears that the Designated Authority has proposed to treat yarn, fabric and bag as three different articles. If so, Petitioners submit that the same will not be appropriate. Yarn, fabric and bag constitute one article within the meaning of law and practice. This is clearly established by the jurisprudence applied by the Designated Authority. In various antidumping cases PUC included a number of different types of products, wherein one product type was raw material for another product type included within the scope of the product under consideration. These include Persulphates, Solar Cells, Glass Fiber, Caustic Soda, HR Steel Flat Products, Seamless Pipes and Tubes, Polyester Film, and Phosphoric Acid.
- v. As regards the unit of measurement the Authority has rightly noted that in the letter sent to the interested parties it was mentioned that the unit of measurement in the present investigation is in weight. In case the information is supplied in numbers as a unit of measurement, it should be converted into equivalent weight. The approach of common denomination in kg/MT facilitates evaluation of price and appropriate comparison for all product types. Therefore, the unit of measurement i.e. MT adopted is appropriate. The Jute products produced in India and that exported from Bangladesh and Nepal constitute like products.
- vi. The Authority has included the injury information of M/s East India Commercial Co. Ltd and M/s Gondapara Jute Mills in the present investigation. Share of companies who

provided costing & injury information now constitute 42%, which is clearly a major proportion and satisfies the standing requirement in the present case. As regards Rule 2(b), Petitioners submit that only imports made between April, 2014 to March, 2015 are relevant for deciding eligibility under Rule 2(b). Further, imports made by the petitioning companies directly or through related entities alone are relevant under Rule 2(b). Any imports made by the petitioner companies are either minimal in the POI or outside the POI. Therefore, the Authority has rightly not excluded any petitioner companies from the scope of the domestic industry. There is no evidence on record to prove that the domestic industry has cherry picked the petitioner companies.

- vii. While considering the share of petitioning companies in Indian production, the authority may kindly consider the peculiar facts of the present case. There are a very large number of producers of the product under consideration in India. Individual production of each company is quite small. Thus, petition has been made by those producers whose individual production is quite significant having regard to individual company production. Under the present circumstances, the share of those companies who provided injury information should nevertheless be considered as "significant".
- viii. The Designated Authority has conducted onsite verification at the premises of foreign producers/exporters. Petitioner requests a copy of various communications sent to the exporters, replies filed by the responding exporters and verification report issued to the exporters. If there is any information which is confidential, petitioner requests only a non-confidential summary. Petitioner is not requesting confidential information. Petitioner is requesting only NCV of these information.
- ix. With regard to MS Excel format, DGCI&S data has been placed in the public file. Further the petitioner stresses that Petitioner is not obliged to provide data in excel files. The Authority has noted that even when the method of sorting data was provided by the petitioner in the written submissions the respondents did not offer any comments on the same.
- x. With regard to argument of excessive protection to domestic industry, it is submitted that antidumping duty is only to ensure a level playing field and should not be perceived as protection per se. As regards the accounting system of Bangladesh, Petitioner reiterates that the accounting system of Bangladesh is appropriately well developed and comparable to that of India. Therefore, it cannot be accepted that exporters cannot provide proper accounting data. The petitioners submit that there is no violation of the constructive remedies provided in SAFTA. The exporters have not come out with any other remedy.
- xi. The petitioner reiterates that financial data furnished by exporters does not refer to the POI consistently as the exporters' accounting year is 16th July to 15th July (Nepal) and 1st July to 30th June. Financial statements have been constructed by doing some 'minus' and 'plus' and not by following accounting principles.
- xii. The domestic industry notes that the methodology adopted for determination of normal value. While the amount of normal value determined is not known to the domestic

industry, it is noted that the quantum of dumping margin determined is positive and significant. A statement comparing the dumping margin determined in the petition and in the disclosure statement. It is seen that the dumping margin determined in some of the cases are quite low. Further, few dumping margins determined are de-minimus. Petitioners request the authority to kindly review these dumping margins. Petitioners had determined significantly high dumping margin in the petition, which was already on conservative basis. Petitioners however find that the dumping margins claimed by some of the exporters are quite low. Considering the price at which the material was supplied during the relevant period, it is not possible that the dumping margin would be so low. It appears that the information provided by the exporters is unreliable. Possibility of claiming significantly high export price is not ruled out. It is also seen from the disclosure statement that only a few companies have supplied fabric, while only one company has supplied bags. Petitioners are unclear whether these companies have actually reported completely and comprehensively their exports to India. The petitioners therefore request the authority to kindly re-verify the dumping margins claimed by the responding exporters.

- xiii. The increased share of imports is due to adverse market situation in Bangladesh. In case of Bangladesh two press reports of 8th March 2015 and 11th July, 2016 clearly show that due to adverse market conditions in Bangladesh and lack of global demand, heavy exports are being made to countries like India. These reports reveal liquidation of goods worth Rs. 300 crores in the Indian market and establish focused dumping by Bangladesh into India. Consumption in Nepal is extremely limited and the capacities have been set up only to target Indian market.
- xiv. The exporters' questionnaire response of Arihant Multi-Fibres shows various exemptions and subsidies received from the Government of Nepal. They enjoy substantial income tax rate exemption, electricity subsidies and income tax and VAT subsidies on imports of Store Spares of Jute Mill Machinery.
- xv. Even if injury is due to the lack or decline of demand in the Government procurement sector then it does not undermine the material injury being caused due to dumped imports. Even if there is a demand supply gap, that cannot be justify dumping in India. The imports from subject countries have increased and constitute more than 700 crores which amount to a substantial market share. Even if the substitution by synthetic bags is responsible for decline in demand, imports have taken away substantial portion of and increasing share of existing demand. If product prices could not be increased despite increase in cost, it must be concluded that imports are preventing price increases in the market.
- xvi. Cost advantages of Bangladesh do not justify dumping per se. Despite having cost advantages the Bangladesh Jute Mills are enjoying huge subsidies which are further fuelling the injury being suffered by the domestic industry. Government procurement is on order basis which the domestic industry is able to fulfill. There are substantial sales in the

- open market as far as sacking bags are concerned. The percentage of market share of imports from Nepal in the POI is 26% which is not insignificant.
- xvii. The non-injurious price determined is too low and grossly inadequate to protect the legitimate interests of the domestic industry. The Authority is required to consider actual raw material and utilities consumption. Consumption of raw materials over the years depends on a number of complex factors and is not a result of inefficiency of the domestic industry. In fact there was no deterioration in its efficiencies with regard to raw materials and utilities. It would be inappropriate to ignore actual production and adopt any other production basis for determination of non-injurious price. The Authority is required to determine actual cost of production and not a notional lower cost of production in order to determine a price which can't be compared with the import price in order to assess injury margin.
- xviii. The form of duty should serve the purpose for which anti-dumping duty is imposed and the duty should be imposed in a manner where it does not become futile. Combination form of duty is the most appropriate form of duty in the present case. Further, this combination duty should be a combination of (a) an ad-valorem duty and (b) a benchmark. Since there are three different products involved, imposing one fixed duty on the three forms would not be appropriate. Further, since there is possibility of absorption of duty, the petitioners request the authority to also specify a benchmark. The Authority is therefore requested to recommend combination form of duty wherein Authority may kindly specify an ad valorem amount which should be the minimum amount of duty. Further, in case comparison of import price with the benchmark shows a higher quantum of difference as compare to ad valorem, such high quantum should be charged as duty. The anti-dumping duty be expressed in US\$.

127. **Examination by Authority**

The Authority notes the submissions made by various interested parties on the Product under Consideration, Domestic Industry's standing, injury assessment, dumping margin evaluation and form of Anti-Dumping Duty, and holds as under;

- i. The PUC in initiation is considered as jute products comprising of Jute Yarn/ Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags from Bangladesh and Nepal. Though these product types are interrelated but are differentiated in terms of production and end usage with different custom headings. It is clarified that

the authority has treated the three products as different articles. The Authority has assessed the dumping margin and injury margin for the 3 product types separately and recommends levy of Anti-dumping measures separately for these 3 product types. As regards Jute Yarn from Nepal, the Authority notes that the same was not excluded from the PUC in initiation and having noted the quantum of imports through the exporter's questionnaire and confirmation of imports by DGCIS, has included the same for consideration of measures as per AD Rules. In this regard it is further reiterated that the investigation on dumping assessment has been done separately for the three product types taking into account volume and price of such goods as verified during the investigation.

- ii. As regards standing of the Domestic Industry, the Authority has stated the quantum of imports and their relative proportion in the disclosure and in the relevant foregoing paras. The Authority holds that the Rules confer a discretion onto the Designated Authority to treat a producer who is importing the product as eligible or not. The Authority has on basis of the facts of the case has considered it appropriate to consider these producers as eligible domestic industry under the rules.
- iii. Further the Authority holds that in the facts and circumstances of the present case, it would be appropriate to hold that the present constitution of the domestic producers constitute domestic industry within the meaning of the Rules. The Authority holds that the rules do not specify that the term domestic industry implies only domestic producers as a whole or those domestic producers whose share is beyond 50%. The Authority also holds that there is no evidence that the petitioner has resorted to cherry picking of companies, nor there is any evidence that remaining domestic producers are not suffering injury.
- iv. As regards submission on dumping margin made by M/s World Trade Consultants & Advocates on behalf of the sampled exporters from Bangladesh, by the cooperating producers/exporters of Nepal through their Advocate Shri Rakesh Sinha and Government of Bangladesh, the Authority as stated in foregoing paras has undertaken comparison of 'Normal Value' computed at cost of sales level with the gross export price to India and not at exfactory export price. The Authority has provided a reasonable return on the cost of production as per its consistent practice.
- v. As regards claim on adjustment on export subsidy by the producers/exporters of Bangladesh, the Authority holds that this adjustment is not specifically provided under

Article 2.4 of WTO provisions and that the Authority while reporting exfactory export price in the disclosure statement had categorically stated that all adjustments as admissible under Article 2.4 of WTO have only been considered.

- vi. As regards injury assessment the Authority has undertaken assessment on price and volume by segregating the sales of sacking bags to the government market.
- vii. The Authority noting the submission regarding exclusion of Yarn/Twine of 28/3 specification by an interested party and also its submission that since June 2015 the Mills reported as closed by Domestic Industry are supplying the subject goods, holds that it has carried out the Injury assessment for the POI (01.04.2014 to 31.03.2015) on both volume and price injury aspects. Further no grade of Yarn/Twine has been excluded from PUC as Domestic Industry has produced/has capability to produce all grades.
- viii. As regards return on capital employed used to determine NIP, the Authority has considered its consistent practice of adopting 22% return on capital employed to determine NIP. Further, the Authority has determined NIP as per Annexure-III to the Rules and therefore contentions of the petitioners with regard to low NIP are not accepted.
- ix. Some interested parties have contended that the industry cannot meet demand for the product in the Country. While demand-supply gap in the Country has not been considered as a relevant parameter by the Authority in several investigations, it is noted that the capacities for the product under consideration are in excess of demand for the product in the Country.
- x. Some interested parties have contended that there is hardly any increase in imports in relation to the Indian demand. The Authority notes that imports of the product under consideration have increased in relation to consumption in India. Further, since the imported product is not consumed in Government procurement, if share of imports in demand in India is examined after excluding Government procurement, it is seen that the said share has increased significantly from about 15% to about 28%.
- xi. As regards disclosure of injury data, the authority has disclosed actual or indexed data, considering confidentiality of information.
- xii. As regards post POI profitability of Domestic industry, the Authority holds that it has analyzed all injury parameters during POI and past injury period trend as per its consistent practice and injury period mentioned specifically in the initiation notification.

Also all computations on dumping margin and injury margin for recommending measures are based on the POI data.

- xiii. Regarding injury due to *inter se* competition amongst domestic producers the Authority holds that the Anti-dumping measures are endeavor to provide mitigation at best up to the injury margin (if the same is less than dumping margin), in which the NIP and landed value are not a phenomena of intense competition amongst domestic producers. Further no evidence has been brought to Authority's notice on any domestic producer triggering the price undercutting. It is also important to note that the price undercutting due to dumped imports from subject countries is positive.
- xiv. As regards form of duty, the Authority notes that fixed duty in US \$ form has been found to be appropriate and the Authority has recommended the same in this finding as well.
- xv. As regards providing the DGCIS data, the Authority holds that it has placed the same in public file.
- xvi. Noting that M/s Sagar Jute Spinning Mills Ltd. has provided the revised cost data through their letter dated 17.10.2016, the Authority has not considered the revised cost data as the same was not produced/made available during onsite verification.
- xvii. The Authority provided sufficient time to the producers/exporters of the subject countries to file response. The Authority notes the submissions by M/s Ahyar Jute Mills Ltd. and holds that it sampled the responses from Bangladesh on the basis of responses filed as per prescribed format and within the extended date. Any producer/exporter who filed response at a belated stage has been considered only in the residual category.

Indian Industry's Interest & other issues

128. The Authority notes the submissions of users and holds that the purpose of anti-dumping duties, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to re-establish a situation of open and fair competition in the India market, which is in the general interest of the country, Imposition of antidumping measures is not to restricts imports from the subject countries in any way, and to affect the availability of

the products to the consumers.

129. The Authority also holds that though in the event of imposition of anti-dumping duties the price level of product in India may be affected but fair competition in the Indian market will not be reduced by such anti-dumping measures. On the contrary, the anti-dumping measures may mitigate the unfair advantage gained by dumping practices, which would arrest the decline of the domestic industry and help maintain availability of wider choice to the consumers of subject goods. Consumers could still maintain two or more sources of supply.

Conclusions

130. Having examined the contention of various interested parties and on the basis of the analysis as above, the Authority concludes that:

- 0 There is dumping of product concerned from the subject countries.
- ii) Imports from subject countries are undercutting and suppressing the prices of the domestic industry.
- iii) Performance of domestic industry has deteriorated in the terms of profitability return on investments and cash flow.
- iv) Injury to domestic industry has been caused by dumped imports.

Recommendations

131. Having concluded as above the Authority considers it necessary to recommend following definitive Anti-dumping duty on imports of subject goods from the subject countries in the form and manner as described in the duty table given below.

132. The Authority recommends the imposition of Anti-dumping duty equal to lesser of the margin of dumping and margin of injury keeping in view the lesser duty rule. Accordingly the Anti-dumping duty equal to the amount indicated in Column 9 of the table below is recommended to be imposed by the Central Government on the imports of the subject goods originating in or exported from subject countries.

Duty Table

S. N	Heading/ Subheading	Description of Goods*	Specific ations	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	5307, 5310, 6305 and 5607	Jute Yarn/ Twine	In all forms and specific ations	Banglade sh	Bangladesh	Pride Jute Mill	Pride Jute Mill	104.16	US\$/MT
2.	-do-	Jute Yarn/ Twine	-do-	Banglade sh	Bangladesh	Asha Jute Industries Ltd	Asha Jute Industries Ltd	19.30	US\$/MT
3.	-do-	Jute Yarn/ Twine	-do-	Banglade sh	Bangladesh	Sonali Ansh Industries Ltd	Sonali Ansh Industries Ltd	20.35	US\$/MT
4.	-do-	Jute Yarn/ Twine	-do-	Banglade sh	Bangladesh	Alijan Jute Mills Ltd	Alijan Jute Mills Ltd	20.35	US\$/MT
5.	-do-	Jute Yarn/ Twine	-do-	Banglade sh	Bangladesh	Sharif Jute Mills Ltd	Sharif Jute Mills Ltd	152.85	US\$/MT
6.	-do-	Jute Yarn/ Twine	-do-	Banglade sh	Bangladesh	Anwar Jute Spinning Mills Ltd	Anwar Jute Spinning Mills Ltd	109.59	US\$/MT
7.	-do-	Jute Yarn/ Twine	-do-	Banglade sh	Bangladesh	Hasan Jute Mills Ltd	Hasan Jute Mills Ltd	Nil	US\$/MT
8.	-do-	Sacking Bags	-do-	Banglade sh	Bangladesh			Nil	US\$/MT
9.	-do-	Jute Yarn/ Twine	-do-	Banglade sh	Bangladesh	Janata Jute Mills Ltd	Janata Jute Mills Ltd	20.68	US\$/MT
10.	-do-	Hessian	-do-	Banglade	Bangladesh			Nil	US\$/MT

S. N	Heading/ Subheading	Description of Goods*	Specifications	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit
		Fabric		sh					
11.	-do-	Jute Yarn/ Twine	-do-	Bangladesh	Bangladesh	Sidlaw Textiles Ltd.	Sidlaw Textiles Ltd.	102.93	US\$/MT
12.	-do-	Sacking Bags	-do-	Bangladesh	Bangladesh			127.48	US\$/MT
13.	-do-	Jute Yarn/ Twine	-do-	Bangladesh	Bangladesh	Sagar Jute Spinning Mills Ltd	Sagar Jute Spinning Mills Ltd	102.93	US\$/MT
14.	-do-	Jute Yarn/ Twine	-do-	Bangladesh	Bangladesh	Non Sampled Producers/ exporters as per list **		97.19	US\$/MT
15.	-do-	Hessian Fabric	-do-	Bangladesh	Bangladesh	Non Sampled Producers/ exporters as per list **		351.72	US\$/MT
16.	-do-	Sacking Bags	-do-	Bangladesh	Bangladesh	Non Sampled Producers/ exporters as per list **		125.21	US\$/MT
17.	-do-	Jute Yarn/ Twine	-do-	Bangladesh	Bangladesh	Any combination other than mentioned in SN-1 to 16 above		162.45	US\$/MT
18.	-do-	Hessian Fabric	-do-	Bangladesh	Bangladesh	Any combination other than mentioned in SN-1 to 16 above		351.72	US\$/MT
19.	-do-	Sacking Bags	-do-	Bangladesh	Bangladesh	Any combination other than mentioned in SN-1 to 16 above		138.97	US\$/MT
20.	-do-	Jute Yarn/ Twine	-do-	Bangladesh	Any country other than those	Any	Any	162.45	US\$/MT

S. N	Heading/ Subheading	Description of Goods*	Specifications	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit
					subject to Anti-dumping duty				
21.	-do-	Hessian Fabric	-do-	Bangladesh	Any country other than those subject to Anti-dumping duty	Any	Any	351.72	US\$/MT
22.	-do-	Sacking Bags	-do-	Bangladesh	Any country other than those subject to Anti-dumping duty	Any	Any	138.97	US\$/MT
23.	-do-	Jute Yarn/ Twine	-do-	Any country other than those subject to Anti-dumping duty	Bangladesh	Any	Any	162.45	US\$/MT
24.	-do-	Hessian Fabric	-do-	Any country other than those	Bangladesh	Any	Any	351.72	US\$/MT

S. N	Heading/ Subheading	Description of Goods*	Specifications	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit
				subject to Anti-dumping duty					
25.	-do-	Sacking Bags	-do-	Any country other than those subject to Anti-dumping duty	Bangladesh	Any	Any	138.97	US\$/MT
26.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Arihant Multi-Fibres Ltd	Arihant Multi-Fibres Ltd	24.61	US\$/MT
27.	-do-	Sacking Bags	-do-	Nepal	Nepal			35.25	US\$/MT
28.	-do-	Hessian Fabric	-do-	Nepal	Nepal			Nil	US\$/MT
29.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Shree Raghupati Jute Mills Ltd	Shree Raghupati Jute Mills Ltd	24.61	US\$/MT
30.	-do-	Sacking Bags	-do-	Nepal	Nepal			35.25	US\$/MT
31.	-do-	Hessian Fabric	-do-	Nepal	Nepal			Nil	US\$/MT
32.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Swastik Jute Mills Pvt. Ltd	Swastik Jute Mills Pvt. Ltd	15.36	US\$/MT
33.	-do-	Hessian Fabric	-do-	Nepal	Nepal			8.18	US\$/MT

S. N	Heading/ Subheading	Description of Goods*	Specifications	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit
34.	-do-	Sacking Bags	-do-	Nepal	Nepal			34.20	US\$/MT
35.	-do-	Jute Yarn/ Twine	-do-	Nepal	Nepal	Baba Jute Mills Pvt. Ltd	Baba Jute Mills Pvt. Ltd	26.07	US\$/MT
36.	-do-	Sacking Bags	-do-	Nepal	Nepal			33.73	US\$/MT
37.	-do-	Hessian Fabric	-do-	Nepal	Nepal			6.30	US\$/MT
38.	-do-	Jute Yarn/ Twine	-do-	Nepal	Any country other than those subject to Anti-dumping duty	Any	Any	28.72	US\$/MT
39.	-do-	Hessian Fabric	-do-	Nepal	Any country other than those subject to Anti-dumping duty	Any	Any	8.18	US\$/MT
40.	-do-	Sacking Bags	-do-	Nepal	Any country other than those subject to Anti-dumping duty	Any	Any	38.90	US\$/MT

S. N	Heading/ Subheading	Description of Goods*	Specifications	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit
41.	-do-	Jute Yarn/ Twine	-do-	Any country other than those subject to Anti-dumping duty	Nepal	Any	Any	28.72	US\$/MT
42.	-do-	Hessian Fabric	-do-	Any country other than those subject to Anti-dumping duty	Nepal	Any	Any	8.18	US\$/MT
43.	-do-	Sacking Bags	-do-	Any country other than those subject to Anti-dumping duty	Nepal	Any	Any	38.90	US\$/MT

**“Jute Products” comprising of Jute Yarn/twine (multiple folded/cabled and single), Hessian Fabrics and Jute Sacking bags.

** List of non-sampled producers/exporters:

- (1) Rahman Jute Mills (Pvt.) Ltd.
- (2) Shamsher Jute Mills Ltd.
- (3) Golden Jute Industries Ltd.

- (4) Purabi Trading
- (5) Sonali Aansh Trading (Pvt.) Ltd.
- (6) Rajbari Jute Mills Ltd.
- (7) Nowapara Packaging Industries Ltd.
- (8) Nowapara Jute Mills Ltd.
- (9) Usha jute Spinners Ltd.
- (10) B.S. Jute Spinners Ltd. (BSJSL)
- (11) Madina Jute Industries Ltd.
- (12) Northern Jute Manufacturing Company Limited
- (13) Jute Spinners Ltd.
- (14) M/s Nawab Abdul Malek Jute Mills (BD) Ltd.

133. Landed value of imports for the purpose of this Notification shall be the assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act.

Further Procedure

134. An appeal against the order of the Central Government that may arise out of this Final Findings Notification shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the Customs Tariff Act.

A K BHALLA
Additional Secretary & Designated Authority