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**F. No. 7/09/2021-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Trade Remedies  
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi -110001**

Dated: 30<sup>th</sup> September 2022

**NOTIFICATION**

**FINAL FINDINGS**  
**Case No. (SSR) 9/2021**

**Subject: Sunset Review Investigation concerning imports of "Jute Products" originating in or exported from Bangladesh and Nepal.**

**F. No. 7/09/2021-DGTR** - Having regard to the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred as the "Act") and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 thereof, as amended from time to time (hereinafter referred as the "AD Rules");

**A. BACKGROUND OF THE CASE**

**a. The Original Investigation**

1. The original investigation concerning imports of the subject goods from Bangladesh and Nepal was initiated by the Authority vide Notification No. 14/19/2015-DGAD, dated 21.10.2015. Definitive anti-dumping duties were recommended vide Notification No. 14/19/2015-DGAD, dated 20.10.2016 and was imposed vide Customs Notification No. 01/2017-Customs (ADD), dated 05.01.2017, and amended further by Customs Notification No. 11/2017-Customs (ADD), dated 03.04.2017. Subsequently, an anti-circumvention investigation was initiated vide Notification No. 7/3/2018-DGAD, dated 20.03.2018 concerning imports of 'jute sacking cloth', (a penultimate stage of "Jute Sacking Bag") from Bangladesh. The Authority vide Notification No. 7/3/2018-DGAD, dated 19.03.2019 recommended extension of the existing anti-dumping duty imposed on sacking bags vide the above notifications, and was imposed vide Customs Notification No. 24/2019-Customs (ADD), dated 18.06.2019.

## **b. Present Sunset Review Investigation**

2. Indian Jute Mills Association (IJMA) (hereinafter referred to as the “applicant” or the “applicant association”) filed a duly substantiated application before the Authority, on behalf of the domestic industry, in accordance with Section 9A (5) of the Act read with Rule 23 of the Rules. After *prima facie* examination of the facts, the Authority initiated a Sunset Review (SSR) investigation vide Notification No. 7/9/2021-DGTR dated 28<sup>th</sup> June 2021 to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from Bangladesh and Nepal.

## **B. PROCEDURE**

3. The procedure described below has been followed with regards to the investigation.
- i. The Authority, issued a public notice dated 28<sup>th</sup> June 2021 published in the Gazette of India Extraordinary, initiating a sunset review investigation concerning imports of the subject goods from the subject countries.
  - ii. The Authority forwarded a copy of the public notice along with the questionnaires to the Embassies of the subject countries in India, all known exporters, importers and industry associations (whose details were made available by the applicant) and gave them the opportunity to make their views known in writing in accordance with Rule 6(2) of the AD Rules. They were advised to reply within thirty days from the date of publication of the notification or from the date of letters.
  - iii. The Authority provided a copy of the non-confidential version of the application to the known exporters and the Embassies of the subject countries in accordance with Rule 6(3) of the AD Rules. A copy of the application was also provided to the other interested parties, as requested.
  - iv. The Authority sent questionnaires to elicit relevant information to the following known producers/exporters in the subject countries in accordance with Rule 6(4) of the AD Rules:

<b>List of exporters and manufacturers from Bangladesh</b>	
Corofin Jutex Corporation	Karim Jute Spinners Ltd.
Mitval Jute Spinners Ltd.	Nowapara Jute Mills Ltd.
Sadat Jute Industries Ltd.	Shamsher Jute Mills Ltd.
Shinepukur Holdings Ltd.	World Trading Corporation
Abir International	Atmmr Enterprise
Alam Trade International	Alif Ianernational
Aliss International	Amanat International
Anss Corporation (Pvt) Ltd	ABC Agency
ACME Trade International	Anika Overseas Discovery Service
Arkay & Kayar Associates	Asimpex Trading Corp. Ltd
Amin Jute Products	Bengal Braided Rugs Ltd.
Bengulf Trading Co. Ltd	Bengulf Trading Co. Ltd
Bonny International Ltd	Bengal Jute & Burlap Agencies
Bag & Burlap International Ltd	BBI Jute & Product Export Ltd
Banglar Annsh (Pvt) Ltd	B.N. Trading

Bangladesh Allied Business Asso.	Bankor International Corporation
Bangladesh Jute Processing Co.	Beiico International Ltd.
Bhuiyan Int'l Corp	Burlap World Ltd.
Bizline Corporate Ltd.	Bulk Trade International
Brothers International	Bangladesh International Trade
B.desh Jute Diversification Center	Beheshti Export & Import
Bangladesh Export Limited	CDR Trade International
Commimpex	Confident Jute & Bag Ltd.
Concrete Fibres International	Consolidated Commodities
Creation (Pvt) Ltd	Crifoo Intertrade Ltd.
Corr-The Jute Works	Corofin Jutex Corporation
Cosmotic	Continental Trade Exchange Ltd.
Dubai Jute & Bag Corporation	Dipali Agncies
Delca Bangladesh Ltd	Desh Bidesh Enterprise
Dawan Export International	Dewan Trade International
Eastern Trade International	Erans Trade International Ltd.
Ecotrade International	Ecotrade International
East Asian Business Associates	Exim N. Trade
Erab Limited	Esses Exporters Ltd.
Enam & Sons	Eehamm International Ltd.
Edge Trading	Extra Pace Logistics Ltd
Enam Express Limited	Early Bird Corporation
Eshan Jute Products	Faisal Trading Co.
Farhan Style Limited	Fibres International Ltd.
Food Grade Jute Traders	Faimex Trade International
Fibre Deals Limited	Fair Trading Company
Fatima Alyaf Tala-e-Jute Inds Ltd	Gem Jute Limited
Global Jute Goods	Globe Solidarity Ltd.
Golden Jute Diversification Center Ltd.	Global Jute Trading Ltd.
H.F Exporters	Hamona Tradig Corporation
Hossain Jute Trading Co.	Hanif Impex International
HN Enterprise	International Trade Exchange
International Burlap Supplier	Indus Enterprise
Immense Trading House	Jute & Bags Export Corporation
Jute Expo Trading Ltd.	Jute Heaven
Jute Export Corporation	Jutex Bangladesh
Jainex International	Jutex International
Jahan Trader	Jahan International Trading Co.
Jute Mate Packeging Co.	Jute Export Trading Corporation
JBL International	Jupiter Jute Leather Corporation
Jahan Enterprise	Kiron Enterprise
Knaf International	Kingshuk Limited
Khan Sons Interl (BD) Ltd.	Lupa International
Lotus International	Louis Dreyfus Co. Ltd.
Lipton Jute Trade International	Metropolitan Export Corp
Monami International Ltd.	M.F International
Mask Associate (Pvt) Ltd.	Maico Jute Bag Corporation
Meem International	Monir Trading Corporation
Mowlik Trade & Services Ltd.	Mohajan Trade International
M.R. Associates	M. Rahman & Co.
M.H. Trading	Mikuni Corporation
Mawada Traders	Mart Overseas Ltd.

Monosur & Brothers	Mee Trading Corporation
Modern Import & Export	M.M International
Neptune Enterprise	Nature Fibre Services Ltd.
Narsingdi Jute Traders	Natural Jute Products
New Agencies	Neety Enterprise
Orient Trade International	Omega Fashion Limited
Online Limited	Passco Jute
Prime Enterprise	Rainbow Associates
Relible Trade International	Rean Trade International
Rush Export International Ltd.	Rose Corner (Pvt) Ltd.
Riimex Enterprise	R.E.B Agencies
Rafique Trade International	Raj Fibre Ltd
Seatex International	Swift Trade Impex
Shathi Export International Ltd.	Shams Trade International Ltd.
Sami Enterprise	Sealand Export International
SWS Trade Lines (Pvt.) Ltd.	Sagorika International
Sonali Ansh Trading (Pvt) Ltd.	Shyamol Bangla Jutex Ltd.
Sonali Fibres Trading Co.	Sea-Rock Consortiam
Sonargaon Fibres	Sonjes International
SMSN Trade International	Said Enterprise
Skyland & Fam Ltd.	Saddat Trading Co. Ltd.
Samsar Enterprise	Shutdepta Trade Co.
Sadia Jute Trading	Sahrifpur Trading Agency
Sutapa Impex	Sacks Export & Trading Intel.
S. Islam & Sons	S.S Engineering Works
S.S Enterprise	The Globe Traders
Takawa Mah Enterprise Ltd.	The Golden Fibre Trade Center Ltd.
Trade International	Taurus Limited
Trade Impex	Tamara Trading Agencies Ltd.
Uni Exim	Ujala Trading Corporation
Victory Enterprise Ltd.	Vicar International
Varity Jute Trading Co.	Vertex International Ltd.
William Agencies	Wizard Incorporation
Yakub Ali (Faridpur) Ltd.	A.R.A Jute Mills Ltd.
ABC Agency	Ahad Jute Mills Ltd.
Akil Jute Mills Ltd.	Al-Haj Aminuddin Jute Mills Ltd.
Alijan Jute Mills Ltd.	Anwar Jute Spinning Mills Limited
Aziz Fibres Ltd.	B.S. Jute Spinners Ltd.
Bangladesh Jute Mills Corporation	Bengal Jute Industries Ltd.
Charmuguria Jute Mills Ltd.	Chittagong Jute Mfg. Co. Ltd.
Corofin Jutex Corporation	Creative International
Faridpur Jute Fibres Ltd.	Fatima Alyaf Tala-E Jute Inds. Ltd.
Ferdaus Jute Mills Ltd.	Islam Khan Jute Mills Ltd.
Janata Jute Mills Ltd.	Jute Spinners Ltd.
Karim Jute Spinners Ltd.	Keraniganj Jute Fibres Ltd.
Lytton Jute Mills Limited	Metropolitan Exports Corporation
Mutual Jute Spinners Ltd.	Nawab Abdul Malek Jute Mills (BD) Ltd.
New Dacca Industries Limited	Nissan Jute Mills Limited
Northern Jute Manufacturing Co. Ltd.	Nowapara Jute Mills Ltd.
Patuakhali Jute Mills Ltd.	Popular Jute Mills Ltd.
Sadat Jute Industries Limited	Saddat Trading Co. Ltd.
Sagar Jute Spinning Mills Limited	Sarwar Jute Mills Ltd.
Sayed Jute Spinning Ltd.	Shamsher Jute Mills Ltd.
Sharif Jute Mills Ltd.	Shihab Jute Spinners Ltd.

Shinepukur Holding Limited	Shyamol Bangla Jutex Ltd.
Sidlaw Textile (Bangladesh) Ltd.	Sonali Ansh Industries Ltd.
Specialised Jute Yarn & Twine Mfg. Co. Ltd.	Supreme Jute and Knitex Limited
Transocean Fibres Processors (BD) Ltd.	Usha Jute Spinners Ltd.
Victory Jute Products Ltd.	Word Trading Corporation
<b>List of exporters and manufacturers of Nepal</b>	
Ambika,	Trans Trade Service
Asahi Overseas Traders	General overseas Agency
Ashok Trading Concern	Ghorashyar Enterprises
Atlantic Trading Concern	Golchha Organization
B.K. International	Greentex Enterprises
Baba Enterprises	Gupta Enterprises
Balaju Enterprises	Him International (P) Ltd.
Bhudeo Khadya Udogy	Indra Trade Concern
Bijaya Enterprises	Jalnex Enterprises
Sangam International Enterprises	Binit Enterprises
Khatu International	Brighter Industries(P) Ltd.
Laxmi Concern	Chhagan Mall Traders
Madam Lal Chiranjibi Lal Chhyangle Trade Links	Mahesh Overseas Enterprises
Diamond Nepal Enterprises	Nepal United Company (P) Ltd.
Digo International (P) ltd.	New Trade Centre
Dugar Brothers & Sons.	Paban Overseas Concern
Dugar Organization	R & R Enterprises Pvt. Ltd.
Exportex Trading	Rajshree Enterprises
Gaurav Impex	

- v. Following producers/exporters from the subject countries have filed the exporter's questionnaire response or made any submissions:

Mirza Jute Mills Ltd.	Hasan Jute & Spinning Mills Ltd.
Gem Jute Mill	Hasen Jute Industries Limited
Afzal Fibre Processing Industries	Janata Jute Mills Limited
Anam Jute Products Ltd.	Sadat Jute Industries Ltd
Asha Jute Industries Ltd.	A.M Jute Industries Limited
Usha Jute Spinners Limited	Arihant Multi-Fibres Limited
Bogra Jute Mills Limited	Shree Raghupati Jute Mills Ltd
Bonanza Jute Composite & Diverse Factory Ltd.	Baba Jute Mills
Mouna Jute Mills Limited	Swastik Jute mills Pvt. Ltd
Erans Trade International Ltd	Nepal Jute industries Pvt.Ltd.
Ecotrade International	Alijan Jute Mills Limited
Jamuna Jute Industries Ltd	Glory Jute Limited
Rahman Jute Mills (Pvt.) Ltd.	Madina Jute Industries Limited
Joy Jute Mills Limited	Mazeda Jute Industries Limited
Jute Textile Mills Limited	Nawab Abdul Malek Jute Mills
Nawhata Jute mills Ltd.	(Bd)Limited
Golden Jute Industries Limited	Reliance Jute Mills Ltd.
Pride jute Mills Limited	Salim Agro Industries Limited

Rabeya Jute Mills	Sham sher Jute Mills Limited
Rajbari Jute Mills Limited	Sonali Aansh Industries Limited
Sagar Jute Spinning Mills Ltd	Wahab Jute Mills
Sidlaw Textiles Limited	Ranu Agro Industries Ltd.
Oriental Jute Mills Limited	Akij Jute Mills Ltd.
Hasan jute mills ltd	Arnu Jute Mills Ltd.

vi. Considering the number of responding exporters/producers from the subject countries, the Authority had undertaken sampling. Accordingly, vide notification dated 14<sup>th</sup> January 2022, the Authority published the final list of sampled and non-sampled exporters, provided below:

<b>Sampled</b>	<b>Non-sampled</b>
Hasan Jute Mills Limited	Mirza Jute Mills Ltd.
Hasan Jute Spinning Mills Limited	Gem Jute Mill
Alijan Jute Mills Limited	Afzal Fibre Processing Industries
Arnu Jute Mills Limited, Bangladesh	Anam Jute Products Ltd.
A.M. Jute Industries Limited	Asha Jute Industries Ltd.
Sagar Jute Spinning Mills Ltd.	Usha Jute Spinners Limited
Sidlaw Textiles Ltd.	Bonanza Jute Composite & Diverse Factory Ltd.
Oriental Jute Mills	Jamuna Jute Industries Ltd
Nawab Abdul Malek Jute Mills (Bangladesh) Limited	Rahman Jute Mills (Pvt.) Ltd.
Nawhata Jute Mills Ltd	Joy Jute Mills Limited
Rabeya Jute Mill	Jute Textile Mills Limited
Bogra Jute Mills Ltd	Golden Jute Industries Limited
Ranu Agro Industries Limited, Bangladesh	Pride jute Mills Limited
Sonali Aansh Industries Limited.	Rajbari Jute Mills Limited
Mouna Jute Mills Ltd	Hasen Jute Industries Limited
Erans Trade International Ltd	Janata Jute Mills Limited
Ecotrade International	Sadat Jute Industries Ltd.
Arihant Multi-Fibres Ltd	Baba Jute Mills
Shree Raghupati Jute Mills Ltd.	Swastik Jute mills Pvt. Ltd
	Nepal Jute Industries Pvt. Ltd.
	Glory Jute Limited
	Madina Jute Industries Limited
	Mazeda Jute Industries Limited
	Reliance Jute Mills Ltd.
	Salim Agro Industries Limited
	Shamsher Jute Mills Limited
	Wahab Jute Mills
	Akij Jute Mills Ltd.
	Lovely Jute Mills Ltd.
	Nowapara Jute Mills Ltd.
	Nowapara Packaging Industries Ltd.

	Bangla Pat Diversified Mills Limited
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- vii. Questionnaires were also sent to the following known importers, users and the associations of the subject goods in India seeking necessary information in accordance with Rule 6(4) of the AD Rules:

Ahmed Exports	Alamim Enterprise
Ashim Kar & Industries P. Ltd.	B.G. Udyog
Bengal Jute & Bag Co.	Bhagtarra Jute Industries Pvt. Ltd.
Birla Corporation Ltd.	Chamundi Explosives Pvt. Ltd.
Cheviot Company	Chiranjilal Gaurishanker & Company
Clifton Business Pvt. Ltd.	G.N. Commercial Company
Gaba Overseas Pvt. Ltd.	Gyaniram Agarwal & Company
Industrial Associates	Industrial Associates Jute Pvt. Ltd.
J.J. Patel and Brothers	J.K Sons & Company
J.K Sons Jute Company Pvt. Ltd.	K.L Jute Products Pvt. Ltd.
Knap International	Kosmic Hitech Motors Pvt. Ltd.
Mohan Jute Ltd.	Navin International
Pacific Jute Ltd.	Privi Exports Pvt. Ltd.
R. Harilal & Company (Calcutta)	Ramsaran & Sons
Romy Enterprises	Sarvamangla Pratishtan
Satyam Impex	Satyendra Packaging Pvt. Ltd.
SDJ International	Srijoni Impex
Tuhin Kanz & Co.	Unnati Overseas
Veer International	Vishwatma Commercial Pvt. Ltd.
Yucon Overseas Pvt. Ltd.	Eskay International
Golder Floor	Grover International
Radha Krishna	Rugs Creation
Caledonian	Nav Durga
Kailash Chand	

- viii. Only one importer i.e. J.K Sons Jute Co. Private Ltd., has filed the importer's questionnaire response.
- ix. Additionally, submissions were received from the Jute Product Importer Association, the Bangladesh Jute Spinners Association, and the Nepal Jute Traders Association of India. These submissions have been addressed by the Authority to the extent found relevant and necessary.
- x. The Authority also received submissions from the Government of Bangladesh which had also participated in the oral hearing.
- xi. Accordingly, the Authority issued the final list of interested parties on 14<sup>th</sup> December, 2021 in this investigation.
- xii. The information provided by the interested parties on confidential basis was examined with regard to the sufficiency of such claims. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to the other interested parties. Wherever possible, parties providing information on confidential basis were

directed to provide sufficient non-confidential version of the information filed on confidential basis.

- xiii. Further information was sought from the applicant to the extent deemed necessary.
- xiv. Desk verification of the domestic industry was conducted to the extent considered necessary for the purpose of the present investigations.
- xv. The non-injurious price (hereinafter referred to as 'NIP') based on the cost of production and the cost to make and sell the subject goods in India based on the information furnished by the domestic industry on the basis of Generally Accepted Accounting Principles (GAAP) and has been worked out so as to ascertain whether the present anti-dumping duty is sufficient to remove injury to the domestic industry.
- xvi. The period of investigation for the purpose of the present review is 1<sup>st</sup> April 2020 to 30<sup>th</sup> March 2021 (12 months) (hereinafter referred to as the "period of investigation" or "POI"). The injury analysis period includes the period of investigation and the preceding three years, 2017-18, 2018-19 and 2019-20.
- xvii. In accordance with Rule 6(6) of the AD Rules, the Authority provided opportunity to the interested parties to present their views during the oral hearing held on 9<sup>th</sup> February 2022. The interested parties were requested to submit their written submissions and rejoinder submissions latest by 14<sup>th</sup> February, 2022 and 18<sup>th</sup> February 2022 respectively.
- xviii. Existing anti-dumping duties have been extended thrice vide the following notifications of the Ministry of Finance (a) Notification No. 10/2022-Customs (ADD) dated 24<sup>th</sup> February 2022, duties extended upto 30<sup>th</sup> June 2022 (b) Notification No. 11/2022-Customs (ADD) dated 31<sup>st</sup> March 2022, duties extended upto 31<sup>st</sup> August 2022, (c) Notification No. 18/2022-Customs (ADD) dated 31<sup>st</sup> May 2022, duties extended upto 30<sup>th</sup> November 2022.
- xix. Wherever an interested party has refused access to or has otherwise not provided necessary information during the course of the present investigation, or has significantly impeded the investigation, the Authority has recorded its observation on the basis of the facts available.
- xx. In accordance with Rule 16 of the AD Rules, 1995 the essential facts of the investigation were disclosed to the interested parties vide disclosure statement dated 18<sup>th</sup> August 2022 and comments received thereon, considered relevant by the Authority have been addressed in the final findings. The Authority notes that most of the post disclosure comments made by the interested parties are mere reiterations of the earlier submissions. However, the post disclosure submissions to the extent considered relevant are being examined in these final findings.
- xxi. \*\*\* in this final finding represents information furnished by an interested party on confidential basis, and so considered by the Authority under the Rules.
- xxii. Exchange rate considered for the POI for conversion of USD to Indian Rupees is 1 USD = Rs. 75.19.



## **C. PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE**

### **C.1 Views of the domestic industry**

4. The domestic industry has made the following submission with regard to the scope of the product under consideration and like article:
  - i. The product under consideration is “jute products” comprising of jute yarn/twine (multiple folded/cabled and single), hessian fabrics, jute sacking cloth and jute sacking bags.”
  - ii. Jute products are primarily used in packaging; geotextiles - landfill covering, embankment reinforcement; protection of rooting plants; hessian cloths of various types; braids and webbing; fine and coarse yarns; bailing and bundle cloths; wrapping; bedding foundation; boot and shoe linings; tailors back packing; fuse yarns; hand bags and all types of stiff bags; aprons of all types; iron, steel, tube and rod wrapping; canal linings; mail bags; motor linings; needle felts; roofing felts; rope; covering fabrics; tyre wrapping; upholstery foundation; strings of all types.
  - iii. The product under consideration remains the same as it was in the original investigation and subsequently the existing duties on ‘jute sacking bag’ were extended to ‘jute sacking cloth’ from Bangladesh and the same is also included in the product scope of the current investigation. Jute sacking cloth from Nepal is outside the purview of the current investigation.
  - iv. According to the Hon’ble CESTAT order in *M/s Anwar Jute Spinning Mills Ltd. & Ors v. Union of India*<sup>1</sup>, it was explicitly held that the three different types of jute products i.e., yarn, fabric, and bag were to be considered as one product and that it is not tenable to have separate investigation for the different types.
  - v. The interested parties have submitted that the anti-circumvention findings were issued in 2019 and the present POI has no impact of circumvention at all, and that the anti-circumvention measures were pursued to cover up the applicant’s poor definition of the PUC. It was further argued that the scope of the PUC should not be extended to product types covered under circumvention duty findings, and should be reviewed under Rule 28. With respect to these contentions the following is submitted:
    - a. The other parties seem to agree that the circumvented product was rightly included, and that they misused/abused the exemption. Once the duties were extended, the imports stopped and imports re-started from the companies which were exempted.
    - b. Circumvention of duties of sacking bag is an established act of circumvention of an anti-dumping measure in place. These practices undertaken by the producers/exporters in any investigation, displays their aggressive, unfair, unethical nature and a desperate need to maintain their presence in the Indian market. Circumvention as a ground for extension of duties in a sunset review was also considered and accepted by the Ministry of Finance in “Axles for

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<sup>1</sup> Anti Dumping Appeals No. 50696-50701 of 2017.

Trailers from China”<sup>2</sup>. The Ministry of Finance’s notifications published in anti-circumvention investigations state that duties shall be co-terminus with original duties imposed on the PUC and circumvention duties shall only terminate should original duties be terminated.

- c. Review of circumvention as provided in Rule 28 is similar to new-shipper reviews, wherein any party for reasons such as claiming exemption on the grounds of being new producer, or has evidence that circumvention is not occurring anymore, has sought review.
- d. Once circumvention of existing anti-dumping duty has been established, it has been proven, that the subject goods via a country or in a certain form are actually the subject goods from the original country of investigation. Therefore, expiry review of original measures entails automatic review and consequent extension of duty on circumvented goods as well. European Commission has also followed the same practice in sunset review investigations of bicycles originating in China PR, crystalline silicon photovoltaic modules and key components originating in China PR, solar panels etc. that were conducted after circumvention investigation and the original duties were extended to the circumvented product along with the original product under investigation.

## **C.2 Views of the other interested parties**

5. Following submissions have been made by the other interested parties with regard to the product under consideration and the like article:
  - i. The initiation says that the scope of the PUC in the present matter covers the PUC as originally defined and also those categories (jute sacking cloth) which were covered in the anti-circumvention investigation. This is a departure from the consistent practices of the Authority.
  - ii. The Ministry of Finance Notification No. 24/2019-Customs (ADD) dated 18.6.2019 states that the anti-dumping duty imposed under the said notification shall be co-terminus with the antidumping duty on jute sacking bags. Further, Rule 28 (1) of the AD Rules stipulates that the Designated Authority may review the need for the continued imposition of the duty, where warranted, on its own initiative or provided that a reasonable period of time has elapsed since the imposition of the measures, upon request by any interested party which submits positive information substantiating the need for the review.
  - iii. The AD Rules now provide for a separate review of circumvention measures. In view of the above, it is requested that the Authority may restrict the scope of the PUC in the present investigation to the PUC as originally defined and should not cover the products covered by the Ministry of Finance Notification No. 24/2019-Customs (ADD) dated 18.6.2019.

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<sup>2</sup> Final Findings in Sunset Review investigation of anti-dumping duties concerning imports of ‘axle for trailers’ originating in or exported from China PR dated 27<sup>th</sup> October 2021 (F.No. 7/7/2021).

- iv. Any review of the anti-circumvention duty should be carried out as per Rule 28 of the AD Rules and not in the manner proposed in the initiation notification of the present investigation.
- v. Regarding the submission that sacking cloth is not part of the PUC for Nepal, the Authority should clarify if the PUC is not identical for both the subject countries, then how the conditions mentioned under paragraph 3 of Annexure II of the AD Rules are met with.
- vi. There cannot be two different sets of the PUC for the subject countries. The case of *Anwar Jute Spinning Mills Ltd. and Ors.*<sup>3</sup> has no contextual applicability on the present case as it is not about the inter se likeness of the product but rather the scope of the PUC.
- vii. The initiation notice dated 28.06.2021 suggests that the PUC includes sacking cloth for both Bangladesh and Nepal. Since anti-circumvention investigation against imports of sacking cloth was initiated and carried out only against Bangladesh, sacking cloth must not be included insofar as producers and exporters of Nepal are concerned. There was never any allegation regarding circumvention of anti-dumping duty imposed on sacking bags by Nepal, nor was Nepal a part of the said anti-circumvention investigation. As sacking cloth was never included into the scope of the PUC insofar as Nepal was concerned, Nepal must not be subjected to examination of dumping of the same.
- viii. With respect to five grades/ qualities/ batches considered by Authority for comparison of jute yarn/twine exported from the subject countries, Respondents who produce and export the PUC from Nepal export a grade/ quality of jute twine which does not fall within any of the five grades/ qualities/ batches viz. (1) Sacking, (2) Hessian (3) CB, (4) CRT/CRX, or (5) CRM.
- ix. Rather, the jute twine exported by respondents from Nepal is different as it is used only for sewing the mouths of jute bags and such jute twine is unsuitable for being consumed in either sacking bag or cloth, hessian products, CB, CRT/CRX, or CRM and therefore, do not fall within the abovesaid five grades/ qualities/ batches of PCN proposed by the Authority. Therefore, information has been filed under a separate PCN for the specific grade/ quality/batch exported to India with '0E' as the PCN code as none of the codes suggested by the DGTR were suitable for the product exported by the respondents.
- x. Regarding the submission of the petitioners that the three types of products should be regarded as one, it is submitted that while the investigation may be in respect of one single product, the dumping margin and injury analysis should be done for each product separately. The Authority had adopted the same approach in the original investigation.<sup>4</sup>

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<sup>3</sup> *Supra* note 1.

<sup>4</sup> "127(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

### C.3 Examination by the Authority

6. The present investigation is a sunset review investigation concerning anti-dumping duties imposed on imports of “jute products” originating in or exported from Bangladesh and Nepal. Hence, the PUC in the present investigation is also “jute products” originating in or exported from Bangladesh and Nepal. The product under investigation as defined in the original investigation is as follows:

*“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, geotextiles, 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”*

7. The subject goods are classified under Chapter 53 and 63 of the Customs Tariff Act and have been further sub-classified under custom heading 53101013, 63051040, 53101012 53071010 and 53072000. The said customs classification is, however, only indicative and is in no way binding on the scope of the present investigation. Further, this being a sunset review investigation, the scope of the PUC remains the same as it was in the original investigation.
8. The Authority notes that the subject goods are being imported in the form of jute yarn/twine, hessian fabric and sacking bags. The Authority had proposed Product Control Numbers (PCNs) for jute yarn/twine (multiple folded/cabled and single) in order to make an apple-to-

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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.”

apple comparison. No PCNs were adopted for sacking bag and hessian fabric. Considering the parameters that impact the associated costs and prices of the product, and after taking into account the submissions made, the Authority adopted the following PCN methodology for jute yarn/twine<sup>5</sup>:

1 <sup>st</sup> Digit for Grade/Quality/Batch	Grade/Quality/Batch	2 <sup>nd</sup> Digit for Count	Count
1	Sacking	A	Upto 14 LBS
		B	More than 14 LBS and upto 20 LBS
		C	More than 20 LBS and upto 24 LBS
		D	More than 24 LBS and upto 28 LBS
		E	More than 28 LBS
2	Hessian	A	Upto 8 LBS
		B	More than 8 LBS and upto 12 LBS
		C	More than 12 LBS and upto 16 LBS
		D	More than 16 LBS and upto 20 LBS
		E	More than 20 LBS and upto 24 LBS
		F	More than 24 LBS and upto 28 LBS
3	CB	A	Upto 8 LBS
		B	More than 8 LBS and upto 12 LBS
		C	More than 12 LBS and upto 16 LBS
		D	More than 16 LBS and upto 20 LBS
		E	More than 20 LBS and upto 24 LBS
		F	More than 24 LBS and upto 28 LBS
4	CRT/CRX	A	Upto 8 LBS
		B	More than 8 LBS and upto 12 LBS
		C	More than 12 LBS and upto 16 LBS
		D	More than 16 LBS and upto 20 LBS
		E	More than 20 LBS and upto 24 LBS
		F	More than 24 LBS and upto 28 LBS
5	CRM	A	Upto 8 LBS
		B	More than 8 LBS and upto 12 LBS
		C	More than 12 LBS and upto 16 LBS
		D	More than 16 LBS and upto 20 LBS
		E	More than 20 LBS and upto 24 LBS
		F	More than 24 LBS and upto 28 LBS

9. It is also noted that post the issuance of the final findings<sup>6</sup> in the original investigation, the Authority conducted an anti-circumvention investigation<sup>7</sup>. Through its final finding<sup>8</sup> dated

<sup>5</sup> Notified vide Notification No. 7/9/2021-DGTR dated 27<sup>th</sup> September 2021.

<sup>6</sup> Final Findings issued in *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* dated 20<sup>th</sup> October 2016, F. No. 14/19/2015-DGAD.

<sup>7</sup> *Initiation of Anti-Circumvention investigation concerning alleged circumvention of anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh* dated 20<sup>th</sup> March 2018, F. No. 7/3/2018 – DGAD.

<sup>8</sup> Final Findings issued in *Anti-Circumvention investigation concerning alleged circumvention of anti-dumping duty imposed on the imports of Jute Sacking Bags from Bangladesh* dated 19<sup>th</sup> March 2019, F. No. 7/3/2018 – DGAD.

19<sup>th</sup> March 2019, the Authority concluded that the duties imposed on jute sacking bag was being circumvented through exports of jute sacking cloth from Bangladesh and consequently through Customs Notification No. 24/2019-Customs (ADD)<sup>9</sup> anti-dumping duty was also extended on jute sacking cloth imported from Bangladesh.

10. Regarding the submission of interested parties with respect to difference in the jute yarn/twine, the Authority notes that the production of fabric in fact requires single ply yarn, whereas production of yarn for stitching bag requires two ply or three-ply yarn. The Nepalese producers have not established with verifiable information that this yarn is not produced and sold in India. It is also noted that the Nepalese producers did not identify any product attribute for making a possibly different PCN for this product.
11. The Authority further notes that the PCNs for yarn have been devised considering grade/quality/batch and count. In respect of grade/quality/batch, yarn was divided into sacking, hessian, CB, CRX/CRT, and CRM. In respect of count, yarn has been divided into certain pounds. The PCN have been devised and finalised after due consultation with all the stakeholders. The Authority has not identified the attribute now advocated by the interested parties. Further, the interested parties have not established how the attributes identified by them shall result in a different product, and how the goods produced and sold by the domestic industry does not meet the criteria laid down for like article under the AD Rules. The Authority considers that the yarn exported by the Nepalese producers, by their own admission, is used for the same applications for which yarn produced and sold by the domestic producers is consumed.
12. The Authority notes from the information on record that the PUC produced by the domestic industry is “like article” to the goods imported from the subject countries. The goods produced by the domestic industry and imported from the subject countries are comparable in terms of technical specifications, functions or end-uses, product specifications, pricing, distribution and marketing, and tariff classification of the goods. The two are technically and commercially interchangeable. Accordingly, the Authority holds that the subject goods produced by the applicant are ‘like article’ to the subject goods being imported from the subject countries.

## **D. SCOPE OF DOMESTIC INDUSTRY & STANDING**

### **D.1 Views of the domestic industry**

13. The domestic industry has made the following submissions with regard to the domestic industry and the standing:
  - i. The application has been filed by Indian Jute Mills Association (IJMA) and six members of the applicant association have participated as domestic producers and filed the requisite information. The application has received supported from 33 producers prior to the initiation of the investigation.

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<sup>9</sup> Dated 18<sup>th</sup> June 2019.

- ii. Further, six other producers have filed injury information duly supported with tax audit reports and financial statements, supporting the application post-initiation.
- iii. Twenty-six other producers of the Indian jute industry have also provided the Authority with segregated data regarding government procurement and open market for basic volume information for the entire injury period.
- iv. The analysis of domestic industry's standing is not a mandatory requirement in a sunset review investigation.
- v. The applicant companies have neither imported the subject goods from the subject countries nor are they related to any importer in India or producer/exporter from subject countries.
- vi. M/s Cheviot Company has submitted that it has imported jute yarn from Bangladesh for their SEZ unit. and, therefore, should be considered irrelevant under Rule 2(b) of the AD Rules.
- vii. The applicant companies constitute 'a major proportion' of the total Indian production according to Rule 2(b) and considering the support received, they also satisfy the requirement of standing under Rule 5(3) of the AD Rules.
- viii. The production figures of the participating companies reported in the petition are only for the PUC. The miniscule quantity of the N-PUC produced by M/s Gloster Ltd. has been excluded while determining the share of the petitioning companies. Moreover, inclusion of the N-PUC data in case of the other domestic producers would at the least understate the share of the present domestic industry in gross domestic production.
- ix. Regarding the submission of the other interested parties requesting the Authority to look beyond the legal provisions and to take into commercial considerations for addressal of potential risks to the Indian industry which does not form part of the domestic industry, it is submitted that as per Article 3.4 of the Anti-dumping Agreement, the investigating authority has to determine the injury with respect to the domestic industry. The information of other domestic companies not forming part of the domestic industry is not relevant for evaluating the "relevant economic factors and indices having a bearing on the state of the domestic industry".
- x. The companies outside the domestic industry provide no basis for conclusions about the impact of dumped imports on the domestic industry. In the EC - Bed Linen<sup>10</sup> dispute, it has been held that *information concerning other companies does not inform the evaluation of "factors and indices having a bearing on the state of the industry" and, therefore, the European Commission had failed to act consistently with Article 3.4 of the Anti-dumping Agreement* as they considered the producers not part of the domestic industry in its evaluation.
- xi. Regarding the contention of the other interested parties that only six out of the fifteen applicants in the previous investigations have participated in the present investigation and that the composition of the domestic industry has changed, it is submitted that the production by the applicant companies accounts for major proportion. In the case of a scattered and fragmented industry 28 % share should be considered as sufficient to be considered a major proportion. Further, volume injury

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<sup>10</sup> European Communities — Anti-Dumping Duties on Imports of Cotton-type Bed Linen from India WT/DS141/R.

has been claimed and the Authority should consider the adverse effect on the volume parameters for the industry as a whole. The information regarding the details of the market share in demand for the Indian industry as a whole has been submitted with the Authority.

- xii. Regarding the claim of other interested parties that the other applicants in the previous investigations have not joined the present investigation because of the huge improvement in the performance parameters it is submitted that this argument is purely conjectural. Further, the claim of injury is based on the continued adverse effect on the domestic producers as a whole, and likelihood of intensified injury in the event of cessation of antidumping duty. Therefore, such allegations are without relevance

## **D.2 Views of the other interested parties**

14. Following submissions have been made by the other interested parties regarding the standing of the domestic industry:

- i. The websites of the petitioning companies states that they produce several varieties of jute products, not all of which are claimed to be covered under the PUC. However, while stating the performance of the domestic industry, the applicant has presented the entire quantity of production of the petitioning companies as the total production of the PUC except for the POI wherein there is a marginal difference. In spite of this, share of production of all varieties of jute products of the petitioning companies has been marginally above 25% of total domestic production during the injury period. If the Authority considers the production of only the PUC by the applicant companies, then their share will be much lower than 25%. The Authority should examine whether the petition meets the requirement of Rule 23 (1B) read with Rule 2(b).
- ii. The collective output of the six petitioners during the POI is 242,175 MT out of the total Indian production of 863,565 MT i.e., 28.04% of the total Indian production. The said output cannot be considered to be a major proportion of the Indian domestic industry as the rest of the Indian producers constitute more than 70%. Even in the original investigation, the collective output of the petitioners was 42.78%. Therefore, the application should be rejected solely on the grounds of standing.
- iii. The Authority should also examine the standing of the domestic industry with respect to each product type to verify as to whether the domestic industry is representative for each of the product types.
- iv. The petitioner has not submitted any evidence to substantiate its claim that it is a fragmented industry.
- v. Cheviot Company Limited is ineligible to be treated as part of the domestic industry as it has imported the subject goods during the POI. Rule 2(b) of the AD Rules excludes producers who “*are themselves importers...*” in which case, “*the term ‘domestic industry’ may be construed as referring to the rest of the producers.*” While it has been stated that Cheviot has imported jute yarn from Bangladesh for their SEZ unit, the prescription for disqualification of domestic producer from scope of domestic industry upon importing subject goods under Rule 2(b) is not couched in any exceptions and is absolute.



- vi. Without prejudice to the submission that Cheviot Company Limited cannot be included within the domestic industry, the petitioners account for only 28% of the Indian production notwithstanding the inclusion of Cheviot and therefore, cannot be said to be a constituting ‘a major proportion’.
- vii. Regarding what constitutes a major proportion the WTO panel in China — Autos (US)<sup>11</sup> had observed that the percentage of production covered must be sufficiently large to qualify as an "important, serious or significant" proportion of total production. In the abovesaid report, the WTO Panel held that the threshold requirement of 25% for making an application has no correlation with the requirement to constitute major proportion. Rather, the investigating authority is required to determine whether the domestic producers being examined are sufficiently large, varied, important, serious, significant to be considered as representative of the domestic industry.
- viii. Twenty – nine companies had participated in the original investigation. The number of participants has fallen from 15 to 6 which shows that other jute mills are not participating in the present investigation because of improvement in their economic parameters.
- ix. While 25% is minimum threshold, facts and circumstances must be examined on case-to-case basis to determine whether the domestic producers constituting the domestic industry represent an important, major and significant share of domestic production so as to constitute ‘a major proportion’. When the domestic industry comprises of a large majority of jute mills which have not participated, and only six jute mills constituting a mere 28% of the total domestic production have participated, they should not be considered as representative of the domestic industry.
  - a. Support letters contained in both letters dated 9<sup>th</sup> of March 2022 filed by the applicant - Indian Jute Mills Association on behalf of the various domestic

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<sup>11</sup> “7.207. When an IA defines the domestic industry as producers of the like product accounting for a "major proportion" of total domestic production, it must ensure that the percentage of production covered is sufficiently large to qualify as an "important, serious or significant" proportion of total production. That both the Anti-Dumping and SCM Agreements refer to "a" major proportion as opposed to "the" major proportion indicates that the percentage of production deemed a "major proportion" need not be greater than 50% of total production. We note in this respect that a panel previously accepted 46% of total production as sufficiently "important, serious or significant" to constitute a major proportion of total domestic production...

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7.220 On appeal, China argued, inter alia, that the Panel erred in rejecting China's claim that the domestic industry as defined did not account for a "major proportion" of total domestic production. **The Appellate Body upheld China's appeal with respect to the major proportion issue, but rejected the remainder of China's appeal. The Appellate Body found that the IA had relied on a 25% benchmark in concluding that 27% of total domestic production was a major proportion. The Appellate Body concluded that this benchmark, which was based on the standing requirement in Article 5.4 of the Anti-Dumping Agreement, was "wholly unrelated" to the proper interpretation of the term "major proportion", and thus, by applying that benchmark, the IA defined a domestic industry covering a low proportion of domestic production, significantly restricting the data coverage for an accurate and undistorted injury determination.<sup>345</sup> In addition, the Appellate Body concluded that, by defining the domestic industry on the basis of producers' willingness to be included in the sample, the IA's approach imposed a self-selection process among domestic producers that introduced a material risk of distortion. The Appellate Body observed that the sample was a subset of the domestic industry, and thus the Appellate Body failed to see why willingness to be included in the subset should affect inclusion in the wider universe of the domestic industry.<sup>346</sup> Moreover, the Appellate Body noted that the IA had, in fact, identified and obtained information from more producers than the 45 it ultimately included in the domestic industry. The Appellate Body concluded that by including in the domestic industry only those producers willing to be included in the sample, the IA's approach shrank the universe of producers whose data could have been used in making the injury determination.**”

producers supporting the levy have not been submitted in conformity with Trade Notice No.13 of 2018. The support letters should not be accepted at this stage as the same is also grossly delayed, especially considering the fact that the oral hearing between the interested parties had already been conducted along with the exchange of written submissions and rejoinder submissions.

- b. Accepting support letters at such belated stage would be in derogation of time limits prescribed in law and by Authority, especially since no information whatsoever as required in questionnaires provided under Annex-I and Annex-II of Trade Notice No. 13 of 2018 was submitted by the supporters at stage of initiation or within the time limit prescribed in the Initiation Notice dated 28<sup>th</sup> June 2021.
- x. IJMA has not provided any evidence that they qualify as an interested party in terms of Rule 2(c)(ii) and Para 4.9.10 given at page no. 50 of the Manual of Operating Practices for trade remedy investigations. They have not even provided a list of members(producers) producing the subject goods to enable the Authority to ascertain their status as an interested party.
- xi. The thirty-three supporting companies have not provided any data for investigation. They have only enclosed their letters of support with the petition which is not sufficient enough to reach any conclusion. These companies cannot be treated as supporting companies in terms of Trade Notice No. 13/2018 dated 27<sup>th</sup> September 2018 and Trade Notice No. 14/2018 dated 1<sup>st</sup> October 2018.

### **D.3 Examination by the Authority**

15. 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 ' must be construed as referring to the rest of the producers"*

16. The application has been filed by Indian Jute Mills Association (IJMA). Following members of the applicant association have participated as domestic producers and have filed the requisite information:

- i. Bowreah Jute Mills Pvt. Ltd.
- ii. Caledonian Jute & Industries Ltd
- iii. Cheviot Company Limited
- iv. Gloster Limited
- v. Hoogly Infrastructure Pvt. Ltd.
- vi. Ludlow Jute & Specialities Limited

17. The application filed by IJMA was supported by the following other domestic producers:

- i. Alliance Mills (Lessees) Ltd.
- ii. Bally Jute Company Ltd.
- iii. Budge Budge Co.Ltd.
- iv. Mahadeo Jute & Industries Ltd.
- v. RDB Textiles Ltd.
- vi. Shaktigarh Textile and Industries Ltd.
- vii. Jagatdal Jute & Industries Ltd.
- viii. Kamarhatty Co. Ltd.
- ix. The Naihati Jute Mills Co.Ltd.
- x. Reliance Jute Mills (International) Ltd.

18. Post filing of the application, the Authority received support letters from the following domestic producers:

- i. Prabartak Jute Mills Limited
- ii. Kalinga Jute Products Pvt. Ltd.
- iii. Eluru Jute Mills Pvt. Ltd.
- iv. HSB Agro Industries Ltd.
- v. The Mahabir Jute Mills Ltd.
- vi. Maheswari Jute Spinners Pvt. Ltd.
- vii. Aditya Translink Pvt. Ltd.
- viii. Ambica Jute Mills
- ix. Anglo India Jute & Textile Industries Pvt. Ltd.
- x. Auckland International Ltd.
- xi. The Angus Company Ltd.
- xii. Barnagore Jute Factory Plc.
- xiii. Birla Corporation Ltd.
- xiv. Dalhousie Jute Company
- xv. Delta Limited
- xvi. The Empire Jute Company Ltd.
- xvii. The Ganges Manufacturing Co., Ltd.
- xviii. The Hooghly Mills Company Ltd.
- xix. Vijai Shree Pvt. Ltd.
- xx. Calcutta Jute Manufacturing Co. Ltd.
- xxi. Shree Gouri Shankar Jute Mills Ltd.
- xxii. Kanknarrah Company Ltd.
- xxiii. Northbrook Jute Company Ltd.
- xxiv. RDB Textiles Ltd.
- xxv. Shaktigarh Textile and Industries Ltd.
- xxvi. Sunbeam Vanijya Pvt. Ltd.
- xxvii. Agarpara Jute Mills Ltd.
- xxviii. Tepcon International (India) Ltd.
- xxix. Trend Vyapaar Ltd.

19. The Authority has also received support from another association of the Indian jute industry, namely A P Mesta Twine Mills Association. This association has the following producers as its members:

- i. Sai Vardhan Jute Private Limited
- ii. Keshava Jute Mills Pvt. Ltd.
- iii. Andhra Pradesh Fibres Ltd
- iv. Sri Ganesh Jute Mills
- v. Sri Lakshmi Jute Mills
- vi. Navya Jute Mills Pvt.
- vii. Uma Jute Twine Mills
- viii. Sri Santhosh Trading Co.
- ix. DGR Jute Mills Private Limited
- x. Neelam Jute Private Limited
- xi. Sri Sksn Jute Mills
- xii. Sri Lakshmi Ganapthi Jute Mills

20. Further, the applicant has also submitted to the Authority support letters, wherein the following domestic producers provided volume information such as production, sales, capacity and stocks:

- i. The Ganges Manufacturing Co. Ltd.
- ii. Goyal Merchants Pvt. Ltd.
- iii. HSB Agro Industries Ltd. (Jute Division)
- iv. Jagatdal Jute and Industries Ltd.
- v. Jutex Industries Pvt. Ltd.
- vi. Kamakshi Jute Industries Ltd.
- vii. Aditya Translink Pvt. Ltd.
- viii. Mahadeo Jute and Industries Ltd.
- ix. Birla Corporation Ltd. (Birla Jute Mills)
- x. Murlidhar Ratanlal Exports Ltd.
- xi. Prabartak Jute Mills Ltd.
- xii. RDB Textiles Ltd.
- xiii. Reliance Jute Mills (International) Ltd.
- xiv. Shree Gouri Shankar Jute Mills Ltd.
- xv. The Angus Co. Ltd.
- xvi. Alliance Mills (Lessees) Ltd.
- xvii. Trend Vyapas Ltd.
- xviii. Ambica Jute Mills Ltd.
- xix. Auckland International Ltd.
- xx. Bally Jute Co. Ltd.
- xxi. Budge Budge Co. Ltd.
- xxii. Delta Ltd.
- xxiii. Ganges Jute Pvt. Ltd.
- xxiv. Shaktigarh Textile and Industries Ltd. (Gondalpara Mill Unit)
- xxv. Shaktigarh Textile and Industries Ltd (Hastings Mill Unit)
- xxvi. Shaktigarh Textile and Industries Ltd (Barshul Mill Unit)

21. The applicant has also submitted injury information of six other producers along with verifiable documents in the form of tax audit reports and financial statements, of the following companies:

- i. Anglo India Jute and Textile Industries Pvt. Ltd.
- ii. Calcutta Jute Manufacturing Co. Ltd.
- iii. Eluru Jute Mills Pvt. Ltd.
- iv. The Naihati Jute Mills Co. Ltd.
- v. The Hooghly Mills Co. Ltd.
- vi. Vijai Shree Pvt. Ltd.

22. Though the Authority has examined the domestic industry's standing, it is noted that the test of standing is not relevant in the case of sunset review. The Authority corroborated the information provided regarding the total Indian production with the information published on the Office of Jute Commissioner's website and found that the figure published on the website is in the same range as the data furnished by the applicant. Information regarding the share of production of the applicant companies and the supporters is given in the table below:

SN	Particulars	Production in MT in the POI	%
1	Applicant's total production	2,35,322	27.46%
2	Supporter (Format H) 6 companies	1,06,620	12.44%
3	Supporter (with volume and value information) 26 companies	4,55,818	53.20%
4	Applicant with supporters (Format H and supporting evidence)	3,41,942	39.91%
5	Applicant along with all supporters	7,97,760	93.12%
6	Others	58,923	6.87%
7	Total Indian production	8,56,683	100.00%

23. From the participation received in the present investigation, including the participating applicant companies and the various number of producers that have supplemented their support to the application with information, the Authority notes that the production of the applicant companies constitutes 27.46% of the total domestic production in India.

24. With regards to the submission of other interested parties regarding exclusion of the NPUC, it is noted that the NPUC produced by the domestic industry has been excluded in determining the share of the domestic industry in total domestic production.

25. It is further noted that the applicant company has not imported the subject goods during the POI and is not related to any exporter or producer of the subject goods in the subject country or any importer of the product under consideration in India.

26. The Authority notes the submission by the other interested parties with respect to imports made by Cheviot Company Limited for its SEZ unit and, therefore, should not be considered as an eligible domestic producer. In this regard, it is noted that the units existing in Special

Economic Zones (“SEZ”) are not treated as “domestic industry” for the purpose of Rule 2(b) on account of their special status granted in terms of Section 30 of the SEZ Act, 2005. Cheviot Company Limited has its units located in DTA area as well as in SEZ area. The imports made by Cheviot Company Limited has been made for its SEZ unit and not its DTA unit. Thus, imports made for the SEZ unit does not disentitle Cheviot Company Limited from being an eligible domestic producer in terms of Rule 2(b).

27. The Authority also notes that there is no absolute bar under Rule 2(b) of the AD Rules which mandates the exclusion of every domestic producer which has made imports. From the scope of domestic industry. The Gauhati High Court in its recent judgement in *Century Plyboards v. Union of India*<sup>12</sup> has observed that the Authority enjoys certain discretion with respect to inclusion/exclusion of such importing domestic producers<sup>13</sup>. Such discretion is, however, not unfettered and is to be exercised on a case-to-case basis. The imports made by Cheviot is examined below:

SN	Particulars	2017-18	2018-19	2019-20	2020-21
1	Imports made by Cheviot	1,260	1,431	1,111	960
2	Trend	100	113	88	76
3	Cheviot's production	***	***	***	***
4	Trend	100	98	109	82
5	Total Indian Consumption	11,78,706	11,40,443	12,03,483	10,10,177
6	Total Imports from Bangladesh	98,766	88,256	1,23,016	1,11,912
	<b>Imports in relation to</b>				
7	Own production	2.89	3.24	2.32	2.67
8	Trend	100	112	80	92
9	Indian consumption	0.11	0.13	0.09	0.10
10	Total imports from Bangladesh	1.28	1.62	0.90	0.86

28. It is seen that the imports made by Cheviot Company Limited in its SEZ unit is low in relation to its own production, and insignificant in relation to consumption, total Indian imports and gross domestic production and therefore, holds Cheviot as an eligible domestic producer in terms of Rule 2(b) of the AD Rules.

29. As regards the argument that the supporters have not provided information as per the prescribed trade notice and therefore, should not be treated as supporters to the application made by the applicant, it is noted that indeed, several producers have not provided any information about their economic parameters. However, 32 other domestic producers have provided information on installed capacity, production quantity, sales volume and value, separately for domestic sales, exports and captive consumption as required under Trade Notice

<sup>12</sup> W.P.(C) 1102/2022.

<sup>13</sup> “54. In view of the above, it is the considered view of the Court that the amendment brought in to the definition of ‘domestic industry’ by the notification dated 01.12.2011 in Rule 2(b) of the ADR 1995 do bring in a discretion upon the authorities to include the producers related to the exporters or importers of the dumped article or the importers themselves in the concept of ‘domestic industry’. But again because of the nature and implications of the successive amendments, we have to understand that such discretion may not be an absolute discretion but would be a circumstantial discretion to be determined on case to case basis.”

No. 05/2021 dated 29<sup>th</sup> July, 2021. Further, six of the other producers have provided complete injury information along with supporting evidence in the form of tax audit report and financial statements. The Authority notes that it cannot be ignored that the share of the applicant along with the 32 producers providing information as required under Trade Notice 05/2021 dated 29<sup>th</sup> July, 2021 constitutes around 93% of the total Indian production and share of the applicant along with 6 supporting producers who have provided information along with supporting evidence constitutes around 40% of total Indian production.

30. The Authority has not taken into account the injury information provided by such producers who have submitted it at a belated stage. However, since these companies have provided relevant information, the same has nevertheless been separately examined in order to ascertain whether their performance shows a materially different position as compared to the applicant domestic industry, and whether non-consideration of their data would lead to material distortion in the eventual conclusion and for examining the overall state of the Indian industry as a whole.
31. Considering the above facts, the Authority holds that the applicant companies constitute domestic industry under Rule 2(b) of the AD Rules and the application meets the requirements of ‘standing’ under Rule 5(3) of the AD Rules.

## **E. CONFIDENTIALITY**

### **E.1 Views of the domestic industry**

32. The domestic industry has made the following submissions with regard to confidentiality:
  - i. The information claimed as confidential by the domestic industry are related to price which is a business sensitive information and as such cannot be disclosed in any manner. As regards the comment that actual figures should have been disclosed, it must be noted that injury examination is done to evaluate the effect of the dumped imports on the domestic industry over the injury period wherein the investigating authority is required to determine whether the situation of the domestic industry during the POI can be described as “injurious”. In this respect, the trend of the information is more important while examining injury rather than the actual figures.
  - ii. As regards the information on surplus estimates in Bangladesh, demand and supply/ production in Bangladesh, consumption of raw jute in Bangladesh etc. is concerned, it is submitted that this information cannot be disclosed as the same is not readily available in public domain. However, the sources through which such information has been taken have been disclosed.
  - iii. The applicant had circulated the non-confidential version of the application and addendum vide letter dated 22.06.2021 along with all the information filed post filing of the initial petition. The injury annexures also underwent some minor changes for which an addendum was attached along with the application. There was no change in the figures for the injury period in the application considered at the stage of initiation and the information was provided after updating the POI data.

## **E.2 Views of the other interested parties**

33. Following submissions have been made by other interested parties regarding confidentiality:

- i. Majority of information provided in the petition has been kept confidential for which no non-confidential summary has been provided. No non-confidential summary has been provided even for information such as surplus estimates in Bangladesh, demand and supply/production in Bangladesh, consumption of raw jute in Bangladesh and so on which pertains to the respondents. This makes it difficult for the respondents, to properly evaluate the situation and make useful contribution in the investigation.
- ii. The ability of the respondents to verify and assess whether the entire gamut of information submitted by the supporters with respect to Annex-II in the letter circulated on 14th March 2022 or for that matter, the limited volume information submitted by the supporters vide letter dated 11th March 2022 has been completely circumscribed as the supporters providing such information have claimed complete confidentiality without providing an adequate non-confidential summary or reasons why such summarization is not possible.
- iii. The domestic industry has claimed excessive confidentiality and has filed an incomplete petition. The domestic industry has not furnished any information related to costing nor has it provided any reasonable justification for its claim as per Rule 7 of the AD Rules and Trade Notice No. 1/2013<sup>14</sup> and 10/2018<sup>15</sup>. The petitioner has withheld and manipulated information related to the allegations of injury.

## **E.3 Examination by the Authority**

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

*" Confidential information : (1) Notwithstanding anything contained in sub-Rules (2), (3) and (7) of rule 6, sub-rule (2) of rule 12, and 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 the 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 authorisation of the party providing such information.*

*(2) The designated authority may require the party's 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.*

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<sup>14</sup> Trade Notice No: 1/2013 Requirements for Submission of Confidential/Non-confidential information by Stakeholders.

<sup>15</sup> Trade Notice No: 10/2018 Streamlining of Anti-Dumping Investigations- Clarification regarding Disclosure of Information in Confidential Version / Non-Confidential Version of Responses filed by the Domestic Industry and Other Interested Parties dated 7<sup>th</sup> September 2018, F.No. 4/17/2018.



*(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. "*

35. The Authority notes the submissions of the interested parties with respect to the confidential report filed by the domestic industry in relation to Bangladesh and Nepal regarding surplus capacity, demand, supply etc. The domestic industry expressed its inability to provide an adequate non-confidential summary of the same as it contained third party information. The Authority, therefore, notes such excessive confidentiality would have prevented other interested parties from making meaningful submissions on certain aspects such as surplus estimates in Bangladesh, demand and supply/production in Bangladesh, consumption of raw jute in Bangladesh, etc. Accordingly, the Authority has not accepted the same.
36. Regarding other submissions made by the domestic industry and the other interested parties with regard to confidentiality, to the extent considered relevant, were examined by the Authority and addressed accordingly. The Authority notes that the information provided by the interested parties on confidential basis was duly examined with regard to sufficiency of the confidentiality claim. On being satisfied, the Authority has accepted the confidentiality claims, wherever warranted and such information has been considered confidential and not disclosed to other interested parties. Wherever possible, parties providing information on confidential basis were directed to provide sufficient nonconfidential version of the information filed on confidential basis. The Authority also notes that all interested parties have claimed their business-related sensitive information as confidential.

## **F. MISCELLANEOUS**

### **F.1 Views of the domestic industry**

37. The domestic industry has made the following miscellaneous submissions:
- i. The domestic industry shall respond to the offer of price undertaking as and when the Authority communicates the conditions and base price for the same.
  - ii. Applicant has provided the import data in PDF and has complied with the Trade Notice 07/2018. Since the CESTAT order in Exotic Décor Pvt. Ltd., the Authority authorizes all interested parties to obtain such data from DGCI&S. No prejudice can be caused to the interested parties by obtaining the import data in PDF from the petitioner and in excel form from DGCI&S.

### **F.2 Views of the other interested parties**

38. The other interested parties have made the following miscellaneous submissions:
- i. The initiation is bad in law as the Authority has not made any enquiry from other domestic producers to ascertain likelihood and injury as it had done in a recent investigation.
  - ii. Initiating a sunset review is a two-stage process. The first stage being an examination of the sunset review application with a view to satisfy itself that such a review is required to

be initiated. In the present case, initiation notice does not reveal the basis on which the Authority came to the conclusion that a review was required vis-à-vis Nepal since dumping margin was found *de minimis*. Furthermore, no *prima facie* satisfaction was recorded about the continuation of injury to the domestic industry due to imports from Nepal or for that matter, a likelihood thereof.

- iii. The Authority has observed that a number of factors indicate the existence of likelihood of recurrence of injury from Bangladesh but with respect to Nepal it was only mentioned that India is a significant market for Nepalese producers and that price undercutting was positive. However, the petition filed by the domestic industry indicated a negative price undercutting. In a situation where neither dumping has continued nor injury to the domestic industry is likely to recur, sunset review investigation against Nepal should not have been initiated.
- iv. Despite (i) Arihant Multi-Fibres Limited, and (ii) Shree Raghupati Jute Mills (iii) Swastik Jute Mills Pvt. Ltd., and (iv) Baba Jute Mills Pvt. Ltd. having participated in the original investigation and an individual rate of duty been ascribed to them, the domestic industry has not mentioned these producers/exporters from Nepal in their application for the initiation of investigation. It indicates that no effort was made by the petitioner to determine the producers and exporters from Nepal since no material injury is being suffered due to imports coming from Nepal.
- v. From the submissions made by the domestic industry during the course of the investigation, it is manifest that the apprehension regarding likelihood of injury expressed is solely focused on imports from Bangladesh and not Nepal. As the petitioners have conspicuously omitted Nepal from the said discussions, it shows that they are not perturbed by imports from Nepal.
- vi. With the change in the POI by the Authority, the petitioner was supposed to change the data pertaining to the POI only, however, to our surprise, the petitioner has changed all the vital figures of the injury period in their revised petition for the POI as well as the previous years. It appears that the domestic industry was trying to manipulate the data by making amendments in the petition to mislead the Authority. This raises serious questions about the reliability and authenticity of the data provided by the petitioner.
- vii. The petitioner was required to file the correct information at the initiation stage itself strictly in terms of the prescribed formats. The information provided in the original petition which formed the basis for the initiation of the present investigation cannot be revised at a later stage without providing specific reasons.
- viii. The petitioner has kept the information regarding the possible production capacity of producers from Bangladesh as confidential which is quite surprising as this information is collected from international organisations and the website of the Government of Bangladesh. Such information is not confidential by nature and keeping such information confidential contravenes Article 6.5 of the Anti-dumping Agreement.

### **F.3 Examination by the Authority**

39. The miscellaneous submissions by the interested parties to the extent found relevant have been addressed below:

- a. As regards the submission that the initiation notification did not reveal the basis on which the investigation was initiated against Nepal, the Authority notes that the initiation notification noted that the dumping margin is negative for Nepal at this stage, however, dumping margin needs to be further looked at during the investigation after considering the PCN-wise information. It was further noted that price undercutting for Nepal was positive and that India is an extremely significant market, making Nepalese producers highly dependent on it which justifies initiation of the investigation against Nepal as well.
- b. As regards the argument that there is no evidence placed by the applicant to show that there exists likelihood of dumping and injury from imports of the subject goods from Nepal, it is noted that the application did provide information regarding the prevailing demand, supply and production situation in Nepal to substantiate the likelihood of dumping and injury from Nepal.
- c. As regards the argument that the applicant has modified the information for the period prior to the POI while updating information for the POI selected by the Authority, it is noted that the interested parties have incorrectly referred to the data in the application. The information as provided in the addendum to the application had undergone some changes in the period prior to the POI. The application along with the addendum was shared with all the interested parties. Thus, there was no change in the data for years prior to the POI at the stage of initiation.

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

### **G.1. Views of the domestic industry**

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

- i. The normal value for exporters/producers from Bangladesh has been considered on the basis of prices published by sellers on various websites as no evidence was found regarding the prices of subject goods while the normal value for Nepal has been constructed owing to the absence of publicly available information.
- ii. The Authority may consider the following for modification of duty:
  - a. Where exports volumes are significantly higher in comparison to the levels during the original investigation or in relation to current imports, the export price is to be considered reliable enough to consider modification of duty.
  - b. Where export volumes are not significant enough to establish reliability of the export price, the dumping margin and injury margin in the current period may not be considered representative and the previous duties may kindly be extended.
  - c. Reliability of export price with reference to both volume and price is important before considering modification of duty. If there has been a significant increase in imports in the current period, both volume and price should be considered for modification of duty.
- iii. The export price was determined on the basis of transaction wise DGCI&S data with due adjustments.
- iv. A comparison of the normal value and the export price. shows that the dumping margin is quite significant and positive despite imposition of anti-dumping duties.
- v. The declaration of Government of Bangladesh during the hearing that their jute industry is not profitable shows that Bangladeshi exporters are making exports at dumped prices. The responses should be scrutinized in light of this statement and the responses that show a contrary position may be read to imply that the information is not factually correct, or even fabricated.
- vi. As regards the submission that the dumping and injury margin claims by the applicant are highly misleading and inflated, it is submitted that the applicant does not object to calculation of margins based on responses filed provided the same be examined as not deficient and incomplete in any manner. Based on the statement made during the oral hearing the applicant suspects that the questionnaire responses are grossly deficient.
- vii. The other interested parties have submitted that applicant's analysis of normal value, export price and dumping margin are violative of AD Rules and Anti-dumping Agreement and that such faulty analysis also colours the likelihood analysis. It has also been contended dumping margin be calculated on the basis of information regarding cost of production, export price to India as submitted by the respondent in their EQRs. With respect to these contentions, it is submitted that

the normal value, export price and the dumping margin has been determined on the basis of the best information available and are not faulty.

- viii. The Authority should verify the claims made by the interested parties in their EQRs and examine them particularly from the perspective of likelihood of dumping and injury.
- ix. None of the interested parties have denied the occurrence of dumping during the oral hearing. In fact the Government of Bangladesh admitted that the sales are not profitable and thus, the claim of no dumping appears to be incorrect. Arguendo, if the dumping margin is negative, the Authority should consider the volume and the price at which goods have been sold in the export market, their capacity, export orientation etc. to determine likelihood.
- x. All responses filed by Alijan Jute Mills Ltd., Nawab Abdul Malek Jute Mills (Bangladesh) Ltd., and Sonali Aansh Industries Ltd., should be rejected as the same was filed vide links despite DGTR's requirement not permitting it. A party filing through such medium can amend/alter their submissions anytime despite having made incorrect/deficient submission.
- xi. According to the website of Rabeya Jute Mill, it has three sister concerns that are engaged in trading, namely Abdul Samad and Sons, Samad Trading Corporation, S.R. Enterprise, but none of these names were mentioned in the response and it is not known whether any of these listed traders are engaged in the trading of the subject goods.
- xii. Erans Trade International Ltd. (related exporter of Mouna) identifies itself as a mere exporter of the subject goods in its response but on their website, it has claimed that it is a producer of the subject goods. This contradiction should be verified and if it is a producer, then it should have provided all relevant information that a producer has to file. If such information cannot be verified, the Authority may reject the response of not just Erans but the entire group.
- xiii. According to the questionnaire responses 14 exporters have seen an increase in exports to India and all of them fall in the low duty/exempted category. This trend is not coincidental but rather a planned activity to continuously export the subject goods in the Indian market and as per market intelligence, these exporters constitute about 50% of the total volume of the subject imports. Some of the exporters do not even have the capacity to export the subject goods in huge volumes and are routing exports of producers having high duty.
- xiv. The applicant through its letter<sup>16</sup> dated 04<sup>th</sup> June 2021 has explained as to why certain evidence of prices that were available were not chosen or considered appropriate. The letter also contains the final and appropriate information to be considered for determining the normal value and has also provided the sources, i.e., links of the prices considered. The normal value tables given in the letter dated 22<sup>nd</sup> June 2021 are merely a replication and extension of the information given in the previous letter. Further, the applicant has adjusted the normal value considering available information and the best estimates.

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<sup>16</sup> Paras 7-12 of the letter.

- xv. Regarding the transaction wise cash incentives provided by the Government to the respondent, the Authority had in the original dumping investigation stated that the said adjustment is not specifically provided under Article 2.4 of the Anti-dumping Agreement. The Hon'ble CESTAT has also considered that the approach adopted by the Authority is appropriate. Further, no authority allows adjustment for duty drawback received by Indian exporters, nor DPEB was being allowed when it was being granted.

## **G.2. Views of the other interested parties**

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

- i. The applicant has not submitted any evidence which indicates that the export price of any exporter is unreliable.
- ii. With respect to dumping from Nepal, the Authority had observed in the initiation notice that as comparisons were done on an average basis, *de minimis* dumping margin may not be representative of actual situation of dumping due to various PCNs involved. However, PCNs were suggested by the Authority only with respect to jute yarn and not sacking bags or hessian fabric. Also, the producers/exporters from Nepal have only exported one type of jute yarn which does not fall under any of the PCNs suggested by the Authority. As such, overall dumping margin from Nepal is negative notwithstanding the multiple PCNs suggested by the Authority vis-à-vis yarn/twine as Nepal exports only one product type per category of the PUC i.e., yarn, hessian fabric and sacking bags.
- iii. In paragraph 8 of the letter of the petitioner sent to the Authority on 4 June 2021, it was mentioned: “8. *The petitioner made efforts to gather evidence of domestic prices of jute products in Nepal and Bangladesh, however, as it would be seen from the table below, these prices are not reliable as they seem to be one blanket price for all product types, thus making it unreliable for analysis*”. Moreover, in paragraph 12 of the same letter, the petitioner has stated the following: “12. *Petitioner has further found following information/evidence with regard to costs/prices in Bangladesh. These could however not be used for the reason that these do not contain information about specific type of the product involved*”. Thus, the petitioner itself claims that the prices and cost of production provided by it are not reliable.
- iv. Despite being fully aware of the fact that jute products are imported through land customs station, the petitioner has charged US\$ 30/MT as freight to artificially reduce the export price. Secondly, 3% commission charge was adjusted in the petition, which is arbitrary. It is clear from the EQR of the respondent that respondent has never provided such commission. Thirdly, bank charge, insurance charge and inland transportation cost considered in the petition are all arbitrary. For instance, marine insurance is normally 0.10% to 0.125% of 110% of the CIF value and it is never as high as 0.5% of CIF as claimed by the applicant.
- v. Moreover, while estimating the normal value for different categories of jute products, the petitioner has failed to estimate the export price of the same category of jute products.

- vi. Appendix 3A of EQR of the respondent shows that it received cash incentive from the Government during the POI. Without considering this adjustment, a fair comparison in line with Annexure I of the AD Rules and Article 2.4 of the Anti-dumping Agreement cannot be made.
- vii. Since the petitioner has relied on positive dumping margin as a ground for the likelihood analysis for the continuation of anti-dumping duty, the respondent, based on the above mentioned three factors, submits that the likelihood analysis based on such faulty determination of dumping margin contradicts with both the AD Rules as well as the WTO disciplines.
- viii. The Authority may determine the individual margins of dumping and injury based on the responses as filed by each of the parties as the claims of dumping and injury margin made by the petitioners are highly misleading and inflated and cannot form the basis for a fair and just determination.
- ix. Individual margins for all exporters irrespective of the sampling done be determined since complete response have been filed by all the exporters upon initiation.
- x. Determination of fresh dumping and injury margin are essential because the margins determined in the original case have undergone substantial changes.
- xi. Three entities from Nepal i.e. (i) Swastik Jute Mills Pvt Ltd; (ii) Baba Jute Mills (P.) Ltd and (iii) Nepal Jute Industries Pvt Ltd have not been selected in the sample. The Authority must determine individual dumping margins for them as they have filed full questionnaire responses with all supporting documents and evidence. The prevalent global practice is to select a sample first and then proceed to direct the sampled producers to provide full EQRs.
- xii. Arihant Multi-Fibres Limited and Shree Raghupati Jute Mills Ltd. are related parties which had participated and were considered cooperative in the original investigation and were allotted a common rate of duty with hessian fabric being assigned a nil rate of duty. Since no duty was levied in the original investigation itself, a product which was not found to be dumped and not subject to duty cannot be subject to sunset review. Therefore, the present sunset review investigation should be restricted to examination of only jute yarn/twine and sacking bags in so far as Arihant Multi-Fibres Limited and Shree Raghupati Jute Mills are concerned. As per the WTO Appellate Body Report in Mexico — Anti-Dumping Measures on Rice<sup>17</sup>, an anti-dumping investigation must be terminated against a producer/exporter once the rate of dumping is determined as *de minimis*.
- xiii. The statement of the Government of Bangladesh regarding losses suffered by the exporters/producers of Bangladesh was of general nature and is not applicable to all exporters/producers from Bangladesh.
- xiv. A.M. Jute Industries Ltd. has provided the Authority with its actual information which has been verified by the Authority and it is requested that the Authority use this information for computation of dumping and injury margin.
- xv. The claims with respect to alleged traders of M/s Rabeya Jute Mills is entirely unfounded and has no basis. The listed concerns are independently run and are in no way related to M/s Rabeya Mills and none of them deal in jute or jute related products.

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<sup>17</sup> Appellate Body Report, Mexico – Definitive Anti-Dumping Measures on Beef and Rice WT/DS295/AB/R dated 29 November 2005.

- xvi. Erans Trade International Ltd. is only an exporter of finished goods and is not a manufacturer. The website of the company is under construction and the developer of the website has used the term wrongly which was not verified by the Company. Therefore, it is requested that the Authority should ignore the same.
- xvii. Out of the 14 exporters referred to by the petitioners whose imports to India have allegedly increased, eleven are subject to high duty. The exports of the three other producers have declined during the POI as can be seen from Annexure C.

### **G.3. Examination by the Authority**

42. Under Section 9A (1)(c) normal value in relation to an article means:

- (i) *the comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or*
- (ii) *when there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-*
  - (a) *comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or 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):*
  - (b) *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.*

43. At the time of initiation, the Authority determined the normal value by taking the facts which were considered sufficient to initiate the investigation, However, after initiation the determination of normal value has been made after taking into account the responses received from the interested parties.



44. Since a large number of producers/exporters from the subject countries have responded, the Authority has undertaken sampling as per the relevant provisions relating to sampling is Article 6.10 of the Anti-Dumping Agreement<sup>18</sup> and Rule 17 (3) of the AD Rules.<sup>19</sup>
45. As regards the 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 the WTO Agreement on Anti-dumping.
46. Accordingly, the Authority had undertaken sampling of 19 exporter questionnaires filed by various producers/exporters from the subject countries. The sampling has been done by selecting exporters with different quantum of exports to India. Based on the sampling following 19 producers/exporters were firmed up as a sample after seeking views of all concerned cooperative producers/exporters, which are as follows:
- i. Hasan Jute Mills Limited
  - ii. Hasan Jute Spinning Mills Limited
  - iii. Alijan Jute Mills Limited
  - iv. Arnu Jute Mills Limited, Bangladesh
  - v. A.M. Jute Industries Limited
  - vi. Sagar Jute Spinning Mills Ltd.
  - vii. Sidlaw Textiles Ltd.
  - viii. Oriental Jute Mills
  - ix. Nawab Abdul Malek Jute Mills (Bangladesh) Limited
  - x. Nawhata Jute Mills Ltd

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<sup>18</sup> 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.”

<sup>19</sup> 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.”

- xi. Rabeya Jute Mill
- xii. Bogra Jute Mills Ltd
- xiii. Ranu Agro Industries Limited, Bangladesh
- xiv. Sonali Aansh Industries Limited.
- xv. Mouna Jute Mills Ltd
- xvi. Erans Trade International Ltd
- xvii. Ecotrade International
- xviii. Arihant Multi-Fibres Ltd
- xix. Shree Raghupati Jute Mills Ltd.

47. The Authority has determined the normal values for all the sampled producers/exporters on the basis of the information submitted by them in the following manner:

- a. To determine the normal value, the Authority conducted the ordinary course of trade test to determine the profit-making domestic sales transactions with reference to the cost of production of the subject goods. If profit making transactions are more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value; or
- b. Where there were no domestic sales or no profitable domestic sales or the domestic sales were insufficient of comparable product, the normal value was constructed based on the cost of production of the products exported to India along with reasonable addition for profits.

48. The Authority has accorded individual dumping margins to all the sampled producers/exporters. For the non-sampled producers/exporters, weighted average dumping margin of the sampled producers/exporters has been accorded separately for the 3 product types. The Authority has calculated the dumping margin for the residual category of producers/exporters on the basis of facts available. The non-sampled producers/exporters are as under:

- i. Mirza Jute Mills Ltd.
- ii. Gem Jute Mill
- iii. Afzal Fibre Processing Industries
- iv. Anam Jute Products Ltd.
- v. Asha Jute Industries Ltd.
- vi. Usha Jute Spinners Ltd.
- vii. Bonanza Jute Composite & Diverse Factory Ltd.
- viii. Jamuna Jute Industries Ltd.
- ix. Rahman Jute Mills (Pvt.) Ltd.
- x. Joy Jute Mills Ltd.
- xi. Jute Textile Mills Ltd.
- xii. Golden Jute Industries Ltd.

- xiii. Pride jute Mills Ltd.
- xiv. Rajbari Jute Mills Ltd.
- xv. Hasen Jute Industries Ltd.
- xvi. Janata Jute Mills Ltd.
- xvii. Sadat Jute Industries Ltd.
- xviii. Baba Jute Mills
- xix. Swastik Jute mills Pvt. Ltd
- xx. Nepal Jute Industries Pvt. Ltd.
- xxi. Glory Jute Ltd.
- xxii. Madina Jute Industries Ltd.
- xxiii. Mazeda Jute Industries Ltd.
- xxiv. Reliance Jute Mills Ltd.
- xxv. Salim Agro Industries Ltd.
- xxvi. Shamsheer Jute Mills Ltd.
- xxvii. Wahab Jute Mills
- xxviii. Akij Jute Mills Ltd.
- xxix. Lovely Jute Mills Ltd.
- xxx. Nowapara Jute Mills Ltd.
- xxxi. Nowapara Packaging Industries Ltd.
- xxxii. Bangla Pat Diversified Mills Ltd.

49. The Authority notes that the questionnaire responses filed by Nowpara Jute Mills Ltd., Nowapara Packaging Industries Ltd. and Bangla Pat Diversified Mills Ltd. are incomplete and have, therefore, been rejected by the Authority. Accordingly, these producers have been treated as non – cooperative.

### **G.3.1. Determination of normal value and export price for all sampled exporters of Bangladesh**

#### **50. Bogra Jute Mill (Producer/Exporter)**

##### **Normal Value**

- i. Based on the information furnished in the EQ Response, the Authority notes that Bogra Jute Mill (hereinafter referred to as "Bogra/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, Bogra has exported the subject goods (sacking bag, sacking cloth and two PCNs of yarn) directly to its unrelated customers in India. Bogra has provided the information on PCN basis. Response of Bogra shows that the company has sold sacking bag, sacking cloth and yarn in the domestic market as well as exported the same to India during the POI.
- ii. Bogra has sold \*\*\* MT of sacking bag and \*\*\* MT of two PCNs of yarn in the domestic market during the POI, whereas, it has exported \*\*\* MT sacking bag and \*\*\* MT of two of the PCNs of yarn to India. The Authority has examined whether their sales are made in

ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. It was found that \*\*\* % sales of sacking bag and \*\*\* % sales of jute yarn/twine were profitable. The company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Bogra has been calculated and the same has been mentioned in the dumping margin table below.

### Export Price

- iii. It is noted that Bogra Jute Mill has exported \*\*\* MT sacking bag and \*\*\* MT of two of the PCNs of yarn to India during the POI. The Authority has verified the response filed by Bogra Jute Mill. Bogra has claimed adjustments on account of inland transportation, certificate of origin charges, SAFTA expenses, oil content expenses, C&F charges, bank charges and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	(***)	(***)	(10) – 0
Sacking bag	***	***	(***)	(***)	(20) – (10)

### 51. Hasan Jute Mills Ltd. (Producer/Exporter) & Hasan Jute & Spinning Mill

#### Normal Value

- i. Based on the information furnished in the EQ Responses, the Authority notes that Hasan Jute Mills Ltd. and its related company Hasan Jute & Spinning Mill (hereinafter referred to as "Hasan/Exporter/the Company") are producers of subject goods from Bangladesh. However, goods have been exported to India only by Hasan Jute Mills Ltd. and the related company Hasan Jute & Spinning Mill has sold in the domestic market only. As noted,

Hasan has exported the subject goods (sacking bag and 8 PCNs of yarn) directly to its unrelated customers in India. Both companies have provided the information on PCN basis. The response of Hasan shows that the company has sold sacking bag and yarn in the domestic market as well as exported the same to India during the POI.

- ii. Both the companies together have sold \*\*\* MT of sacking bags and \*\*\* MT of eight PCNs of yarn in the domestic market during the POI, whereas, it has exported \*\*\* MT sacking bag and \*\*\* MT of eight PCNs of yarn to India. The Authority has examined whether their sales are made in the ordinary course of trade in terms of Annexure I to the AD Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the Authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. It was found that \*\*\* % sales of sacking bag and \*\*\* % sales of jute yarn/twine were profitable. The company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for the group has been calculated and the same has been mentioned in the dumping margin table below.

### Export Price

- iii. It is noted that Hasan Jute Mill Ltd. has exported \*\*\* MT sacking bag and \*\*\* MT of eight PCNs of yarn to India during the POI. The Authority has verified the response filed by Hasan Jute Mill. Hasan has claimed adjustments on account of inland transportation, C&F expenses, net bank charges, document making cost, and packing cost \and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	(***)	(***)	(10) – 0
Sacking bag	***	***	(***)	(***)	(20) - (10)

### 52. Rabeya Jute Mill (Producer/Exporter)

#### Normal Value

- i. Based on the information furnished in the EQ Response, the Authority notes that Rabeya Jute Mill (hereinafter referred to as "Rabeya/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, Rabeya has exported the subject goods (sacking bag, hessian fabric and 1 PCN of yarn) directly to its unrelated customers in India. Rabeya has provided the information on PCN basis. The response of Rabeya shows that the company has sold sacking bag and yarn in the domestic market and sacking bag, hessian fabric and one PCN of yarn exported to India during the POI.
- ii. Rabeya has sold \*\*\* MT of sacking bag and \*\*\* MT of one PCN of yarn in the domestic market during the POI whereas, it has exported \*\*\* MT sacking bag, \*\*\* MT of hessian fabric and \*\*\* MT of one PCN of yarn to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. It was found that \*\*\* % of sales of sacking bag and \*\*\* % of sales of jute yarn/twine were profitable. There were no domestic sales of hessian fabric. The Company has claimed all domestic sales are at Ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Rabeya has been calculated and the same mentioned in the Dumping Margin table below.

### Export Price

- iii. It is noted that Rabeya Jute Mill has exported \*\*\* MT sacking bag, \*\*\* MT of Hessian Fabric and \*\*\* MT of one of the PCN of yarn to India during the POI. The Authority has verified the response filed by Rabeya Jute Mill. Rabeya has claimed adjustments on account of inland transportation, port & other related expenses, bank charges and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value	Weighted Average Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	***	***	30 – 40
Sacking bag	***	***	(***)	(***)	(20) – (10)
Hessian fabric	***	***	(***)	(***)	(20) – (10)

53. **Mouna Jute Mills Ltd. (Producer/Exporter)**

**Normal Value**

- i. Based on the information furnished in the EQ Response, the Authority notes that Mouna Jute Mills Ltd. (hereinafter referred to as "Mouna/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, Mouna has exported the subject goods (sacking cloth and 2 PCNs of yarn) directly to its unrelated customers in India and also exported the subject goods (Sacking Cloth) through two of its related company namely Erans Trade International Ltd. and Ecotrade International to unrelated customers in India. Mouna and its related companies have provided the information on PCN basis. Response of Mouna shows that the Company have sold sacking bag, sacking cloth, hessian fabric and yarn in the domestic market and sacking cloth and yarn exported to India during the POI.
- ii. Mouna has sold \*\*\* MT of sacking bag, and \*\*\* MT of two of the PCNs of yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of two PCNs of yarn to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I of the AD Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. There were no domestic sales of sacking bag and \*\*\* % sales of jute yarn/twine were profitable. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Mouna has been calculated and the same has been mentioned in the dumping margin table below.

**Export Price**

- iii. It is noted that Mouna Jute Mills Ltd. along with its two related exporters namely Erans Trade International Ltd. and Ecotrade International have exported \*\*\* MT of two of the PCNs of yarn to India during the POI. The Authority has verified the response filed by Mouna Jute Mill. Mouna has claimed adjustments on account of inland transportation, C&F cost, buying commission, bank cost and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory

export price has been calculated and the same has been mentioned in the dumping margin table below.

<b>PUC</b>	<b>Weighted Average Normal Value (US\$/MT)</b>	<b>Weighted Average Export Price (US\$/MT)</b>	<b>Dumping Margin (US\$/MT)</b>	<b>Dumping Margin %</b>	<b>Dumping Margin Range</b>
Jute yarn/twine	***	***	***	***	0 - 10

**54. Nawhata Jute Mills Ltd. (Producer/Exporter)**

**Normal Value**

- i. Based on the information furnished in the EQ Response, the Authority notes that Nawhata Jute Mills Ltd. (hereinafter referred to as "Nawhata/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, Nawhata has exported the subject goods (sacking cloth and hessian fabric) directly to its unrelated customers in India. Nawhata has provided the information on PCN basis. Response of Nawhata shows that the Company have sold sacking cloth in the domestic market and sacking cloth and hessian fabric exported to India during the POI.
- ii. Nawhata has not made any domestic sales of hessian fabric whereas it has exported \*\*\* MT of hessian fabric to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. As there were no domestic sales, cost plus reasonable profit has been considered for normal value. There were no domestic sales of hessian fabric. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Nawahata has been calculated and the same has been mentioned in the dumping margin table below.

**Export Price**

- iii. It is noted that Nawhata Jute Mill has exported \*\*\* MT of hessian fabric to India during the POI. The Authority has verified the response filed by Nawhata Jute Mill. Nawhata has claimed adjustments on account of truck fare, bank swift cost, port & other related exp and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

<b>PUC</b>	<b>Weighted Average Normal Value (US\$/MT)</b>	<b>Weighted Average Export Price (US\$/MT)</b>	<b>Dumping Margin (US\$/MT)</b>	<b>Dumping Margin %</b>	<b>Dumping Margin Range</b>



Hessian Fabric	***	***	(***)	(***)	(30) – (20)
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**55. Sagar Jute Spinning Mills Ltd. (Producer/Exporter)**

**Normal Value**

- i. Based on the information furnished in the EQ Response, the Authority notes that Sagar Jute Spinning Mills Ltd. (hereinafter referred to as "Sagar/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, Sagar has exported the subject goods 12 PCNs of yarn directly to its unrelated customers in India. Sagar has provided the information on PCN basis. Response of Sagar shows that the Company have sold sacking bag, sacking cloth and yarn in the domestic market and sacking cloth and yarn exported to India during the POI.
- ii. Sagar has sold \*\*\* MT of one PCN of yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of twelve of the PCNs of yarn to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. It was found that \*\*\* % of sales of yarn were profitable. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Sagar has been calculated and the same has been mentioned in the dumping margin table below.

**Export Price**

- iii. It is noted that Sagar Jute Spinning Mills Ltd. has exported \*\*\* MT of twelve of the PCNs of yarn to India during the POI. The Authority has verified the response filed by Sagar Jute Mill. Sagar has claimed adjustments on account of ocean freight, inland freight, port & other related expenses and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range
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Jute yarn/twine	***	***	(***)	(***)	(10) - 0
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56. **Sidlaw Textiles (Bangladesh) Ltd. (Producer/Exporter)**

**Normal Value**

- i. Based on the information furnished in the EQ Response, the Authority notes that Sidlaw Textiles (Bangladesh) Ltd. (hereinafter referred to as "Sidlaw/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, Sidlaw has exported the subject goods (sacking cloth and 12 PCNs of yarn) directly to its unrelated customers in India. Sidlaw has provided the information on PCN basis. Response of Sidlaw shows that the Company have sold sacking cloth and yarn in the domestic market as well as exported the same to India during the POI.
- ii. Sidlaw has sold \*\*\* MT of four of the PCNs of yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of twelve of the PCNs of yarn to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. It was found that \*\*\* % of sales of yarn were profitable. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Sidlaw has been calculated and the same has been mentioned in the dumping margin table below.

**Export Price**

- iii. It is noted that Sidlaw Textiles (Bangladesh) Ltd. has exported \*\*\* MT of twelve of the PCNs of yarn to India during the POI. The Authority has verified the response filed by Sidlaw Jute Mill. Sidlaw has claimed adjustments on account of inland transportation, CIF expenses, net banking charges, postage & documentation charges and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value	Weighted Average Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	(***)	(***)	(20) - (10)

- iv. The Authority notes that Sagar Jute Spinning Mills and Sidlaw Textiles are a group. Accordingly, the following table mentions their normal value, export price and dumping margin as a group:

PUC	Weighted Average Normal Value	Weighted Average Export Price	Dumping Margin	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	(***)	(***)	(10) - 0

57. **Alijan Jute Mills Limited and Sonali Aansh Industries Limited (Producer/Exporter)**

**Normal Value**

- i. Based on the information furnished in the EQ Responses, the Authority notes that Alijan Jute Mills Limited (hereinafter referred to as "Alijan/Exporter/the Company") and Sonali Aansh Industries Limited (hereinafter referred to as "Sonali/Exporter/the Company") are the related producer cum exporter of the subject goods from Bangladesh. As noted, Sonali and Alijan have exported the subject goods (13 PCNs of yarn) directly to its unrelated customers in India. Alijan and Sonali have provided the information on PCN basis. Responses of Alijan and Sonali shows that the companies have not made any sales in the domestic market during the POI.
- ii. Sonali and Alijan have not made any sales in the domestic market during the POI whereas, Alijan exported \*\*\* MT of twelve of the PCNs of yarn and Sonali exported \*\*\* MT of nine of the PCNs of Yarn to India. In case there are no domestic sales, cost plus reasonable profit has been considered for normal value. Accordingly, the PCN wise normal value at ex-factory level for Alijan and Sonali as a group have been calculated and the same has been mentioned in the dumping margin table below.

**Export Price**

- iii. It is noted that Alijan exported \*\*\* MT of twelve of the PCNs of yarn and Sonali exported \*\*\* MT of nine of the PCNs of yarn to India during the POI. The Authority has verified the responses filed by Alijan and Sonali. Alijan and Sonali have claimed adjustments on account of inland transportation, port and other related expenses, bank charges and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory

export price for Alijan and Sonali as a group have been calculated and the same has been mentioned in the dumping margin table below.

<b>Exporter</b>	<b>Weighted Average Normal Value (US\$/MT)</b>	<b>Weighted Average Export Price (US\$/MT)</b>	<b>Weighted Average Dumping margin</b>	<b>Dumping Margin %</b>	<b>Dumping Margin Range</b>
<b>Yarn</b>					
Sonali	***	***	***	*** %	10 – 20
Alijan	***	***	***	*** %	10 – 20
Combined	***	*** ***	***	*** %	10 -20

#### 58. Nawab Abdul Malek Jute Mills (Bangladesh) Limited (Producer/Exporter)

##### Normal Value

- i. Based on the information furnished in the EQ Response, the Authority notes that Nawab Abdul Malek Jute Mills (Bangladesh) Limited (hereinafter referred to as "Nawab/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, Nawab has exported the subject goods (2 PCNs of yarn) directly to its unrelated customers in India. Nawab has provided the information on PCN basis. Response of Nawab shows that the Company has not made any sales in the domestic market during the POI.
- ii. Nawab has not made any sales in the domestic market during the POI whereas, it has exported \*\*\* MT of two of the PCNs of Yarn to India. In case there are no domestic sales, cost plus reasonable profit has been considered for normal value. Accordingly, the PCN wise normal value at ex-factory level for Nawab has been calculated and the same has been mentioned in the dumping margin table below.

##### Export Price

- iii. It is noted that Nawab has exported \*\*\* MT of two of the PCNs of yarn to India during the POI. The Authority has verified the response filed by Nawab. Nawab has claimed adjustments on account of inland transportation, C&F, other charges, bank charges and packing cost and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same is mentioned in the dumping margin table below.

<b>PUC</b>	<b>Normal Value (US\$/MT)</b>	<b>Export Price (US\$/MT)</b>	<b>Dumping Margin (US\$/MT)</b>	<b>Dumping Margin %</b>	<b>Dumping Margin Range</b>

Jute yarn/twine	***	***	***	*** %	0 - 10
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#### 59. A.M. Jute Industries Ltd. (Producer/Exporter)

##### Normal Value

- i. Based on the information furnished in the EQ Response, the Authority notes that A.M. Jute Industries Ltd (hereinafter referred to as "AM Jute/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, AM Jute has exported the subject goods (hessian fabric and 5 PCNs of yarn) directly to its unrelated customers in India. A.M. Jute has provided the information on PCN basis. Response of A.M. Jute shows that the Company have sold hessian cloth and yarn in the domestic market as well as exported the same to India during the POI.
- ii. AM Jute has sold \*\*\* MT of hessian cloth and \*\*\* MT of five PCNs of yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of hessian fabric and \*\*\* MT of five PCNs of yarn to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the AD Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. It was found that \*\*\* % of sales of jute yarn/twine and \*\*\* % sales of hessian fabric were profitable. There were no domestic sales of hessian fabric. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for AM Jute has been calculated and the same has been mentioned in the dumping margin table below.

##### Export Price

- iii. It is noted that AM Jute has exported \*\*\* MT of hessian fabric and \*\*\* MT of five PCNs of yarn to India during the POI. The Authority has verified the response filed by AM Jute. AM Jute has claimed adjustments on account of inland transportation, and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	(***)	(***)	0 – (10)
Hessian Fabric	***	***	(***)	(***)	0 – (10)

#### 60. Ranu Agro Industries Ltd. (Producer/Exporter)

##### Normal Value

- i. Based on the information furnished in the EQ Response, the Authority notes that Ranu Agro Industries Limited (hereinafter referred to as "Producer/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, the company has exported the subject goods (jute sacking bag, jute sacking cloth and one PCN of yarn) directly to its unrelated customers in India. The producer/exporter has provided information on PCN basis. Response of producer/exporter shows that the Company has sold jute sacking bag, jute sacking cloth and one of the PCNs of jute sacking yarn in the domestic market as well as exported the same to India during the POI.
- ii. Ranu Agro Industries Limited has sold \*\*\* MT of jute sacking bag and \*\*\* MT one of the PCNs of jute sacking yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of jute sacking bag, and \*\*\* MT one of the PCNs of jute sacking yarn as well to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. It was found that \*\*\* % sales of yarn and \*\*\* % of sales of sacking bag were profitable. Accordingly, the PCN wise normal value at ex-factory level for jute sacking bag, jute sacking cloth and one of the PCNs of jute sacking yarn has been calculated and the same mentioned in the dumping margin table below.

##### Export Price

- iii. It is noted that Ranu Agro Industries Limited has exported \*\*\* MT of jute sacking bag and \*\*\* MT one of the PCNs of jute sacking yarn to India during the POI. The Authority has verified the response filed by producer/exporter. The company has claimed adjustments on account of ocean freight, truck fare/inland transportation, port and other related expenses and packing expenses and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

<b>PUC</b>	<b>Weighted Average Normal Value (US\$/MT)</b>	<b>Ex-Factory Price (US\$/MT)</b>	<b>Dumping Margin (US\$/MT)</b>	<b>Dumping Margin (%)</b>	<b>Dumping Margin Range</b>
Sacking bag	***	***	***	***	0 – 10
Jute yarn/twine	***	***	(***)	(***)	(20) – (10)

#### **61. Arnul Jute Mills Ltd. (Producer/Exporter)**

##### **Normal Value**

- i. Based on the information furnished in the EQ Response, the Authority notes that Arnul Jute Mills Ltd., (hereinafter referred to as "Producer/Exporter/the Company") is a producer cum exporter of the subject goods from Bangladesh. As noted, company has exported the subject goods (sacking cloth) directly to its unrelated customers in India. Producer/exporter has provided the information on PCN basis. Response of producer/exporter shows that the company have sold jute sacking bag and one PCN of the yarn only in the domestic market and jute sacking cloth in the Indian market during the POI.
- ii. Arnul Jute Mills Ltd., has sold \*\*\* MT of jute sacking bag and \*\*\* MT one of the PCN of jute yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of jute sacking cloth to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value for jute sacking cloth has been constructed and the same has been mentioned in the dumping margin table below.

##### **Export Price**

- iii. It is noted that Arnul Jute Mills Ltd., has not exported the PUC to India during the POI. Therefore, the Authority has not determined dumping margin for the exporter.

### **Non-Sampled but cooperative category of producers/exporters of Bangladesh**

62. The Authority has considered the weighted average dumping margin evaluated on the basis of individual dumping margins for the producers/exporters of the sampled category. This weighted average dumping margin is accorded to the non-sampled category of producers/exporters for yarn/twine, hessian fabric and sacking bag and has been mentioned in the table mentioned below.

<b>PUC</b>	<b>Weighted Average Normal Value (US\$/MT)</b>	<b>Weighted Average Export Price (US\$/MT)</b>	<b>Dumping Margin (US\$/MT)</b>	<b>Dumping Margin %</b>	<b>Dumping Margin Range</b>
Jute yarn/twine	***	***	***	***	10 - 20
Sacking bag	NOT DETERMINED				
Hessian fabric					

### **Residual/Non-cooperative producers/exporters of Bangladesh**

63. The Authority has determined the anti-dumping margin for the residual category on the basis of best information available. The dumping margin for non – cooperative producers/exporters is as under:

<b>PUC</b>	<b>Weighted Average Normal Value (US\$/MT)</b>	<b>Weighted Average Export Price (US\$/MT)</b>	<b>Dumping Margin (US\$/MT)</b>	<b>Dumping Margin %</b>	<b>Dumping Margin Range</b>
Jute yarn/twine	***	***	***	***	60 - 70
Sacking bag	***	***	***	***	10 - 20
Hessian fabric	***	***	***	***	10 - 20

### **G.3.2. Determination of normal value and export price for all sampled exporters of Nepal**

64. **Arihant Multi-Fibres Ltd.**

#### **Normal Value**

- i. Based on the information furnished in the EQ Response, the Authority notes that Arihant multi fibres Ltd (hereinafter referred to as "Arihant/Exporter/the Company") is a producer cum exporter of the subject goods from Nepal. As noted, Arihant has exported the subject



goods (sacking bag, hessian fabric and yarn) directly to its unrelated customers in India. Arihant has provided the information on PCN basis. The EQ response of Arihant shows that the Company has sold sacking bag, hessian fabric and yarn in the domestic market as well as exported the same to India during the POI.

- ii. Arihant has sold \*\*\* MT of sacking bag and \*\*\* MT of hessian fabric and \*\*\* MT of yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of sacking bag and \*\*\* MT of hessian fabric and \*\*\* MT of yarn to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. It was found that \*\*\* % of hessian fabric, \*\*\* % of sacking bag and \*\*\* % of jute yarn/twine were found to be profitable. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Arihant has been calculated and the same has been mentioned in the dumping margin table below.

### Export Price

- iii. It is noted that, Arihant has exported \*\*\* MT of sacking bag and \*\*\* MT of hessian fabric and \*\*\* MT of yarn to India during the POI. The Authority has verified the response filed by Arihant. Arihant has claimed adjustments on account of inland transportation which has been allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin % (US\$/MT)	Dumping Margin Range
Jute yarn/twine	***	***	(***)	(***)	(10) – 0
Jute sacking bag	***	***	(***)	(***)	(10) – 0
Hessian Fabric	***	***	(***)	(***)	(10) – 0

### 65. Shree Raghupati Jute Mills Ltd.

#### Normal Value

- i. Based on the information furnished in the exporter questionnaire response, the Authority notes that Raghupati (hereinafter, referred to as "Raghupati/Exporter/the Company") is a producer cum exporter of the subject goods from Nepal. As noted, Arihant has exported the subject goods (sacking bag, hessian fabric and yarn) directly to its unrelated customers in India. It has provided the information on PCN basis. Its response shows that the Company has sold sacking bag, hessian fabric and yarn in the domestic market as well as exported the same to India during the POI.
- ii. Shree Raghupati Jute Mills Ltd. has sold \*\*\* MT of sacking bag and \*\*\* MT of hessian fabric and \*\*\* MT of yarn in the domestic market during the POI whereas, it has exported \*\*\* MT of sacking bag and \*\*\* MT of hessian fabric and \*\*\* MT of yarn to India. The Authority has examined whether their sales are made in ordinary course of trade in terms of Annexure I to the Anti-dumping Rules. The domestic sales are in sufficient volumes when compared with exports to India. To determine the normal value, the authority conducted the ordinary course of trade test to determine profit making domestic sales transactions with reference to the cost of production of subject goods. If profit making transactions is more than 80% of the total sales, then all the transactions in the domestic sales has been considered for the determination of normal value and in cases, profitable transactions is less than 80%, only profitable domestic sales have been taken into consideration for the determination of the normal value. In case there is no domestic sales in some of the PCNs, cost plus reasonable profit has been considered for normal value. It was found that \*\*\* % of sales of hessian fabric, \*\*\* % of sales of jute yarn/twine and \*\*\* % of sales of sacking bag were found to be profitable. The Company has claimed all domestic sales are at ex-factory level and does not involve packing cost, the same is allowed by the Authority after verification. Accordingly, the PCN wise normal value at ex-factory level for Shree Raghupati Jute Mills Ltd. has been calculated and the same has been mentioned in the dumping margin table below.

### Export Price

- iii. It is noted that Shree Raghupati Jute Mills Ltd. has exported \*\*\* MT of sacking bag and \*\*\* MT of hessian fabric and \*\*\* MT of yarn to India during the POI. The Authority has verified the response filed by Shree Raghupati Jute Mills Ltd. It has claimed adjustments on account of inland transportation, and the same is allowed by the Authority. Accordingly, the PCN wise ex-factory export price has been calculated and the same has been mentioned in the dumping margin table below.

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	***	***	0 - 10
Sacking bag	***	***	(***)	(***)	(10) – 0
Hessian Fabric	***	***	***	***	0 - 10

- iv. The Authority notes that Shree Raghupati Jute Mills Ltd and Arihant Multi-Fibres Ltd. are a group. Accordingly, the following table mentions their normal value, export price and dumping margin as a group:

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	***	***	0 - 10
Sacking bag	***	***	(***)	(***)	(10) – 0
Hessian Fabric	***	***	(***)	(***)	(10) – 0

**Non-sampled but cooperative category of producers/exporters of Nepal**

66. The Authority has considered the weighted average dumping margin evaluated on the basis of individual dumping margins for the producers/exporters of the sampled category. This weighted average dumping margin has been accorded to the non-sampled category of producers/exporters for yarn/twine, hessian fabric and sacking bag and has been mentioned in the table mentioned below.

PUC	Weighted Average Normal Value (US\$/MT)	Weighted Average Export Price (US\$/MT)	Dumping Margin (US\$/MT)	Dumping Margin %	Dumping Margin Range
Jute yarn/twine	***	***	***	***	0 - 10
Sacking bag	NOT DETERMINED				
Hessian Fabric					

**Residual/Non cooperative producers/exporters of Nepal**

67. The Authority has determined the anti-dumping margin for the residual category on the basis of best information available. The dumping margin for non – cooperative producers/exporters are as under:

<b>PUC</b>	<b>Weighted Average Normal Value (US\$/MT)</b>	<b>Weighted Average Export Price (US\$/MT)</b>	<b>Dumping Margin (US\$/MT)</b>	<b>Dumping Margin %</b>	<b>Dumping Margin Range</b>
Jute yarn/twine	***	***	***	***	50 - 60
Sacking bag	***	***	***	***	40 - 50
Hessian Fabric	***	***	***	***	20 - 30

## **F. EXAMINATION OF INJURY AND LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY**

### **F.1 Views of the domestic industry**

68. The following submission were made by the domestic industry with regard to injury and causal link:
- i. The Authority issued final findings in the original anti-dumping investigation of “Jute Products” originating in or exported from Bangladesh and Nepal.<sup>20</sup> An anti-subsidy investigation was also filed against Bangladesh in tandem with the anti-dumping application due to the significant incentives given to the Bangladeshi producers/exporters. Pursuant to the consultation between the Authority and the Government of Bangladesh and on their assurance that the cash subsidies given to its domestic industry would be reduced, the Authority did not initiate the anti-subsidy investigation. However, the anti-dumping duties imposed by the Authority have remained lower than the likely countervailing duty that was needed to address the injury and the injury margin was also higher.
  - ii. The Authority vide final findings in the anti-circumvention investigation extended the existing anti-dumping duty on sacking bags to imports of jute sacking cloth after it found that the exporters were circumventing the anti-dumping duty on subject goods by exporting the cloth and stitching it in India to avoid the duties. Besides benefiting the domestic industry, imposition of duties would also help in curbing the fraudulent practices of the exporters.
  - iii. The two segments of the jute industry, i.e., government procurement and open market should be differentiated as was done in the original investigation. The effect of the subject imports is visible in the open market, where they are competing with the domestic goods. The government procurement segment is different and is impacted by different factors that are mutually exclusive to the open market.
  - iv. The rate of cash subsidies increased soon after duties were imposed and there was substantial increase in the cash subsidy being offered on jute sacking bags and hessian fabric. The Government of Bangladesh has further enhanced the cash subsidies by 2% in August 2018. As a result of this, the imports of sacking cloth declined, and imports of sacking bag started again.
  - v. Regarding applicability of benefits given to subject exporters, it is submitted that specificity and incentives offered by a government need not be targeted towards the PUC only and may be specific towards a particular sector/type of industry/ region as well. These incentives like the export and domestic subsidy are relevant in an anti-dumping investigation to the extent of substantiating that it is this government support which is allowing them to resort to dumping. The ability to sell at lower price can be directly reflected in these subsidies. The producers/exporters are themselves being aggressive in targeting the Indian market and are also supported by the government to maintain their

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<sup>20</sup> Final Findings in 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 dated 20<sup>th</sup> October 2016 F.No. 14/19/2015-DGAD.

presence vide various measures, and in case duties cease, the Indian industry will be forced to reduce prices at levels that are significantly below cost. The cash subsidy given to the exports is contingent on exports and is provided to enable these producers to export. The rate of cash incentive offered are dedicated to the jute industry, and the background of rate modifications clearly show that these rates were modified and used in response to investigations conducted by the Authority. This shows how the exporters are incentivized and promoted to export. Further, the Government of Bangladesh admitted that India was and continues to be an important export destination for Bangladesh.

- vi. The applicant is bringing forth the effect of incentives offered by the government merely to show that the support measures offered are enough to continue exports in significant volumes at dumped prices as is evident from the data in the POI. These support measures encouraging exports are directly related to determination of likelihood continued/recurrence of dumping and injury.
- vii. Several new shipper reviews were also conducted and almost all investigations showed very limited volume of exports by the exporters/producers during the investigation period. The import prices were also inconsistent in some cases with the contemporary prices for those products.
- viii. In the DGCI&S import data, the volume of imports is highly understated, and the import volume is much higher as per market intelligence. This is also evident from the report published by Government of Bangladesh which shows that exports of jute yarn, twine, jute sacks, and bags have increased globally and export value to India has also shown significant increase. The exporter responses also confirm that export volume has increased over the injury period.
- ix. The impact of subsidized imports on domestic producers as a whole should be examined by considering macro-economic parameters such as production, capacity utilization, sales, market share. This is not only well provided under the law, but also a practice of other countries.
- x. The demand/apparent consumption has increased throughout the injury period, with a decline in the POI due to the COVID-19. The imports have also increased over the injury period. Despite the decline in demand since the original investigation period, imports from Nepal have increased while imports from Bangladesh first declined and then subsequently have increased.
- xi. The imports are significant in absolute terms and in relation to production and consumption.
- xii. The adverse effect of imports should be seen on the Indian industry as a whole as there are a large number of producers in India.
- xiii. The subject imports captured around 12% of the domestic market in the POI of the original investigation which has further increased to 18% despite imposition of anti-dumping duties. Market share of the Indian industry has remained at similar levels prevailing during the POI of the original investigation. The market share of the Indian industry during the base year of the original investigation (91.2%) has not reached back to those level despite anti-dumping duties being in place.
- xiv. The low quantum of duty on some producers, exemption granted to some producers, and exports being made through producers with low duty and not having adequate capacity to

- produce and export are the reasons for continued and aggressive imports from the subject countries.
- xv. The imports are competing only in the open market and adverse effect of imports is clearly visible in the open market. The share of imports was 36% in the original investigation, which has more than doubled to reach 78% in the present POI.
  - xvi. The imports from the subject countries are individually as well as collectively undercutting the prices of the domestic industry. The import price is below the level of cost of sales, selling price and non-injurious price of the domestic industry. The adverse price impact of imports could be arrested in view of the anti-dumping duties in place.
  - xvii. The production, sales, and capacity utilization of the domestic industry has increased till 2019-20. It has, however, declined sharply in the POI. While some fall in these parameters can be attributed to the fall in demand, the additional effect has been due to continued significant imports.
  - xviii. The Indian industry was prevented from full recovery as their market share has not reached back to the levels in the base year of the original investigation. The market share of the domestic products in the open market where the imported product competes, has reduced to 19% in the present POI from 65% in the original investigation.
  - xix. The adverse impact on profitability has been contained as a result of the duties in place. The industry was suffering huge losses during the original investigation and is now in profits because of the duties imposed on the subject goods and, even the price maintained by the domestic industry is at the cost of losing sale opportunities. However, cash profits, ROCE and profit before interest have seen a decline in the POI as compared to the previous year.
  - xx. Employment, wages, and productivity per day have declined in the POI along with decline in production. The domestic industry has registered a negative growth in terms of volume and price parameters in the POI.
  - xxi. The overall performance of the domestic industry had improved up to 2019-20 but it has declined in the POI. While part of the decline in performance can be attributed to decline in demand, the rest of the adverse impact is due to imports. The extent of the injury has remained contained due to the anti-dumping measures in force. The performance of the domestic industry has improved in terms of prices being fetched and injury to the domestic industry was contained to that extent in view of duties. However, the persistent incoming of low-priced imports has prevented the growth of the domestic industry in terms of production, sale and capacity utilization, while performance declined on these accounts. The share of the imports in demand, especially in the open market, has increased significantly. These factors show that domestic industry is vulnerable.
  - xxii. Post imposition of duties, the exporters from Bangladesh have engaged in circumvention practice and imports have continued despite duties and decline in demand. The claim that there is marked improvement in the performance of the domestic industry is incorrect and thus it cannot be said that the duties have served its intended purpose.
  - xxiii. The continued imposition of anti-dumping measure would prevent enhanced injury to the industry and arrest the current adverse impact in the performance of the industry. It will also redress the injury suffered by the industry and enable the domestic producers to remain viable and competitive.

- xxiv. It is in the consumers' interest to have a competitive domestic industry capable of supplying the product to the consumers in competition to fair priced imports. If the industry is left to suffer, it would eventually be wiped out by the dumped imports and the consumers will be left at the mercy of the foreign producers.
- xxv. Imports are competing only in the open market and the demand-supply gap needs to be seen in reference to the open market as the government procurement market is not available to imports. There is no demand-supply gap, and the Indian industry has significant capacities to cater to the local demand in the country. The Indian jute industry is fully *atmanirbhar* (self-reliant).
- xxvi. There has been a massive increase in the market share of subject imports in the open market not just in comparison to the base year of this investigation but even in comparison to the base year and the POI of the original investigation. The demand in the open market can easily be catered by the Indian industry but due to the aggressive methods used by exporters from Bangladesh, the Indian industry has not recovered to the extent needed.
- xxvii. The users would be forced to maintain a higher inventory due to high dependency on the imports which will not be in the interest of the user industry. Buying locally produced jute products would allow the users to maintain a lower level of inventories and reduce their cost.
- xxviii. A high degree of export dependency may lead to exploitation of the user industry by the exporter. The exporter's aim is only profit maximization, and they will not hesitate to move to a more lucrative market if the opportunity arises. The domestic industry, on the other hand, operates not just for profit maximization but also in the interest of the users and the country as a whole.
- xxix. The industry has a very high share of indirect employment especially, the jute farmers. Being one of the largest producers of jute, roughly 4 million farmers are currently engaged jute production. Cessation of duties would not only cause injury to the producers but also to the upstream industry as it will severely affect the farmers who depend for their livelihood on the successful and profitable operations of the domestic industry.
- xxx. The domestic industry has significant capacities and has added more capacities in the past few years. However, the capacity utilization has remained severely low and there has been a steep decline not just from the previous year but also from the base year of this investigation due to dumped imports flooding the Indian market. If duties are not continued, the dumped imports would continue chipping away the market share of the domestic industry and it will not be able to justify its PUC capacity and might shut down its plants.
- xxxi. If the domestic industry is able to maintain the market share and operate efficiently, they may also plan future investments and grow further. If the domestic industry increases its production figures in the upcoming years, it will in turn increase its exports which would help increase the foreign exchange reserves of the country.
- xxxii. There is no exploitation of users or creation of a monopolistic situation as the domestic industry is a price taker. Continuation of anti-dumping duty would help in reducing the unfair trade practices of the exporters and create a healthy market that is beneficial for the whole country.



- xxxiii. The domestic industry being an exporter of the PUC globally can compete with the exports from Bangladesh globally in a fair priced market. The domestic industry will be able to compete with such imports even domestically if a level playing field is provided to them and extension of duties can make sure that fair competition is prevalent in the Indian market.
- xxxiv. A major portion of the Indian industry falls in the MSME sector, and they already struggle to compete with the bigger producers for market share in the Indian market. With low priced imports flooding the Indian market, these small producers will be forced to shut down their operations and will be completely wiped out.
- xxxv. The government of Bangladesh extends cash subsidy of an amount anywhere between 7.5% and 12% on the exports of jute products. They have also formulated National Jute Policy 2018 which includes the scope for creating a fund for modernization of the sector and promote the export orientation of the exporters in the subject country. The continuation of duties will reduce the effect of these schemes.
- xxxvi. The local demand in Bangladesh is severely lower than the supply and it is evident that increasing capacities in the country are not to support the local demand but to enhance the exports.
- xxxvii. The applicant industry had provided segregated information of sales volume, value, and price for government procurement and open market. Hence, the statement by the parties that the applicant industry has not provided the injury information separately for the open market is wrong and indicates that A.M. Jute Industries Ltd. has not perused through the entire non-confidential version of the application.
- xxxviii. As regards the argument that imports have declined and that the prices of goods have increased, it is submitted that the Report published by the Government of Bangladesh clearly shows that the imports have increased and not decreased. Any under reported imports in Indian customs data, must be compared with the records of Government of Bangladesh which shows significantly increasing exports to India.
- xxxix. In reference to arguments that injury and likelihood of injury exists due to other factors, the Authority must note that this is a sunset review investigation and relevance of causal link should be accordingly judged.
- xl. Injury caused to the domestic industry due to other factors implies the fragile nature of the domestic industry and cessation of duty can work as the “last nail in the coffin”. Although the requirement under law is “a” causal link, the interested parties have wrongly considered the requirement as “the” causal link.
- xli. The US DOC initiated the original investigation in the matter of Barium Chloride, despite a decline in demand and there was not even a discussion about injury caused due to decline in demand.
- xlii. The injury may be seen by the Authority for open and government procurement separately as imports are competing only in the open market. Import price is significantly low and cessation of duties is likely to lead to price injury as well.
- xliii. There is no demand-supply gap and the allegation that exports from Bangladesh were due to demand supply gap in the country and that the exporters have not resorted to price discrimination is completely baseless. The alleged non-supply in the government sector is not due to absence of capacities and there is no evidence to show that the Indian industry was not able to supply due to capacity constraints.

- xliv. The Indian jute industry cannot be blamed for factors beyond their control. Government of India has imposed restrictions on import of raw jute and also proscribed purchase of raw material at the going market price. The industry had to procure the raw material at prices specified by the Government of India. The ruling price of raw jute is higher than the price notified by the Government of India. Hence, it is a situation where the raw jute is not available to the extent of requirement and there is no capacity shortage for the Indian industry to meet the demand in the government procurement.
- xlvi. The domestic industry can import raw jute for the purpose of sale in the open market and there is no scarcity of raw material for the purpose of production of subject goods in the open market. Further, the capacity with the domestic industry is grossly underutilized and there is no demand supply gap warranting imports in the domestic market.
- xlvi. Regarding arguments that there was a clear gap between the production and demand, segment wise analysis would show that in the open market where the imports are competing, the domestic industry that has more than sufficient capacity is gradually heading toward extinction. The Indian market has become “home market” for producers/exporters from Bangladesh and “foreign market” for Indian industry due to unfairly priced dumped and subsidized imports.
- xlvii. In reference to statements extracted from Cheviot’s annual report, it should be noted that price and availability of raw jute concerns government procurement and not open market. Lack of modernization of the production ecosystem is a forward-looking approach. Revenue concentration and dependence on Government of India refers to government procurement and not the open market.
- xlvi. There may be multiple reasons/causes existing at any given time that could be impacting the operations and/or performance of an industry which only establishes that the industry is vulnerable and needs redressal against unfairly priced dumped and subsidized imports. The domestic industry has sought only limited remedy, i.e., the performance being impacted by the dumped imports are being requested to be remedied. There is a clear causal link between dumping and likely injury to the domestic industry.
- xlix. Unlike the cases referred, especially the findings in Viscose fibre<sup>21</sup>, the present case has very different facts, to rely and state that the Authority despite finding likelihood of continuation of dumping did not recommend continuation of duties. In the Viscose case, there was no price or volume effect of imports on the domestic industry and the case merely stood on likelihood of recurrence of dumping and injury and there was no adverse volume effect in that case. However, in the instant investigation as, there has been a continued adverse impact on the volume parameters. The injury on price parameters is contained because of the anti-dumping duties in place. The margins in the current investigation are clearly indicative of the dumping margin, injury margin, price undercutting, and cash subsidy alone. The landed price continues to be below the cost of production, selling price, and the NIP. Cessation of duties will most definitely result in price depression. Therefore, there is ample positive evidence in this case that establishes a clear nexus between the expiry of duty and continuation of recurrence of dumping and injury.
1. As regards multiple arguments raised by the other interested parties stating orders of the Office of the Jute Commissioner, and various other steps taken by the Government of

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<sup>21</sup> Final Findings in Sunset Review of anti-dumping investigation concerning imports of “Viscose Staple Fibre” originating in or exported from China PR and Indonesia dated 31<sup>st</sup> July 2021, Case No: 31<sup>st</sup> July 2021, F.No. 7/03/2021-DGTR.

India, it is submitted that various factors usually compel the Jute Commissioner to place orders much later than as previously planned, leading to accumulation of orders in the jute mills and to ensure the supply of entire order quantity the performance of each jute mill is monitored by the Office of the Jute Commissioner and also, the Ministry of Consumer Affairs, Food & Public Distribution. Whenever few mills are found to be slow in the despatches, the Office of the Jute Commissioner as a measure of abundant caution advises all jute mills to utilize their full sacking capacity for production of B-Twill for government procurement to ensure that planned quantity of jute bags are available at the mandies before actual start of procurement of wheat / paddy / rice. Such orders are normally issued around December for Rabi and around August for Kharif and are normally meant to be effective for 2 months. Mills are directed to give priority during 3-4 months in a year for Government supply.

- li. The Office of the Jute Commissioner does not prohibit jute mills from supplying to the local market and the producers/mills are free to sell in the open market provided they comply with the orders undertaken for the government supply.
- lii. The imports of jute goods from Bangladesh/Nepal cannot fill the government demand for food grain bags as the same is not permitted under The Jute Packaging Materials Act, 1987<sup>22</sup>. Imported raw jute is not permitted for manufacturing jute bags for government requirements. The JPM Act was promulgated to provide protection to the jute industry against cheaper substitutes like PP/HDPE bags. The reservation is meant to be given for surplus capacity available with the jute industry for which marketing of jute goods in open market is exhausted. The idea of reservation is not to increase dependence on the mandated sector, but to slowly move towards developing a market of its own.
- liii. The prices of raw jute for calculation of prices for jute bags supplied to the government is capped and no raw jute is available in the market at that price. Hence, mills have run into deep losses and shut production.
- liv. 30% raw jute grown in India is of higher grades and can only be used for production of jute goods like hessian/yarn sold in open market. It is unviable for the mills to manufacture jute bags for food grain packing from high grade jute. The manufacturing machinery for hessian/yarn is different and most of the mills in India are designed for manufacturing 30% hessian/yarn and 70% sacking. Anti-dumping duty free imports from Bangladesh and Nepal will force the Indian industry to stop utilizing these capacities.
- lv. The Office of Jute Commissioner has granted permission time and again for supply of sacking bags sold in the open market for packing food grains, sugar, and pulses. The mills have sold sacking bags in the open market after taking due permission or by completing the government orders for food grain packaging.
- lvi. The restrictions announced by the Office of the Jute Commissioner to not divert the production of sacking bags other than B-Twill jute bags and the Indian jute mills consequently not being authorized to sell the B-Twill bags in the open market does not apply to such mills which have already fulfilled the allotted B-Twill jute bag orders and supplied them to the government on time.
- lvii. Nawab Abdul Malek Jute Mills has admitted that exports have increased, which indicates that the imposition of duties did not have impact on the volume of exports of the PUC. Hence, injury to the industry is reflected only on the price parameters and shows no adverse effect on the volume side. The improvement on price account is because the domestic

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<sup>22</sup> The Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987 Act No. 10 of 1987.

industry has increased its selling price considering the duties in place. However, it could not increase its volume, as significant volume of imports has persisted in view of the low duty to some exporters and exemption given to some others.

- lviii. No evidence was submitted by Nawab Abdul Malek Jute Mills or the Government of Bangladesh to substantiate that the availability of raw jute is limited. However, the domestic industry has provided evidence that raw jute exports are significant and are declining because of Government of Bangladesh's efforts to focus on exports of value-added products. Further, the import volume has increased and the current volume itself is sufficient to cause injury to the domestic industry.
- lix. The Bangladesh jute industry besides having surplus capacities which any company would want to utilise and realise in sales instead of letting it remain idle, is also likely to target India which has significant demand and is attractive for the exporters and admittedly continues to be the most important destination for them. Further, the submission that mills closed under BJMC is false, as the website of BJMC which was last updated in July '21 continues to show capacity and production of 25 mills. Such claims are also misleading as Nawab Abdul Malek Jute Mills is referencing to certain public mills that might have been closed. Further, Bangladesh Jute Spinners Association's website currently shows that 291 mills are in operation.
- lx. The claim that there may be other major markets other than India is false as they have admitted in their own submissions that their exports to other markets has only seen a slight increase.
- lxi. The Brazilian market has been closed to Bangladesh and despite no exports from Bangladesh to Brazil even after such a long time, the Government of Bangladesh has not even been participating, nor asking for cessation of these duties. This could be only on two accounts – either the Government of Bangladesh is aware of the legal position and the fact the Brazilian Authority would stick by the legal provisions or the market itself is so small that the Government of Bangladesh does not find export potential. In contrast, the Government of Bangladesh is aware that the Government of India shall be sympathetic and is likely to consider concessions under the law given the fact that the market potential is huge.
- lxii. Despite the various challenges faced by the Government of Bangladesh as has been stated in submissions, it has managed to increase its exports of jute products during the injury period as is evident from the export performance data. This increase was also seen in exports to India.
- lxiii. The ultimate consequence of the Government of Bangladesh's policy to modernize their jute industry to head towards a greener economy will be that the industry will become more cost competitive, giving them the advantage of working in margins that are otherwise not available with the Indian jute industry.
- lxiv. The duties being sought are not with the intention to hamper the relations but to address a genuine problem of dumped imports in an industry that is equally vulnerable and fragile if not more.
- lxv. The margins and consequent duties imposed are based on an equitable and simple calculation of whether the goods are being dumped. Duties are always imposed producer/exporter-wise by the authorities based on individual company-wise information and no duty is imposed on the basis of the categorization of the exporter/producer.

- lxvi. Although the support given by the Government of Bangladesh is not targeted to the Indian market, the support nonetheless is being used by the exporters to export goods at cheaper price to India. There is no requirement under Article 11.3 of the Anti-dumping Agreement that government actions should be specifically targeted against India.
- lxvii. The duty can be one or different for different product types. There is absolutely no bar on the Authority on this account.
- lxviii. Despite decline in demand since, the original investigation, the imports from Nepal has increased. The landed price of Nepal is below the selling price and the NIP of the domestic industry. The producers in Nepal have de-facto only two markets – Nepal and India and their domestic demand is quite limited, and their production of subject goods is significantly higher than their domestic demand.
- lxix. Price undercutting for Nepal is positive and there is significant increase in volume of imports from the base year, the immediate previous year, or previous investigation injury period. Further, the examination of impact of imports from Nepal is complete with its examination of likelihood of dumping and injury. There exists demand-supply gap and increasing production without simultaneous increase in consumption in Nepal. The current volume of imports itself is sufficient for determination.
- lxx. It is for the Authority to determine whether the manner of allocation of costs by the petitioner is reasonable. The domestic industry expresses concern over the statement made by Nepal Jute Traders Association of India that the costs should be allocated based on the sales quantity or any other reasonable basis rather than sales revenue.
- lxxi. Price undercutting on an average basis would be skewed and the Authority has observed the same in the initiation notification. Since, the price differs significantly between different product types, the average price undercutting cannot be relied upon to make any conclusion.
- lxxii. The PCN-wise price undercutting is positive, and the observation made with respect to price undercutting is correct and is a factor indicating likelihood. Further, increase in imports at dumped and injurious price, when the demand has declined, coupled with the fact that Indian market is attractive, and there exists excess capacity in Nepal which is indicative of likelihood of dumping and injury to the domestic industry in the event of cessation of duties.
- lxxiii. The product type-wise undercutting was positive from Nepal even at the stage of initiation. The Authority may kindly consider the PCN wise analysis to Indian market and also consider the volume and value of exports to third countries and determine the likely effect on prices of the domestic industry.
- lxxiv. Cumulative assessment is not necessary in sunset reviews. According to the WTO panel on US — Corrosion-Resistant Steel Sunset Review<sup>23</sup>, Article 3.3 by its own terms is limited in application to investigations and does not apply to sunset reviews.

## **F.2 Views of the other interested parties**

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

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<sup>23</sup> United States — Sunset Review of Anti-Dumping Duties on Corrosion-Resistant Carbon Steel Flat Products from Japan WT/DS244/R 14<sup>th</sup> August 2003.

- i. As the scope of the PUC for Bangladesh and Nepal differs, it is submitted that continuation and recurrence of injury should not be cumulatively assessed from Bangladesh and Nepal.
- ii. Article 3.3 of ADA mandates an analysis of conditions of competition between imported article and like domestic articles. Factors such as volume of subject goods, value of subject goods, differences in properties, specifications and quality would determine whether subject goods imported from a particular country are preferred by users over like domestic articles.
- iii. The Authority should not resort to cumulative assessment because of the following factors:
  - a. The domestic industry has alleged price undercutting by imports, thereby indicating possibility of recurrence of material injury if anti-dumping duties are removed. However, such position has been observed only with respect to imports from Bangladesh only and not for Nepal for which the price undercutting is negative. The price undercutting for Bangladesh is in the range of 15-25%.
  - b. The volume of imports from Bangladesh is also substantially more i.e., 1,11,912 MT during the POI as compared to 66,847 MT from Nepal and therefore, commands a sizeable market share.
  - c. The jute twine exported from Nepal is also not comparable to the jute yarn/twine exported from Bangladesh since it does not fall under the five PCNs suggested by the Authority.
  - d. Lastly, the scope of PUC vis-à-vis Nepal and Bangladesh is different. As Bangladesh was subjected to an anti-circumvention investigation in relation to sacking cloth whereas Nepal was left out of its ambit, the PUC for Nepal is restricted to jute yarn/twine, sacking bags and hessian fabric only. However, the present sunset review investigation against Bangladesh also includes sacking cloth. As a sequitur, whereas injury to domestic industry is going to be examined only with respect to jute yarn/twine, sacking bags and hessian fabric from Nepal, injury to domestic industry from Bangladesh is going to be examined for an enlarged and different product scope which includes sacking cloth.
  - e. Since the product scope against which injury to the domestic industry is being gauged differs between Nepal and Bangladesh, it is not a fit and proper case for cumulative assessment of imports.
- iv. A comparison between the shares of allegedly dumped import in total domestic demand of the PUC during the period of injury of original investigation and the present period of injury shows that despite imposition of anti-dumping duties, the volume of import of the PUC has increased from 9-12% to 11-18% as confirmed by the petitioner in the petition and repeatedly claimed during the oral hearing.
- v. The export of the PUC from Bangladesh to India is a factor of demand-supply gap situation primarily in the Indian open market and in such a scenario, the exporters

- did not have to adopt any price discrimination methods while exporting the product to India as alleged.
- vi. The exporters from Bangladesh have helped the Indian user industry to meet the demands when the Indian producers had failed to ensure adequate supply of the subject goods especially during the POI and such supplies lack any likelihood of dumping and injury inherently.
  - vii. It may be noted that there was a sharp reduction in the Indian production of the subject goods during the POI on account of COVID-19 shut downs and the Indian production declined to 863,656 MT in the POI from a base year level of 1,055,795 MT. However, in the same period, the demand has only declined from 1,203,483 MT in the base year to 1,010,177 MT and there was clearly a gap of about 146,521 MT of the subject product as the Indian production could not meet such demand because of which imports from Bangladesh increased from 98,766 MT in the base year to 111,912 MT in the POI.
  - viii. The imports from Bangladesh have declined during the POI from 123,016 MT in 2019-20 to 111,912 MT. At the same time, the export price from Bangladesh has increased significantly from Rs. 38,834/MT in the 2019-20 to Rs. 81,828/MT during the POI. This clearly demonstrates that imports from Bangladesh have no bearing on the economic parameters of the domestic industry.
  - ix. Regarding the two separate markets, the Authority should provide the following information which has not been submitted by the applicant industry:
    - a. Production reserved for government procurement
    - b. Quantities available for open market
    - c. Details of non fulfilment of government procurement orders in last 4 years with reason.
    - d. Reasons for non-fulfilment of government orders
    - e. Demand after removing government procurement
    - f. Price realization from open market and from government procurement.
  - x. It is also apparent that the Indian producers had to follow the directions under the Jute and Jute Textile Control Order 2016 to ensure supplies to the Government of India which compelled the importers to resort to imported material to meet the demand.
  - xi. The domestic industry has not been able to explain how has it been maintaining its profitability despite a decline in its volume parameters.
  - xii. The Authority should examine the injury caused to the domestic industry due to government procurement and the impact it has on the ability of the Indian jute industry to meet the open market requirements.
  - xiii. The Indian producers are not vulnerable to imports and are suffering injury on account of other factors as admitted by them which does not warrant any protection by way of anti-dumping duty as demanded by them.
  - xiv. Annual report of a leading producer of the subject goods in India (Cheviot) shows that the industry is concerned with issues such as increase in price and non-availability of raw jute, lack of modernization of the production ecosystem, revenue concentration and dependence on the Government of India. The imports per se do not pose any significant concern to them more so when the imports cannot compete in their major segment which is supplies to the Government of India.
  - xv. The trend of imports of the subject goods during the injury period shows the imports were taking place at fair prices and were not causing any injury to the domestic industry. Further, it has been admitted that the domestic industry did not suffer any

continued injury. Such a factual position demands rejection of the contention of the petitioners that they are vulnerable to imports of the subject goods from Bangladesh in the event of expiry of present duties.

- xvi. The reduction in production, sales and capacity utilization is due to the inability of the domestic industry to supply freely to the domestic market in India due to various restrictions imposed by the Government of India from time to time. The slight dip in production and sales during the POI is reflective of the contraction in demand due to the inability of the domestic industry to supply to the domestic market freely. This is evident as Cheviot Company Limited has imported the subject goods, specifically jute yarn/twine for its SEZ unit due to domestic unavailability.
- xvii. As per the revised and updated information submitted by the domestic industry, no price undercutting has been observed in case of Nepal. The price undercutting of the subject imports from Bangladesh is significant i.e., in the range of 15-25%, as per the data filed by the petitioner for updated POI while price undercutting for the subject imports from Nepal is negative. There is no price effect on the domestic industry from the jute twine imported from Nepal as they do not fall under any of the 5 PCNs of jute yarn/twine manufactured by the domestic industry.
- xviii. The landed price of the subject imports from Nepal is higher than Bangladesh in case of hessian fabric and sacking bags. In the case of jute yarn, the landed price is lower than that of Bangladesh due to difference in quality and usage of the yarn. Thus, the imports from Bangladesh have been causing more injury to the petitioners.
- xix. Though the petitioners have not claimed material injury, they have stated that their market share has declined over the injury period. This is clearly attributable to the inability of the domestic industry to supply to the domestic market freely and consequent compulsion of the user industry to import the subject goods from the subject countries.
- xx. The domestic industry's position with respect to inventory has improved. It is relevant to note that similar to production, sales and capacity utilisation, inventory is also reflective of the fact that the domestic industry was not able to supply to the domestic market freely inasmuch as while sales have reduced, inventory has also decreased at the same time because there was sufficient demand in the domestic market.
- xxi. Productivity per day and number of employees have decreased due to COVID-19 which had resulted in multiple lockdowns imposed during the POI and had hampered operations of the domestic industry.
- xxii. While the cost of sales has increased by only 16%, the domestic industry was able to increase its prices by 26%. However, the profitability of the domestic industry has reduced during the POI because it was impacted by COVID-19 which affected its operations and production as well as its inability to sell in the domestic market freely.
- xxiii. With respect to slight decline of production, sales and profitability during the POI, the Authority must examine the impact of COVID-19 and resultant loss in production due to the shutdowns.
- xxiv. As admitted by the petitioners, they are not suffering from material injury and therefore, the subject imports had no impact on the relevant economic parameters of the domestic industry. Therefore, the question of a causal link between imports and injury does not arise.
- xxv. The domestic industry has contended that there exists a causal relationship between the likelihood of continuation or recurrence of dumping and likelihood of continuation or recurrence of injury. However, insofar as the imports from Nepal are



concerned, they are not undercutting the prices of the domestic industry despite the anti-dumping duties not being included in the landed value. Therefore, the possibility of price suppression and depression due to imports from Nepal in a situation wherein antidumping duty is removed, does not exist.

- xxvi. The various orders from the Office of Jute Commissioner clearly shows that the domestic industry is not able to fulfil the demand of the government procurement sector. Accordingly, they cannot cater to the demand of the open market as well because they can cater to such demand only after fulfilling the demand of the government sector. This clearly shows the demand-supply gap in the open market which is being fulfilled by the imports.
- xxvii. A critical factor that the Authority needs to examine is whether the domestic industry is able to supply the like article produced by it to the domestic market in (a) adequate quantity and (b) without restrictions. In this regard, the following issues are relevant:
- a. The various orders made under the Jute Packaging Materials Act, 1987 wherein due to shortfall in supply of jute bags by the domestic industry, which has exclusive rights to supply FCI and other government agencies, the same was met by granting relaxation for use of *high-density polyethylene* or *polypropylene* (HDPE/PP) bags as per the provisions of the Act.
  - b. The Office of Jute Commissioner has issued an Order dated 9th of September 2021 through which all the domestic producers and members of the petitioner association viz. IJMA have been directed to utilize their entire installed capacity for manufacturing sacking bags for supply to the Government of India. A domestic producer can utilize its capacity to meet other commitments only after fulfilling such commitments and that too after obtaining permission from the Office of Jute Commissioner. The most recent sacking requisition order has been issued by the jute commissioner on 27th January 2022. Therefore, even on the present day, the domestic industry is foreclosed from supplying the like article to the open market.
  - c. Therefore, the domestic industry must establish that they are allowed to supply sacking bags to the domestic market. The permissions obtained from the Office of Jute Commissioner must be filed as evidence with the Authority and be shared with interested parties to establish that the domestic industry is allowed to sell in the domestic market.
- xxviii. When the domestic industry is not allowed to sell the like article produced by it in the open domestic market and its sales are mostly restricted to a captive market not open to Nepal, the question of injury due to imports from Nepal does not arise.
- xxix. Furthermore, the yarn exported by Nepal could not have caused any injury to the domestic industry either as it is used to tie the mouths of sacking bags and does not fall within any of the five PCNs framed by the Authority.
- xxx. If the domestic producers of jute were not allowed to supply the like article during extended periods of the POI, then the imports made within those periods must be excluded from determination of market share since the same would not be competing with sales of the domestic industry during those relevant periods. Consequently, all parameters such as price effect must also be adjusted accordingly.
- xxxi. Nepal imports nearly 50% of its requirement for raw jute to make jute products which directly benefits India and Indian farmers.

- xxxii. The continuation of anti-dumping duties would only be to the detriment of the raw jute manufacturers in India and the workers employed by them including users of the subject goods in the open market who do not have adequate supply of the like article from the domestic industry.
- xxxiii. On the other hand, no benefit would accrue to the domestic industry as it is either not able to produce sufficient quantities or restricted from supplying to the domestic market under the orders of the Office of Jute Commissioner.
- xxxiv. Since Indian jute producers are unable to service the government requirement in itself, continuation of ADD will only put more stress on the users who have to rely upon imports.
- xxxv. Indian producers should focus on supplying jute Bags to the Food Corporation of India since jute producers from Nepal are unable to service this sector upon which the Indian producers have a complete monopoly.
- xxxvi. Due to non-supply of jute products in time to the Government of India, the Indian jute mills are not authorized to sell the B-Twill jute products in the open market. Thus, imports from the subject countries are not at all competing with the goods produced in India and are, therefore, not causing injury to the domestic industry in any manner.
- xxxvii. As per letter no. Jute (Econ)/IR/2015 dated 9<sup>th</sup> July 2015, the Office of the Jute Commissioner has warned all the jute mills to not supply a single bag to the Government of India which has been procured from abroad as the Office will not only black list the respective organizations from supplying to the Government of India for a period of two years but also initiate criminal proceedings against the owners and directors of the company. Thus, goods produced by domestic jute mills are not competing with the goods imported from Bangladesh.
- xxxviii. It is submitted that Indian jute mills have been given exclusive directions to sell the jute products for government procurement. With the current order from the Office of Jute Commissioner, No. Jute (Mktg/2/2003) dated 7<sup>th</sup> February 2017, it is amply clear that all jute mills are instructed not to supply any jute product in the open market.
- xxxix. Anti-dumping duty is not meant to be perpetual in nature and considering the facts of the case, there is not any special/exceptional circumstances exist calling for continuance of anti-dumping duty. Thus, the anti-dumping duty should not to be continued and the Authority should terminate the present investigation on the same grounds.

### **F.3 Examination by the Authority**

- 70. Rule 11 of the Anti-dumping 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 article and the consequent effect of such imports on domestic producers of such articles.
- 71. Rule 23 of the Rules provides that the provisions of Rule 6,7,8,9,10,11,16,18,19 and 20 shall apply *mutatis mutandis* in case of a sunset review. The Authority in its examination has evaluated the injury parameters which are required under Rules and Annexure II of the Rules and has also examined as to whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

72. With regards to the several arguments raised by the other interested parties that a cumulative assessment of imports from the subject countries cannot be carried out, the Authority notes that the scope of the PUC remains the same as it was in original investigation as has been mentioned in the appropriate paragraphs above. As far as the volume of imports from the subject countries is concerned, the Authority notes that the volume of imports from both the subject countries is not negligible. Further, the dumping margin with respect to significant imports from subject countries remain above *de minimis*. Further, the mere fact that price undercutting is positive in respect of one of the subject countries cannot by itself imply that cumulative assessment of the imports cannot be carried out. There exists inter-se competition between the imports and the products can be used interchangeably.
73. The Authority notes the submissions made by the interested parties regarding the exclusion of non-dumped imports from injury analysis. The Authority has accordingly segregated the data of imports from the subject countries and has considered the effect of dumped imports for injury analysis. It is noted that despite segregation, the trends in various injury parameters largely remain the same.

Country	Volume (MT)				2020-21 (dumped imports)
	2017-18	2018-19	2019-20	2020-21	
<b>Bangladesh</b>					
Total imports	98,766	88,256	1,23,016	1,11,912	
Hessian Fabric	766	933	1,124	921	305
Sacking Bag	1,766	7,013	17,506	23,115	19,616
Yarn	44,491	45,331	55,804	61,364	45,273
Sacking Cloth	51,742	34,981	48,582	26,512	-
Subtotal (excluding cloth)	47,024	53,276	74,434	85,400	-
<b>Subtotal (excluding cloth) (excluding non-dumped imports)</b>					<b>65,194</b>
<b>Nepal</b>					
Total imports	34,102	36,594	47,503	66,847	
Hessian	12,366	14,697	21,860	32,304	25,792
Sacking Bag	16,261	18,313	22,214	27,606	11,079
Yarn	5,475	3,583	3,269	6,937	6,862
Sacking Cloth			160	-	
Subtotal (excluding cloth)	34,102	36,594	47,503	66,847	
<b>Subtotal (excluding cloth) (excluding non-dumped imports)</b>					<b>43,733</b>
Subject Countries Total	1,32,868	1,24,850	1,70,519	1,78,758	

74. It is noted that various interested parties have made several submissions regarding government restrictions on the supply of jute sacking bags, as well as the inability of the Indian industry to supply in the open market. The Authority has noted from the segregated capacity for the three product types provided by the applicant at the industry level that the capacity for all the

types remains underutilised. It has further been clarified that the notifications published by the Jute Commissioner are meant to maintain adequate supply in the market meant for government production. The Jute Commissioner grants permission regularly for supply of sacking bags sold in the open market for packing food grains, sugar, and pulses, and accordingly, the mills have then sold the sacking bags in the open market upon receiving due permission or completion of government orders. In any case, it has also been informed to the Authority that the restrictions issued by the Office of the Jute Commissioner do not apply to such mills that have completed their allotted B-Twill orders to the government on time.

75. The Authority notes that the Indian jute industry indeed cannot meet the entire requirement of sacking bags as required for food grain packaging. It is, however, noted that (a) the capacity deployed for the production of sacking bag for government procurement is different from the facilities required for production of jute products in the open market, and (b) the domestic industry is unable to produce more in this segment for want of raw jute (either availability or price), and not because of absence of capacities, (c) the raw jute available in the country is also used for the production of other jute products which are not consumed by way of government procurement and is only sold in the open market. The Authority undertook a visit to IJMA to understand the issue of government procurement. During the said visit, it was observed by the Authority that there were dedicated capacities to cater to open market. The kind of spindles required for making yarn for open market are totally different from the kind of spindles used for manufacturing for the purpose of government procurement. Similarly, the kind of looms required for weaving yarn for open market are totally different from the looms required for weaving yarn for the purpose of government procurement.
76. With regards to the submissions made by the other interested parties contending that the imports are a result of a demand-supply gap in the country, the Authority notes that the existence of a demand-supply gap cannot be a justification for exporting goods at dumped prices from the subject countries.
77. With regard to the volume effect of the dumped imports, the Authority is required to examine whether there has been a significant increase in the dumped imports, either in absolute terms or relative to production or consumption in India. For examining price effect of dumped imports, the Authority investigates whether there has been a significant price undercutting by the dumped imports as compared to the price of the like article in India, or whether the effect of such imports is otherwise to depress the prices to a significant degree, or prevent price increases, which would have otherwise occurred to a significant degree.
78. For the examination of the impact of the dumped imports on the domestic industry in India, indices having a bearing on the state of the industry such as production, capacity, utilization, sales volume, inventory, profitability, net sales realization, the magnitude and margin of dumping, etc. have been considered in accordance with Annexure II of the Anti-Dumping Rules. The injury analysis made by the Authority hereunder addresses the various submissions made.

## **I. Volume Effect of Dumped Imports of the Domestic Industry**

**a) Assessment of Demand**

79. The demand or apparent consumption of the product in India has been determined as the sum of domestic sales of the Indian producers and imports from all sources. For the purpose of injury analysis, the Authority has relied on the transaction-wise import data procured from the DGCI&S. Further, the Authority has examined and included imports of sacking cloth into the volume of imports. Further, as has been noted in the original investigation and in the present investigation as well, that since a substantial share of the demand is in the segment where the government procures jute sacking bag, as against the open market where the imports compete, therefore the Authority for the purposes of assessment of demand, has also segregated the demand calculated in a similar manner.
80. The Authority has also analysed the effect of only dumped imports in the below mentioned tables. It is noted that the trends portray largely a similar picture as total imports.

<b>Demand</b>	<b>Unit</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21 (dumped imports)</b>
Sales of Domestic Industry (domestic sales only)	MT	***	***	***	***	***
Trend	Index	100	104	109	93	93
Sales of Other Indian Producers	MT	***	***	***	***	***
Trend	Index	100	95	95	76	76
Subject country-Imports	MT	81,126	89,869	1,21,777	1,52,247	1,08,926
Subject country – non-dumped imports	MT					43,951
Other Countries-Imports	MT	627	98	1,999	7,741	7741
Total demand/consumption	MT	11,22,438	11,02,622	11,50,789	9,92,042	9,92,042
Sacking Cloth – Bangladesh	MT	51,742	34,981	48,582	26,512	26,512
Sacking Cloth – Domestic Industry Sales	MT	***	***	***	***	***
Trend	Index	100	153	268	66	66

<b>Demand (Open market)</b>	<b>Unit</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21 (dumped imports)</b>
Sales of Domestic Industry (domestic sales only)	MT	***	***	***	***	***

Trend		100	102	93	84	84
Sales of Other Indian Producers	MT	***	***	***	***	***
Trend		100	65	45	45	45
Subject country-Imports	MT	81,126	89,869	1,21,777	1,52,247	1,08,926
Subject country – non-dumped imports						43,951
Other Countries-Imports	MT	627	98	1,999	7,741	7,741
Total demand/consumption	MT	3,23,072	2,72,450	2,62,511	2,95,701	2,95,701

Demand (Government Procurement)	Unit	2017-18	2018-19	2019-20	2020-21
Sales of Domestic Industry to Govt.	MT	***	***	***	***
Trend		100	103	115	94
Sales of Other Indian Producers to Govt.	MT	***	***	***	***
Trend		100	103	110	85
Total demand/consumption	MT	7,99,366	8,30,172	8,88,278	6,96,341

81. It is seen that the demand for the subject goods including both government procurement and the open market has registered a slight decline from the base year and the previous year. In terms of the demand segregated for government procurement, it is seen that the fluctuation in demand in this segment has been in the same range with no major changes. In the demand available for the open market, wherein subject imports compete with the goods being sold by the domestic industry, it is seen that demand has declined in the POI compared to both previous year and the base year.

#### b) Import Volumes and Market Share

82. 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 import volumes of the subject goods from the subject countries and share of the dumped imports during the injury investigation period are as follows:

Open market						POI (Dumped Imports)
Particulars	Unit	2017-18	2018-19	2019-20	2020-21	
<b>Import Volume</b>						
Bangladesh	MT	47,024	53,276	74,434	85,400	65,194

Nepal	MT	34,102	36,594	47,343	66,847	43,733
Subject Countries	MT	81,126	89,869	1,21,777	1,52,247	1,08,927
Other Countries	MT	627	98	1,999	7,741	
Total Imports	MT	81,753	89,967	1,23,776	1,59,988	
Subject imports in relation to						
Indian Production	%	7.60	8.67	11.61	17.77	12.71
Trend		100	114	153	234	
Demand (Open Market)	%	25	33	46	51	37
Trend		100	131	185	205	
Sacking Cloth - Bangladesh	MT	51,742	34,981	48,582	26,512	

Market Share in Demand in India	Unit	2017-18	2018-19	2019-20	2020-21	POI (Dumped Import)
<b>Market Share in Demand (including government procurement)</b>						
Sales of the domestic industry	%	***	***	***	***	***
Trend		100	105	105	105	
Sales of Other Indian industry	%	***	***	***	***	***
Trend		100	98	94	88	
<b>Market Share in Demand (excluding government procurement)</b>						
Sales of the domestic industry	%	***	***	***	***	***
Trend		100	125	112	99	
Sales of other Indian industry	%	***	***	***	***	***
Trend	Index	100	80	55	53	
Subject countries - imports	%	35	40	54	55	43
Other countries - imports	%	0.17	0.03	0.63	1.3	3

83. The absolute volume of imports from the subject countries, has increased in the POI compared to the base year as well as the previous year. Imports in the POI of present investigation is higher than the volume registered in the POI of the original investigation and much higher as compared to the base year of previous investigation. It is seen that imports of jute products from the subject countries have increased in both absolute terms as also in relation to production and consumption in India and has remained consistently significant over the injury period. These trends exist despite the extant anti-dumping duty. The volume of imports of jute products has increased significantly in the POI, in both absolute terms and in relation to the production and consumption in India.

84. The Authority notes that the imports entering into India only compete in the open market as the segment for government procurement does not allow the procurement of imported sacking bag. Therefore, a cumulative assessment of market share including both government procurement and open market would not be representative of current scenario in the Indian market. Therefore, the Authority for the purposes of assessing the impact and/or continued impact of subject imports has also considered the markets share calculated for the open market i.e., excluding government procurement. It is seen that the open market in the POI is largely dominated by the subject imports, with only a meagre share with the domestic industry. The market share of imports in the base year was half as compared to the share taken over in the POI.
85. The Authority after examining the comments of the interested parties regarding impact on the domestic industry in the government procurement segment and open market, has to the extent possible, conducted a segregated analysis of the both the segments. The Authority concerns itself only to the extent it affects the performance of the domestic industry and is interlinked with imports competing in the open market. The government procurement market is not affected by the subject imports.
86. As regards the submissions made by the interested parties with respect to the absence of continued injury, the Authority notes that the domestic industry has also not claimed the same. However, the domestic industry has argued that it has clearly suffered adverse volume effect despite the current anti-dumping duty being in place, as the share of imports in the open market has surged from 9 % in the base year of the original investigation to 12% in the POI of the original investigation which has further increased to 18% in the current POI.

## **II. Price Effect**

87. The impact on the prices of the domestic industry on account of the dumped imports from the subject country has been examined with reference to the price undercutting, price suppression and price depression, if any. For the purpose of this analysis, the cost of production and net sales realization (NSR) of the domestic industry have been compared with the landed price of imports of the subject goods from the subject countries. The Authority takes note of the fact that there exists a difference in the cost and price associated with different PCNs. Therefore, the Authority has considered weighted average to examine the price effect in terms of price undercutting, price suppression and depression.

### **a) Price Undercutting**

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

**Product: Hessian**

**Subject Country: Bangladesh**



SN	Particulars	Unit	2017-18	2018-19	2019-20	2020-21	POI (Dumped Imports)
1	Import volume	MT	766	933	1,124	921	305
2	Landed price	Rs/MT	82,075	66,382	50,600	1,12,435	1,10,756
3	Selling price	Rs/MT	***	***	***	***	***
	Trend	Index	100	101	109	134	134
4	Price undercutting	Rs/MT	***	***	***	***	***
	Trend	Index	100	165	241	94	
5	Price undercutting	%	***	***	***	***	***
	Range		20 -30	30 - 40	50 - 60	20 -30	20-30

**Product: Sacking**  
**Subject Country: Bangladesh**

SN	Particulars	Unit	2017-18	2018-19	2019-20	2020-21	POI (Dumped Imports)
1	Import volume	MT	1,766	7,013	17,506	23,115	19,616
2	Landed price	Rs/MT	61,150	48,564	55,283	78,237	77,043
3	Selling price	Rs/MT	***	***	***	***	***
	Trend	Index	100	106	115	128	128
4	Price undercutting	Rs/MT	***	***	***	***	***
	Trend	Index	100	253	252	128	
5	Price undercutting	%	***	***	***	***	***
	Range		10 – 20	30 - 40	30 – 40	10 - 20	10 - 20

**Product: Yarn**  
**Subject Country: Bangladesh**

SN	Particulars	Unit	2017-18	2018-19	2019-20	2020-21	POI (Dumped Imports)
1	Import volume	MT	44,491	45,331	55,804	61,364	45,273
2	Landed price	Rs/MT	63,619	44,245	39,117	88,506	87,824
3	Selling price	Rs/MT	***	***	***	***	***
	Trend	Index	100	101	109	134	134
4	Price undercutting	Rs/MT	***	***	***	***	***
	Trend	Index	100	202	217	(167)	
5	Price undercutting	%	***	***	***	(***)	(***)
	Range		20 - 30	40 – 50	40 – 50	(10) - 0	(10) - 0

**Product: Hessian**  
**Subject Country: Nepal**

SN	Particulars	Unit	2017-18	2018-19	2019-20	2020-21	POI (Dumped Imports)
1	Import volume	MT	12,366	14,697	21,860	32,304	25,792
2	Landed price	Rs/MT	91,353	74,237	50,169	1,21,225	1,19,132
3	Selling price	Rs/MT	***	***	***	***	***
	Trend	Index	100	101	109	134	134
4	Price undercutting	Rs/MT	***	***	***	***	***
	Trend	Index	100	213	416	143	
5	Price undercutting	%	***	***	***	***	***
	Range		10 -20	30 – 40	50 - 60	10 - 20	20 - 30

**Product: Sacking**  
**Subject Country: Nepal**

SN	Particulars	Unit	2017-18	2018-19	2019-20	2020-21	POI (Dumped Imports)
1	Import volume	MT	16,261	18,313	22,374	27,606	11,079
2	Landed price	Rs/MT	67,077	44,663	34,879	85,956	85,283
3	Selling price	Rs/MT	***	***	***	***	***
	Trend	Index	100	105	114	127	127
4	Price undercutting	Rs/MT	***	***	***	***	***
	Trend	Index	100	631	958	124	
5	Price undercutting	%	***	***	***	***	***
	Range		0 -10	40 - 50	50 – 60	0 - 10	0 - 10

**Product: Yarn**  
**Subject Country: Nepal**

S N	Particulars	Unit	2017-18	2018-19	2019-20	2020-21	POI (Dumped Imports)
1	Import volume	MT	5,475	3,583	3,269	6,937	6862
2	Landed price	Rs/MT	49,601	39,231	28,017	75,005	75068
3	Selling price	Rs/MT	***	***	***	***	***
	Trend	Index	100	97	94	105	
4	Price undercutting	Rs/MT	***	***	***	***	***
	Trend	Index	100	127	155	34	
5	Price undercutting	%	***	***	***	***	***
	Range		30 – 40	40 - 50	60 -70	10 - 20	10 - 20

89. It is seen that the landed price of imports without anti-dumping duty is below the selling price of the domestic industry and are, therefore, undercutting the prices of the domestic industry. Price undercutting is significantly positive in case of both jute products from the subject countries for dumped imports.

**b) Price Suppression and Depression**

90. In order to assess as to whether imports from the subject countries were suppressing/depressing the prices of the domestic industry and whether the effect of such imports is to suppress prices to a significant degree or prevent price increases which otherwise would have occurred to a significant degree, the Authority has compared the cost of production and the net selling price of the domestic industry over the injury period along with the landed price of imports over the injury period, and shown in the table below:

S N	Particulars (including government procurement)	Unit	2017-18	2018-19	2019-20	POI	POI (Dumped Import)
1	Cost of Sales per unit Domestic Sales	Rs/MT	***	***	***	***	***
2	Trend	Index	100	103	110	127	127
3	Selling Price Per unit - Domestic Sales	Rs/MT	***	***	***	***	***
4	Trend	Index	100	104	110	125	125
5	Landed price	Rs/MT	58,802	42,364	38,834	81,828	84687

SN	Particulars (Open market only)	Unit	2017-18	2018-19	2019-20	POI	POI (Dumped Import)
1	Cost of Sales per unit Domestic Sales	Rs/MT	***	***	***	***	***
2	Trend	Index	100	98	103	127	127
3	Selling Price Per unit - Domestic Sales (excluding excise duty or GST Whichever is applicable)	Rs/MT	***	***	***	***	***
4	Trend	Index	100	94	104	117	117
5	Landed price	Rs/MT	58,802	42,364	38,834	81,828	84687

91. It is seen that, both, the cost of sales and the selling price has increased over the injury period. The increase in selling price is in the same range as the increase in cost. However, it is noted that the import price is below the level of cost of sales, selling price and non-injurious price of the domestic industry. It is further noted that considering the price at which goods are being

imported, it is likely that cessation of duties will lead to continuation of price depression and suppression in the domestic industry.

### III. Economic Parameters of the domestic industry

92. Annexure II to the AD Rules requires that the determination of injury shall involve an objective examination of the consequent impact of dumped imports on the domestic producers of such products. With regard to the consequent impact of dumped imports on the domestic producers of such products, the AD 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 facts and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilization of capacity, factors affecting domestic prices, the magnitude of the margin of dumping, actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital investments. The Authority has examined the injury parameters objectively considering various facts and submissions made.

#### a) Production, Capacity, Capacity Utilization and Sales

93. Capacity, production, sales, and capacity utilization of the domestic industry over the injury period is given in the following table:

#### Capacity, Production, capacity utilisation of the domestic industry

Open market only						
S.No.	Particulars	Unit	2017-18	2018-19	2019-20	POI
1	Installed Capacity	MT	***	***	***	***
	Trend	Index	100	100	100	100
2	Production Quantity- PUC	MT	***	***	***	***
	Trend	Index	100	103	107	93
3	Capacity Utilisation	%	***	***	***	***
	Trend	Index	100	103	107	93
4	Sales of Domestic Industry (including exports)	MT	***	***	***	***
	Trend	Index	100	103	107	93

94. It is noted that:

- i. The capacity of the domestic industry has remained consistent. The total capacity of the Indian jute industry was also submitted to the Authority during the verification of the Indian jute industry. It is seen that the total capacity with the industry is sufficient to meet the Indian demand.

- ii. The production and sales parameters also portray a trend similar to capacity trends. It is, however, noted that such stagnant figures in capacity and production are despite extant anti-dumping duties. As has been noted above, a large portion of the market remains with the subject imports, which is inhibiting the domestic industry from increasing its capacity and other parameters thereon.
- iii. Capacity utilization has declined significantly in the POI. Infact, it is seen that the capacity utilisation of the domestic industry is only 10% above the utilisation registered in the POI of the original investigation. It is, further, noted that there is idle capacity available with the domestic industry. Some decline in capacity utilization is attributable to the decline in demand.
- iv. As has been noted in the abovementioned paras, six supporters have submitted information before the Authority along with supporting documents. The Authority has taken cognizance of the data received, and has analysed the same in order to examine whether the data of these supporters exhibits a similar trend as that of the domestic industry. The information for the six supporters is as follows:

SN	Particulars	UOM	2017-18	2018-19	2019-20	POI
1	Installed Capacity	MT	***	***	***	***
	Trend	Index	100	100	100	100
2	Production Quantity-PUC	MT	***	***	***	***
	Trend	Index	100	101	100	80
3	Capacity Utilisation	%	***	***	***	***
	Trend	Index	100	101	100	81
4	Domestic Sales	MT	***	***	***	***
	Trend	Index	100	98	81	74

- v. It is seen that utilisation for other producers has declined over the period, it is also seen that sales of these producers in the open market have also seen a severe decline.
- vi. During its visit to IJMA, the Authority had found that there is dedicated machinery for government procurement as well as open market. The machinery dedicated for sacking bag is also different for government market and open market. It is noted that if the open market is completely foreclosed for the Indian jute mills, then the machinery dedicated for producing the goods for open market would become redundant as well.

#### **b) Capacity and capacity utilisation of the Indian industry**

95. Further, the Authority has also examined the capacity, production, and capacity utilization of the Indian industry for the POI, as is given in the following table:

SN	Particular	Capacity (MT)	Production (MT)	Capacity Utilisation (%)
1	Yarn	1,20,000	61,300	51.08

SN	Particular	Capacity (MT)	Production (MT)	Capacity Utilisation (%)
2	Sacking	10,00,000	7,39,200	73.92
3	Hessian	2,00,000	1,18,400	59.2

96. From the above information, it is evident that products that are dedicated and sold solely in the open market i.e., yarn and hessian fabric have a significantly low-capacity utilisation level as against the product types (sacking bag) which are being sold in the government procurement market. Therefore, the Authority notes, that in the open market, where the domestically produced goods are competing with imports, the industry has registered a low utilisation.

### c) Profitability, Return on Investment and Cash Flow

97. The return on investment, profit/loss before and after interest, return on investment and cash profit during the injury period is as indicated in the table below:

SN	Particulars (including Government Procurement)	UOM	2017-18	2018-19	2019-20	POI
1	PBT - Domestic Sales	Rs. /MT	***	***	***	***
	Trend	Index	100	117	109	96
2	Total Profit before tax - Domestic Sales	Rs. Lacs	***	***	***	***
	Trend	Index	100	120	118	87
3	Cash Profits	Rs. Lacs	***	***	***	***
	Trend	Index	100	112	113	95
4	Return on Capital Employed	%	***	***	***	***
	Trend	Index	100	104	91	67

SN	Particulars (only government market)	UOM	2017-18	2018-19	2019-20	POI
1	PBT per unit -Domestic Sales	Rs. /MT	***	***	***	***
	Trend	Index	100	150	74	200
2	Total Profit before tax (Domestic Sales)	Rs. Lacs	***	***	***	***
	Trend	Index	100	156	83	164
3	Cash Profits	Rs. Lacs	***	***	***	***
	Trend	Index	100	130	96	133
4	Capital Employed	Rs. Lacs	***	***	***	***
	Trend	Index	100	120	153	145

5	Return on Capital Employed	%	***	***	***	***
	Trend	Index	100	128	78	143

SN	Particulars (only open market sales of sacking)	UOM	2017-18	2018-19	2019-20	POI
1	PBT per unit -Domestic Sales	Rs. /MT	***	***	***	***
	Trend	Index	100	57	180	70
2	Total Profit before tax - Domestic Sales	Rs. Lacs	***	***	***	***
	Trend	Index	100	59	142	67
3	Cash Profits	Rs. Lacs	***	***	***	***
	Trend	Index	100	62	136	71
4	Capital Employed	Rs. Lacs	***	***	***	***
	Trend	Index	100	120	91	122
5	Return on Capital Employed	%	***	***	***	***
	Trend	Index	100	51	150	57

SN	Particulars (only open market sales of all products)	UOM	2017-18	2018-19	2019-20	POI
1	PBT per unit - Domestic Sales	Rs. /MT	***	(***)	***	(***)
	Trend	Index	100	(6)	130	(124)
2	Total Profit before tax - Domestic Sales	Rs. Lacs	***	(***)	***	(***)
	Trend	Index	100	(6)	121	(105)
3	Cash Profits	Rs. Lacs	***	***	***	***
	Trend	Index	100	46	104	5
4	Capital Employed	Rs. Lacs	***	***	***	***
	Trend	Index	100	111	112	140
5	Return Capital Employed	%	***	***	***	(***)
	Trend	Index	100	17	106	(38)

98. It is seen that:

- (i) The domestic industry has mostly been able to maintain its profits, cash profits and return on investment due to imposition of duties on the subject countries.
- (ii) Further, the domestic industry was also able to maintain its performance in these parameters, as it maintained its prices even at the cost of low-priced subject imports.
- (iii) Profits before interest, cash profits, ROI have followed the same trend.
- (iv) The Authority has also calculated profitability separately for the open market and government procurement. A separate analysis of the two markets, however shows that

the trends noted above are due to prices being secure in the government procurement. The domestic industry, however, due to unfair competition from subject imports has seen a significant decline in profitability in sales being made in the open market.

#### d) Market Share in Demand

99. Market share of the domestic industry in demand for the product under consideration is given in the table below:

SN	Demand (including government market)	Unit	2017-18	2018-19	2019-20	2020-21
1	Sales of Domestic Industry	MT	*** %	*** %	*** %	*** %
	Trend	Index	100	106	107	105
2	Sales of Other Indian Producers	MT	*** %	*** %	*** %	*** %
	Trend	Index	100	97	93	86
3	Subject country-Imports	MT	7.23%	8.15%	10.58%	15.35%
4	Other Countries-Imports	MT	0.06%	0.01%	0.17%	0.78%
5	Total demand/consumption	MT	100.00%	100.00%	100.00%	100.00%

SN	Market Share in Open market	Unit	2017-18	2018-19	2019-20	2020-21
1	Sales of domestic industry	MT	*** %	*** %	*** %	*** %
	Trend	Index	100	125	115	96
2	Sales of Other Indian producers	%	*** %	*** %	*** *** %	*** %
	Trend	Index	100	78	56	50
3	Subject country-Imports	%	25.11%	32.99%	46.39%	51.49%
4	Other Countries-Imports	%	0.19%	0.04%	0.76%	2.62%
SN	Market Share in Government Procurement	Unit	2017-18	2018-19	2019-20	2020-21
1	Sales of domestic industry	MT	*** %	*** %	*** %	*** %
	Trend	Index	100	125	112	97
2	Sales of Other Indian producers	%	*** %	*** %	*** %	*** %
	Trend	Index	100	91	76	93

100. It is seen that the open market in the POI has been largely dominated by the subject imports. The share of the subject imports in the open market has increased significantly over the injury period, with only a declining and minority share with the domestic industry. The Indian industry is facing unutilised capacities, however, at the same time, the market share of imports has increased by 57% over the injury period.



101. It is also seen that the domestic industry has sufficient capacities to meet the Indian demand despite which it has been operating on underutilised capacities.

**e) Employment, and Productivity**

102. The analysis of the number of employees employed by the domestic industry, its productivity shows as follows:

SN	Particulars	UOM	2017-18	2018-19	2019-20	POI
1	No. of Employees	Nos	***	***	***	***
	Trend	Index	100	99	105	94
2	Productivity per day	MT/day	***	***	***	***
	Trend	Index	100	102	104	88

103. Employment have declined in the POI. Productivity per day has also declined in POI with decline in production and number of employees.

**f) Inventories**

104. Inventory position with the domestic industry over the injury period is given in the table below:

SN	Inventory	Unit	2017-18	2018-19	2019-20	2020-21
1	Opening Stock	MT	***	***	***	***
	Trend	Index	100	92	85	68
2	Closing Stock	MT	***	***	***	***
	Trend	Index	100	92	73	75
3	Average Stock	MT	***	***	***	***
	Trend	Index	100	92	79	71

105. The level of inventories with the domestic industry has declined since 2019-20.

**g) Growth**

106. The growth of the domestic industry in terms of market share, capacity utilisation, profitability, cash profit and ROCE has been negative in the POI, in the open market. However, it is noted that the adverse impact registered in the POI on the domestic industry is still seen to have been contained due to anti-dumping duties currently imposed.

**h) Factors affecting domestic prices**

107. 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, etc. shows that the landed value of the subject goods from the subject countries is below the selling price of the domestic industry, NIP and cost of sales in the POI. The demand for the subject goods remains significant. The

price of imported goods is below the net sales realization, cost of production and also below the non-injurious price of the domestic industry.

**i) Magnitude of Dumping Margin**

108. The dumping margin determined against the subject countries is above the de-minimis level and significant for several exporters/producers.

**IV. Injury Margin/ Price underselling**

109. The Authority has determined non-injurious price (NIP) for the domestic industry on the basis of the principles laid down in the AD Rules read with Annexure III, as amended. The non-injurious price of the PUC has been determined by adopting the information/data relating to the cost of production provided by the domestic industry and duly certified by the practicing cost accountant for the period of investigation. The non-injurious price has been considered for comparing the landed price of each PCN from the subject countries for calculating the injury margin. For determining the non-injurious price, the best utilisation of the raw materials by the domestic industry over the injury period has been considered. The same treatment has been carried out with the utilities. The best utilization of production capacity over the injury period has been considered. It is ensured that no extraordinary or non-recurring expenses were charged to the cost of production. A reasonable return (pre-tax @ 22%) on average capital employed (i.e., average net fixed assets plus average working capital) for the product under consideration was allowed as pre-tax profit to arrive at the non-injurious price as prescribed in Annexure III of the AD Rules.

110. Based on the landed price and NIP determined as above, the injury margin for producers/exporters as determined by the Authority is provided in the table below:

S.No	PUC	Landed Value (US\$/MT)	Non-injurious price (US\$/MT)	Injury Margin (US\$/MT)	Injury Margin %	Injury Margin Range
<b>A.</b>	<b>Bangladesh</b>					
<b>I.</b>	<b>Sampled producers/exporters of Bangladesh</b>					
<b>1.</b>	<b>Bogra Jute Mills Ltd.</b>					
a.	Jute yarn/twine	***	***	(***)	(***)	(20) – (10)
b.	Sacking bag	***	***	(***)	(***)	(10) – 0
<b>2.</b>	<b>A.M. Jute Industries</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
b.	Hessian Fabric	***	***	***	***	10 – 20

<b>3.</b>	<b>Hasan Jute Mills</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
b.	Sacking bag	***	***	***	***	10 – 20
<b>4.</b>	<b>Ranu Agro Industries Ltd.</b>					
a.	Jute yarn/twine	***	***	(***)	(***)	(30) – (20)
b.	Sacking bag	***	***	***	***	10 – 20
<b>5.</b>	<b>Rabeya Jute Mill</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
b.	Sacking bag	***	***	(***)	(***)	(10) – 0
c.	Hessian fabric	***	***	***	***	0 - 10
<b>6.</b>	<b>Nawhata Jute Mills Ltd.</b>					
a.	Hessian fabric	***	***	***	***	20 – 30
<b>7.</b>	<b>Mouna Jute Mills Ltd.</b>					
a.	Jute yarn/twine	***	***	***	***	10 – 20
<b>8.</b>	<b>Alijan Jute Mills Limited</b>					
a.	Jute yarn/twine	***	***	***	***	0 -10
<b>9.</b>	<b>Sonali Aansh Industries Limited</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
<b>9A.</b>	<b>Sonali Aansh Industries and Alijan Jute Mills (as a group)</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
<b>10.</b>	<b>Sidlaw Textiles Ltd.</b>					
a.	Jute yarn/twine	***	***	***	***	10 – 20
<b>11.</b>	<b>Sagar Jute Spinning Mills Ltd.</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
<b>11 A.</b>	<b>Sagar Jute Spinning Mills and Sidlaw Textiles (as a group)</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
<b>12.</b>	<b>Nawab Abdul Malek Jute Mills (Bangladesh) Limited</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10

<b>II.</b>	<b>Non-sampled but cooperative producers/exporters of Bangladesh</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
b.	Sacking bag	***	***	***	***	10 – 20
c.	Hessian Fabric	***	***	***	***	20 – 30
<b>III.</b>	<b>Non-cooperative/Residual producers/exporters of Bangladesh</b>					
a.	Jute yarn/twine	***	***	***	***	70-80
b.	Sacking bag	***	***	***	***	10 - 20
c.	Hessian Fabric	***	***	***	***	20 -30
<b>B.</b>	<b>Nepal</b>					
<b>I.</b>	<b>Sampled producers/exporters of Nepal</b>					
<b>1.</b>	<b>Arihant Multi-fibres Ltd.</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10
b.	Sacking bag	***	***	***	***	0 – 10
c.	Hessian Fabric	***	***	***	***	0 – 10
<b>2.</b>	<b>Shree Raghupati Jute Mills Ltd.</b>					
a.	Jute yarn/twine	***	***	(***)	(***)	(10) – 0
b.	Sacking bag	***	***	***	***	0 – 10
c.	Hessian Fabric	***	***	***	***	10 – 20
<b>2A.</b>	<b>Arihant Multi-fibres and Shree Raghupati Jute Mills (as a group)</b>					
a.	Jute yarn/twine	***	***	(***)	(***)	(10) - 0
b.	Sacking bag	***	***	***	***	0 – 10
c.	Hessian Fabric	***	***	***	***	10 -20
<b>II.</b>	<b>Non-sampled but cooperative producers/exporters of Nepal</b>					
a.	Jute yarn/twine	***	***	(***)	(***)	(10) - 0
b.	Sacking bag	***	***	***	***	0 – 10
c.	Hessian fabric	***	***	***	***	10 -20
<b>III.</b>	<b>Non-cooperative/Residual producers/exporters of Nepal</b>					
a.	Jute yarn/twine	***	***	***	***	0 – 10

b.	Sacking bag	***	***	***	***	0 – 10
c.	Hessian Fabric	***	***	***	***	10 – 20

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

111. The Authority examined whether other factors listed under the AD Rules could have caused injury to the domestic industry.

**a. Volume and value of imports not sold at dumping prices**

112. Imports from other countries are not significant in volume or their prices are higher.

**b. Contraction in demand or changes in the pattern of consumption**

113. Demand for the product under consideration has registered a decline in the POI. However, it is noted that demand continues to remain significant. The pattern of consumption with regard to the product under consideration has also not undergone any change.

**c. Trade restrictive practices of and competition between the foreign and domestic producers**

114. There is no known trade restrictive practice.

**d. Developments in Technology**

115. Technology for production of the product has not undergone any change nor is any change likely in the foreseeable future.

**e. Export Performance**

116. The applicant companies export the PUC. However, their export volume is not significant. Injury information has been segregated and, therefore, it could not be the factor responsible for injury claimed by the domestic industry.

**Conclusions on continuation of injury and causal link:**

117. The following conclusions have been reached from the above analysis:

- a. It is noted that the volume of dumped imports from the subject countries remains significant despite the imposition of ADD.
- b. There is adverse price effect leading to price undercutting, price depression and price suppression to the domestic industry because of dumped imports.

- c. With regard to the impact of the prices of the dumped imports to the domestic industry, it is noted that the market share of the domestic industry has marginally declined while the market share of imports of subject goods from the subject countries has significantly increased.
- d. It is also noted that the production, capacity utilization and domestic sales has declined during the POI as compared to base year.
  - e. With regards to profitability, it is noted that that there is a marginal decline in the profits, cash profits and the ROCE during the POI as compared to base year.

## **H. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING AND INJURY**

118. The Authority notes that this is a sunset review investigation. The domestic industry has claimed that it is not suffering from any continued injury and that it is likely to suffer injury in the event of cessation of anti-dumping duty. Accordingly, the Authority has examined the likely scenario of continuation of dumping and recurrence of injury on account of dumped imports, if anti-dumping duty is allowed to expire.

### **H.1 Views of the domestic industry**

119. The following submission were made by the domestic industry with regard to likelihood of continuation or recurrence of injury and dumping:
- i. Routing of exports via exporters having lower duty has become a norm. The possibility of such exporters have been exporting the subject product beyond their own capacities and this possibility cannot be ruled out.
  - ii. The Bangladesh jute industry stands at the 4th position in terms of export earnings for the country and jute yarn and twine has registered an export growth of 41.61% during FY 2020 – 21 according to the Export Promotion Bureau of Bangladesh. The circumvention practices, multiple new shipper reviews, continuous intervention of the Government of Bangladesh on this WTO compatible trade remedies since the original investigation demonstrates the importance of the product as well as the Indian market for Bangladesh's industry and its government.
  - iii. Imports have remained significant despite sufficient Indian capacities and anti-dumping duty in place. The exporters have even attempted circumvention of the existing duties.
  - iv. The exporters are likely to cause enhanced injury to the domestic industry even while running in reduced capacities. According to the statements given by the Chairman of the Bangladesh Jute Mills Association, the mills that were running below capacity are likely to increase capacity utilization and are also expanding capacities for weaving and spinning by 2021.
  - v. Significant capacity is available with the producers in the subject countries, and they are also capable of scaling up production in a short period. Further, the exporters have significant under-utilized capacity. Based on the standard norms, it would be seen that while installed capacity is at 12,77,562 MT, the industry has an excess/unoperated capacity of 7,74,966 MT.

- vi. Indian market remains attractive for the exporters especially since the global surge in demand seen is for jute bags in the gift sector and not in the agricultural sector. The consumption in the gift segment is limited, thus, leading to limited production as well. It would also be seen from Bangladesh's export data of other jute diversified jute products, that the total value of exports is a meagre Rs. 24 crores, as opposed to the Indian demand of the product under consideration in the region of Rs. 8711 crores.
- vii. Landed value of imports are lower than cost of sales of the domestic industry. Indian market attractive in terms of price and is highly lucrative as it is the only market that has such a significant demand for the product under consideration.
  - viii. Post imposition of the anti-dumping duty, Bangladesh in August 2017 increasing its cash subsidy from 7.5% to 10% on jute products. It was further enhanced by 2% in September 2018. Cash subsidy/grant and other region-based subsidies were given to the jute industry by the Government of Bangladesh by way of direct transfer of funds and these incentives will enable them to export further in the event of cessation of duties.
- ix. Bangladesh had earlier launched a National Jute Policy in 2011 and then another in 2014. The cabinet approved the draft of 'National Jute Policy-2018' in May 2018 with priority given to production of quality jute; ensuring fair price of jute; diversification of jute products; modernization of jute mills; expansion of jute markets. Under the policy, the government will form a technology upgrading fund to modernize both public and private jute mills in line with global demand for jute and jute goods. It will arrange bank loans at a reduced interest rate for entrepreneurs as part of incentives. Jute industry will also be declared an agro-based industry so that it can enjoy tax benefits and fiscal incentives given to these industries.
- x. In the domestic markets of the subject countries, supply of the subject goods is significantly higher than the demand of the subject goods and hence, a large part of the production of the subject goods is available for exports. The producers are holding significant inventories even at current production levels.
- xi. The jute industrial sector of Bangladesh is highly export oriented and as per the Bangladesh Jute Spinners Association, the mills export nearly 100% of its exports.
- xii. Brazil has extended duties on Bangladesh on the subject goods in 2016, thus, for Bangladesh exporters as on date one market remains closed due to duties.
- xiii. Bangladesh is the world's largest grower of jute. The production of raw jute has always been higher than the consumption required by the market in Bangladesh, and, therefore, the most essential raw material for the product then, further, becomes available at a cheaper price. Further, projected evidence that there shall be steady increase in production, despite a relatively stable situation in consumption.
- xiv. Cultivation of jute and manufacturing of its products plays a vital role for Bangladesh's economy. It contributes around 5% in GDP and about 10-15% in the national employment. Jute goods and its exports form an important source of foreign exchange.
- xv. 47 producers in India, who have collectively invested an amount exceeding Rs. 5720 crores (considering capital employed by the petitioner companies) and employs 99,534 persons directly (considering employment by the petitioner companies). This employment does not include indirect employment.

- xvi. The producers in Nepal have *de facto* only two markets – Nepal and India. Therefore, there is a high dependence and compulsion on the Indian market, to sell their surplus production, which globally does not have a demand.
- xvii. Going from the history of past cases, i.e., the circumvention attempted by the exporters from Bangladesh including a series of new shipper reviews have established likelihood. Out of the 6 new shipper reviews conducted, 4 were concluded with an individual dumping margin and in two new rates were not recommended.
- xviii. The argument of the interested parties that composition of the domestic industry has changed to prove the non-existence of likelihood of injury and dumping is conjecture and there exists no evidence for the same. The injury claimed is continued adverse effect based on the domestic producers as a whole and likelihood of intensified injury in the event of cessation of anti-dumping duty.
- xix. The applicant is bringing forth the effect of incentives offered by the Government of Bangladesh merely to show that the support measures offered are enough to continue exports in significant volumes at dumped prices as is evident from the data in the POI. These support measures encouraging exports are directly related to the determination of likelihood of continued/recurrence of dumping and injury.
- xx. Submissions made that jute units operating under BJMC were closed in July 2020, are not correct. As per the article published in Bangladesh’s daily national “Dailystar”, the closure of jute units operating under the BJMC were public mills that have a miniscule share in the total number of mills installed in the country. This closure was seen positively with the expectation that utilization and production will increase and there were even plans for increasing the existing capacities. It was also admitted in the article that the producers/exporters have continued to dump in international markets, and the Authority must not ignore such a blatant admission both in the media and during oral hearing.
- xxi. There is surplus capacity available with reference to jute products. The availability of raw jute is still more than domestic consumption and thus, there is a possibility of increased production. The current import volume in India itself is injurious.
- xxii. It has been argued that no evidence/law/rule suggests that export-orientation of an industry can be blamed for likelihood of increased exports. The export orientation must not be seen on a standalone basis, they are to be seen along with the significant surplus capacities, underutilized capacities, plans on increasing production and capacities, with limited domestic demand. High export orientation along with these factors indicates that surplus production will be intended to be sold in the international markets, and with the fact that there is limited global demand of the subject goods and India is an important market, the possibility of significant exports entering the Indian market is likely.
- xxiii. Although the support given by the Government of Bangladesh is not targeted towards the Indian market, the support nonetheless is being used by the exporters to export goods at cheaper price to India. There is no requirement under Article 11.3 that the Government actions be specifically targeted against India.
- xxiv. There is surplus capacity available with reference to jute products. The domestic availability of raw jute in Bangladesh is still more than domestic consumption and thus, there is a possibility of increased production. The current import volume in India itself is injurious.

## **H.2 Views of the other interested parties**



120. The other interested parties have filed the following comment or submissions with regard to likelihood of continuation or recurrence of dumping and injury:

- i. The expiry of the existing anti-dumping duties is not likely to lead to continuation or recurrence of dumping and injury to the domestic industry as envisaged in Rule 23 (1B) of the AD Rules and the duties must be allowed to expire.
- ii. The petitioners' determination of likelihood of continuation or recurrence of dumping and injury lacks sufficient factual basis and they have merely relied on misleading statements and undue presumptions with the sole objective of continuing the existing duties.
- iii. Jute products produced in Bangladesh are made solely from raw jute grown in the country. The quantity of production of jute products and export thereof depends entirely on the annual jute crop of Bangladesh. Due to the scarcity of land, area of land for raw jute production in the country has remained same during the last 5 years, so is the quantity of production and there is no indication that production of raw jute will increase in Bangladesh in near future. Because of quality of jute grown in the country, jute products from Bangladesh have huge demand all over the world, including India. Further, there are no indications of any change in the global demand pattern. Therefore, there is no possibility of sudden increase of export to India in numbers, which can cause recurrence of injury, even hypothetically. The argument put forth by the petitioners in this regard does not reflect reality.
- iv. Continuation of antidumping duties on jute bag by Brazil in 2016, which is in place since 1992, cannot be the reason for sudden diversion of these exports to India and injure the Indian industry. Further, Bangladesh's export to Brazil as a whole is minuscule, as the respondents do not export to Brazil, all of this points to the fact that this not a real threat of any significance.
- v. The continuation of anti-dumping duties after a review would require the positive satisfaction of two conditions: likelihood of dumping; and likelihood of injury. While the same for withdrawal would require negative conclusion on likelihood of injury only.
- vi. The petitioners confirmed that "the overall performance of the domestic industry has improved. The domestic industry has not suffered continued injury." So, it is clear that the domestic industry did not suffer from any injury during the investigation period.
- vii. Since the petitioners have failed to make a proper case for the likelihood of dumping based on positive evidence, the respondent in this part submits why the petitioners have also failed to establish that the withdrawal of duties would lead to likely continuation or recurrence of injury.
- viii. The very first ground concerning likelihood of injury analysis put forward by the petition related to the alleged fact that the Government of Bangladesh has been providing support in the form of tax exemptions, rebates, holidays and export subsidies to jute products in order to encourage jute industry to export jute goods. There is no denying that these measures are undertaken to encourage exports. However, tax exemptions, rebates and holidays as mentioned by petitioners don't apply to the subject jute products. Even if these apply to the subject jute products, these are irrelevant to dumping and the petition does not explain how these support measures are relevant in the present SSR case.

- ix. With regard to the cash subsidies, the applicant has submitted that the purpose of increasing cash subsidies for jute product was to neutralize the anti-dumping duty imposed by India. Such open-ended statement ignores the fact that the industry has been facing continuous challenges to pay its workers and undergoing through existential crises in many respects. Therefore, the Government of Bangladesh continuously supports the sector and these supports are available for exports to all countries not only to India and such support has been in place for a long time. Therefore, there is no reason to consider that the current export subsidies scheme is designed to neutralise the anti-dumping duty imposed by India.
- x. Different support measures of the Government of Bangladesh are not designed to overtake Indian market, rather simply to stabilize the sector with the objective of saving the livelihoods of millions of workers and farmers given the closure of many industries and internal disturbances in last several years. Many of the support measures which are in place predate the imposition of the anti-dumping duty in question and are in no way linked with the existing duties.
- xi. Overall, the petitioners appear to have implicated the government support measures to individual exporters from Bangladesh. The support measures are government initiatives and cannot be attributed to any individual exporters and thus, to the respondent industry. Hypothetically speaking, even if these government measures cause some injury to the Indian domestic industry (which is not the case), it cannot be a legal basis for the continuation of the duties as part of the likelihood of injury analysis. The support measures in question are completely unrelated to the anti-dumping duties.
- xii. The petitioner has unnecessarily created a fear of increase of import of jute products from Bangladesh through an inappropriate assessment of the situation of the jute industry in Bangladesh. Firstly, it is well-known that Bangladesh is the largest producer of raw jute in the world. Due to high quality of raw jute produced in Bangladesh, both raw jute and jute products of Bangladesh have huge demand all over the world. The quantity of jute products produced in Bangladesh solely depends on the availability of raw jute in the country since there is no question of import of raw jute from anywhere in the world. Therefore, assessment of possible increase of production of jute products must be based on the availability of raw jute in the country. In this context, the Authority may examine the quantity of production of raw jute in Bangladesh.
- xiii. Surplus capacity in some companies cannot be the determining factor for increase of production of jute products. Rather, the Government of Bangladesh has closed all jute industries operated under Bangladesh Jute Mill Corporation in July 2000. Therefore, arguments put forward by the petitioner on likelihood of increase of import of jute products are not justified.
- xiv. The petition mentions that since the landed value of imports from Bangladesh are at a price lower than the selling price and cost sales of the domestic industry, it is likely that if the duties are withdrawn, the Bangladeshi producers would aggressively target the Indian market. The respondent is unable to comment on this argument because of less clarity in data regarding the calculation of landed value of imports and the indexing of selling price.
- xv. The petitioner has failed to understand that the Bangladeshi jute industry has been developed independent of the Indian market. Even when duties were in place, the overall export of the respondent along with the domestic jute industry has increased.

Therefore, the anti-dumping duty in question is not related to the exporting nature of the domestic industry.

- xvi. The efforts to modernize Bangladesh's jute industry have nothing to do with the likelihood analysis in the present case.
- xvii. There is no reason shown which can lead one to believe that the price of exports from Bangladesh may decline in the near future and the global scenario and situation in Bangladesh is very conducive for the prices to go further up in the near future and claims to the contrary are all unsubstantiated.
- xviii. The petition contains unsupported claims of likelihood of dumping and injury which must not be accepted by the Authority. On the contrary, the overwhelming number of responses have been filed by the exporters which provide the Authority with actual information on capacity, capacity utilization, third country exports, inventory etc. which is relevant in the context of likelihood examination. It would be evident that the claims in the petition are not justified in view of such factual position.
- xix. The evidence filed by the domestic industry shows negative price undercutting for the updated POI.
- xx. The petition cites India as the sole export market for Nepal as the only factor likely to cause recurrence of injury to the domestic industry if anti-dumping duties are discontinued against it. The respondents submit that India being a significant market for Nepal is well established. However, the mere fact that India is a significant market cannot by itself be a factor indicating likelihood of recurrence of injury. Rather, it must be coupled with some other significant factor which together are capable of causing injury. There is no other such factor since price undercutting is also negative.
- xxi. With respect to Nepal, the only submission made in written submission by the domestic industry is that imports from Nepal have increased. However, imports have increased in relation to hessian fabric and sacking bags only. This is due to constraints faced by the domestic producers in producing adequate quantity of like article, particularly sacking bags, and restrictions imposed by the Government which prevents the domestic producers from selling in the open market. This has necessitated users to import the subject goods from Nepal.
- xxii. When domestic industry is visibly perturbed by imports from Bangladesh only, and given the background of the case, which include various anti-circumvention and new shipper review investigations, it becomes apparent that import competition is only being faced from Bangladesh. There are no facts which indicate a likelihood of recurrence of injury due to imports from Nepal.

### **H.3 Examination by the Authority**

- 121. The present investigation is a sunset review of duties imposed on the imports of subject goods from Bangladesh and Nepal. Under the Rules, the Authority is required to determine whether the cessation of existing duty is likely to lead to continuance or recurrence of dumping and injury to the domestic industry.
- 122. All factors brought to the notice of the Authority have been examined to determine as to whether there is a likelihood of continuation or recurrence of dumping or injury in the event of cessation of the duty. The Authority has considered various information, as made available

by the domestic industry, in order to evaluate the likelihood of continuation or recurrence of dumping or injury.

123. With regards to submissions made by the other interested parties concerning certain data related to supply and demand figures of jute production in relation to Bangladesh and Nepal, it is reiterated that the Authority has not taken cognisance of the report.

124. The Authority has examined the likelihood of continuation or recurrence of injury considering the requirement laid down under Section 9A (5), Rule 23 and parameters relating to the threat of material injury in terms of Annexure - II (vii) of the AD Rules, and other relevant factors brought on record by the interested parties:

- i. A significant rate of increase of dumped imports into India indicating the likelihood of substantially increased importation;
- ii. Sufficient freely disposable, or an imminent, substantial increase in capacity of the exporter indicating the likelihood of substantially increased dumped exports to Indian markets, taking into account the availability of other export markets to absorb any additional exports;
- iii. Whether imports are entering at prices that will have a significant depressing or suppressing effect on domestic prices, and would likely increase demand for further imports; and
- iv. Inventories of the article being investigated.

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

**i. Continued dumping of the subject goods and anti-circumvention of existing anti-dumping duties.**

126. The dumping of the subject goods from some producers/exporters of the subject countries has continued despite anti-dumping duties being in force. The volume of imports has also remained significant in absolute and relative terms. It is also noted that the import volume from Bangladesh of sacking cloth increased significantly after imposition of the anti-dumping duties, that led to the anti-circumvention investigation and subsequent extension of duties on sacking cloth.

127. The table mentioned below shows the production figures of sacking cloth by the domestic industry.

SN	Particulars	Unit	2017-18	2018-19	2019-20	2020-21
1	Sacking cloth	MT	***	***	***	***
	Trend	Index	100	114	184	41
2	Production	MT	***	***	***	***
	Trend	MT	100	102	106	93

3	Share of sacking cloth	%	***	***	***	***
	Trend		100	111	173	44

128. It is seen that the production of sacking cloth by the domestic industry is abysmally low in relation to its total production. However, the imports of sacking cloth coming in from Bangladesh constitute a very significant percentage of the total imports. If there was such a high demand of sacking cloth in the Indian market then the domestic industry would have manufactured and sold sacking cloth as such. However, this is not the case. This shows that the sacking cloth being exported by producers/exporters from Bangladesh is nothing but a penultimate form of sacking bag and a form of the PUC which is being resorted to circumvent the existing anti-dumping investigation. The Authority has also established the same in its anti-circumvention findings concerning Bangladesh.<sup>24</sup>

## ii. Surplus capacities in Bangladesh and Nepal

129. Information with respect to surplus capacities with the producers in the subject countries is given below. The Authority has examined the information for period of investigation separately for the sampled and non-sampled producer/exporters to examine the likelihood of injury.

Idle Capacity	Capacity	Production	Capacity utilization	Idle capacity as % of Indian demand	Idle capacity as % of Indian demand
	MT	MT	%	%	Range
<b>Bangladesh</b>					
<b>Sampled</b>	***	***	***	***	0-10
<b>Non-Sampled</b>	***	***	***	***	20-30
<b>Total</b>	***	***	***	***	20-30
<b>Nepal</b>					
<b>Sampled</b>	***	***	***	***	0-10
<b>Non-Sampled</b>	***	***	***	***	0-10
<b>Total</b>	***	***	***	***	0-10

Source: EQR

130. It is seen that about \*\*\*% of the capacity of sampled producer/exporters and \*\*\*% of the capacity of non-sampled producer/exporters of Bangladesh was idle in the period of

<sup>24</sup> Final Findings in Anti-circumvention investigation concerning alleged circumvention of anti-dumping duty imposed on the imports Jute Sacking Bags from Bangladesh dated 19<sup>th</sup> March 2019 (F.No. 7/3/2018 -DGAD).

investigation. In case of Nepal, it is seen that about \*\*\*% of the capacity of the sampled exporters and \*\*\* % capacity of non-sampled exporters was lying idle.

131. With regards to the submission made by the other interested parties with respect to limited availability of raw jute material in Bangladesh, the Authority notes that no evidence has been submitted to back this claim.
132. Brazil has extended duties on the subject goods from Bangladesh in 2016. Thus, for the exporters from Bangladesh one market has remained closed due to duties. This also evidently corroborates why Bangladesh has continued to export dumped imports into India in large quantities. Brazil has now initiated sunset review of anti-dumping duties, which were imposed first time in 1992.

**iii. Historical analysis of market share and imports**

133. The Authority has analysed the market share in demand of imports of subject goods from subject countries from the base year of the original investigation to the present POI. This has been analysed considering both a market for government procurement and excluding it.

***Import Volumes and Market Share since Original Investigation (including Government Procurement)***

SN	Year	Imports	Demand	(Subject countries) Share
1	2011-12	1,26,044	14,32,360	8.80%
2	2012-13	1,83,534	14,92,084	12.30%
3	2013-14	1,62,193	14,69,694	11.04%
4	2014-15	1,73,711	14,80,133	11.74%
5	2015-16	2,01,295	14,10,478	14.27%
6	2016-17	1,34,565	12,44,568	10.81%
7	2017-18	1,32,868	11,78,706	11.27%
8	2018-19	1,24,850	11,40,443	10.95%
9	2019-20	1,70,519	12,03,483	14.17%
10	2020-21	1,78,758	10,20,490	17.52%

***Import volumes and market share since original investigation (excluding government procurement)***

SN	Year	Imports	Demand	Govt.	Net demand	(Subject countries) Share	
						Gross	Excluding Govt
1	2011-12	1,26,044	14,32,360	7,95,475	6,36,885	8.80%	20%
2	2012-13	1,83,534	14,92,084	9,95,086	4,96,998	12.30%	37%

3	2013-14	1,62,193	14,69,694	6,84,658	7,85,036	11.04%	21%
4	2014-15	1,73,711	14,80,133	6,91,300	7,88,833	11.74%	22%
5	2015-16	2,01,295	14,10,478	8,10,123	6,00,355	14.27%	34%
6	2016-17	1,34,565	12,44,568	8,61,229	3,83,339	10.81%	35%
7	2017-18	1,32,868	11,78,706	7,99,583	3,79,123	11.27%	35%
8	2018-19	1,24,850	11,40,443	8,42,793	2,97,650	10.95%	42%
9	2019-20	1,70,519	12,03,483	7,72,157	4,31,326	14.17%	40%
10	2020-21	1,78,758	10,20,490	6,80,064	3,40,426	17.52%	53%

134. It is noted that despite the imposition of anti-dumping duties, imports from the subject countries have increased significantly. It is expected that the consequence of any trade remedial measures and specifically, imposition of anti-dumping duties would lead to import volume being contained if not reduced, in a situation where there are sufficient capacities within the country. However, the same has not been a result in this investigation. The Authority, therefore, disagrees with the position taken by the other interested parties that the imposition of measures has had an adverse impact on the subject exports. It is evident that the share of Bangladesh and Nepal in the open market has reached 55% in the POI. There has been a significant increase in imports of subject goods as compared to the base year of the original investigation and the POI of the original investigation, wherein the share was 20% and 13% respectively.

**iv. Efforts of Government of Bangladesh to push exports**

135. The importance of the jute sector for Bangladesh is well-known and has been admitted by the Government of Bangladesh. The jute sector has historically been an important industry for both India and Bangladesh. The Authority notes that Bangladesh has an inherent advantage of abundance of raw jute coupled with abundance of superior quality of raw jute. This advantage lies with Bangladesh naturally and geographically. Besides, having a natural advantage, the Government of Bangladesh offers various support measures to the producers/exporters of jute products that encourage exports.

136. The Government of Bangladesh grants cash subsidy of anywhere between 7.5 percent and 12 percent on their exports of jute products, as has been admitted by the Government of Bangladesh. While the cash subsidies for exports in itself denotes the importance of export markets for jute, it is distinctive in this case as to the manner in which this cash subsidy was used as a tool to push exports towards the Indian market. The table below shows the percentage of cash subsidy that was available for each product type in the relevant years:

SN	Period	Cash Subsidy	
		Yarn	Sacking bag and hessian fabric
1	2015	5	7.5
2	2016	5	7.5
3	Jan 2017	MoF imposition of duties after the original investigation	
4	2017	5	10

5	March 2018	Circumvention investigation initiated by the Authority		
6	August 2018	7	12	

137. It is seen from the above table that the rate of cash subsidies increased upon imposition of duties by the Ministry of Finance. These rates were further increased upon initiation of circumvention investigation. Consequently, it was seen that imports of sacking cloth declined, and that imports of sacking bag commenced again. The Authority cannot disassociate the two events, as any change in the manner in which the investigation was conducted, was seen to have directly impacted the formulation of rates of cash subsidies being offered.
138. Furthermore, it has been shown that the Government of Bangladesh has formulated ‘National Jute Policy 2018’ with the vision of creating a fund for modernisation of the sector. Thus, these incentives and scheme only promote the export orientation of the exporters in Bangladesh.

#### v. Export orientation

139. Information with respect to export orientation of the producers in the subject countries is given below. The Authority has examined the information for period of investigation to examine likelihood of injury.

Export Orientation	Production	Exports	Export orientati on	Export orientation as % of Indian demand	
	MT	MT	%	%	Range
<b>Bangladesh</b>					
<b>Sampled</b>	***	***	***	***	9-10
<b>Non-Sampled</b>	***	***	***	***	22-23
<b>Total</b>	***	***	***	***	<b>30-40</b>
<b>Nepal</b>					
<b>Sampled</b>	***	***	***	***	0-10
<b>Non-Sampled</b>	***	***	***	***	0-10
<b>Total</b>	***	***	***	***	<b>0-10</b>

Source: EQR

140. It is seen that the producers in the subject countries are utilizing a significant share of their production for export purposes. In the event of cessation of duty, it is likely that these exports would likely be diverted to India given the lucrativeness of the Indian market.



**vi. Persistent presence of exporters in the market and vulnerability of the domestic industry**

141. The Authority notes that the imports of the subject goods from subject countries at dumped and injurious prices have not only continued, but have also remained significant. The Authority in the anti-circumvention investigation found that the remedial effect of duties was undermined due to the circumvention of duty from Bangladesh through exports of sacking cloth. The Authority recalls the final findings relating to anti-circumvention investigations, wherein the Authority had established circumvention of the anti-dumping duty by the Bangladeshi exporters.

142. The importance of the Indian market to the Bangladesh exporters/producers from Bangladesh is also evident from the number of new shipper investigations, the Authority has conducted. This was yet another mechanism drawn by the exporter to receive low/nil duties and continue maintaining their presence in the market.

**vii. Third country dumping**

143. The Authority has determined likely behaviour of the exporters by determining the dumping margin in their exports to the third countries.

144. Information with respect to third country dumping for sampled producer/exporters in Bangladesh is given below:

	Exports to third countries at dumped price	Total exports to third countries	Exports to other countries at dumped prices		Exports at dumped prices as % of Indian demand	
	MT	MT	%	Range	%	Range
<b>Sampled</b>	***	***	***	60-70	***	0-10
<b>Non-Sampled</b>	***	***	***	50-60	***	0-10
<b>Total</b>	***	***	***	50-60	***	0-10

Source: EQR

145. It is seen that a significant share of exports of the responding sampled and non-sampled producer/exporters of Bangladesh to third countries are at dumped prices. These dumped exports to third countries would represent 9.76% of total Indian demand.

**viii. Third country injurious exports**

146. The Authority has examined the third country injurious exports and has adopted a conservative approach by comparing landed price of subject goods (to third countries) with the NIP of the PCN commanding lowest value. Information with respect to third country injurious exports is given below:

	Exports to other countries at or below injurious price	Total exports to third countries	Exports to other countries at or below injurious price		Exports to other countries at or below injurious price % of Indian demand	
	MT	MT	%	Range	%	Range
<b>Sampled</b>	***	***	***	70-80	***	0-10
<b>Non-Sampled</b>	***	***	***	60-70	***	10-20
<b>Total</b>	***	***	***	60-70	***	10-20

Source: EQR

147. It is seen that significant exports of responding sampled and non-sampled producer/exporters of Bangladesh to third countries are at prices which could be injurious to the domestic industry, in the event of their diversion to India.

#### ix. Price attractiveness of Indian market

148. Information with respect to price attractiveness is given below:

	Exports to other countries below NSR in India	Total exports to third countries	Exports to other countries below price in India (NSR)		Exports to other countries below price to India % of Indian demand	
	MT	MT	%	Range	%	Range
<b>Sampled</b>	***	***	***	50-60	***	0-10
<b>Non-Sampled</b>	***	***	***	80-90	***	10-20
<b>Total</b>	***	***	***	80-90	***	10-20

Source: EQR

149. It is seen that significant share of exports of responding sampled and non-sampled producer/exporters of Bangladesh to third countries are at prices below the prevailing prices in India.

### I. INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

150. The Authority notes that the purpose of anti-dumping duty, in general, is to eliminate injury caused to the domestic industry by the unfair trade practices of dumping so as to establish a situation of open and fair competition in the Indian market, which is in the general interest of the country. The continuation of an anti-dumping measure does not aim to restrict imports from the subject countries in any way. The Authority recognizes that the continuation of anti-dumping duties might affect the price levels of the product in India. However, fair competition in the Indian market will not be reduced by the imposition of anti-dumping measure. On the contrary, the continuation of the anti-dumping measure would ensure that no unfair advantages are gained by dumping practice and prevent the decline of the domestic

industry and help in maintaining the availability of a wider choice to the consumers of the subject goods.

151. The Authority considered whether continuation of anti-dumping shall have any adverse impact on the interest of the public. In order to determine such impact, the Authority weighed the impact of the continuation of duties on the availability of the goods in the Indian market, the impact on the users of the product as well as the domestic industry and the impact on the general public at large. This determination is based on the submissions and evidence submitted over the course of the present investigation.
152. The Authority issued initiation notification inviting views from all interested parties, including importers, consumers and others. The Authority also prescribed a questionnaire for the users/ user association to provide relevant information with regards to the present investigation including any possible effects of the anti-dumping duty on their operations. However, none of the interested parties have provided any information regarding impact of anti-dumping duty on their operations.
153. The submissions made by the other interested parties in their submissions have been considered in this regard. As regards the impact of duty quantified by the consumer industry, the Authority notes that the present investigation is a sunset review investigation, and therefore, before considering the impact of the proposed duties on consumers in future, the Authority should first consider the impact of duty that was imposed earlier. In a situation where the anti-dumping duty has been in place for more than four years, the increase in the price of the product (after due adjustments for raw material price movements) and the impact of the same is the best indicator of the likely impact of proposed duty on the consumers. This impact is required to be determined considering the increase in price of the domestic and imported product post imposition of duty. It is seen that there is no material increase in the price of the product either by domestic industry or by the Bangladeshi/Nepalese producers. Any increase of prices of domestic industry has been in tandem with increase in cost of production. Further, it is seen that the return on investment of the domestic industry has declined in the POI considerably.
154. The Authority notes that the Indian jute Industry is both culturally and historically important for the country. The jute mills in the state of West Bengal are largely placed in one district i.e., North 24 Parganas. The people of this district are largely employed by the jute mills surrounding the district. The entire livelihood and sustenance of families are dependent on the jute mills. Therefore, any adverse impact on the performance of the jute mills immediately affects the livelihood of the workers and their families. It has been informed that the Indian jute industry provides employment to around 4 lakh workmen, and therefore, it would be the workmen who would bear the impact of any measure that would lead to a decline of the jute industry.
155. A more significant part of the Indian jute industry are the raw jute farmers. The Indian jute industry engages and is directly impacting the livelihood of 40 lakh farmers. It is indisputable that raw jute plays an important role in the country's economy, farmer's livelihood and rural

economy, and is originally considered as a source of raw material for packaging industries. It is acknowledged that the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987 was promulgated to provide the jute farmers an assured market, and thus, requiring the jute mills to dedicate production facilities for sale in that market by mandating procurement of only domestic raw jute. However, it has been verified by the Authority that practically all jute mills have developed production facilities in parallel for goods meant for consumption in the open market as well. Further, these production facilities are by-an-large dedicated for products going into different market segments, and has been noted herein above that the production facilities developed for the products being sold in the open market cannot be utilized for the production of goods bought by the Government of India.

156. Further, approximately 25% of raw jute grown in India is of higher grade which are only used for production of fine yarn and hessian fabric, i.e., products being sold in the open market. These products have a higher cosy, fetch better price and have better utilization in packaging products such as bags for tea, coffee and as shopping bags, furnishing material, decorative fabrics etc. Therefore, it is noted that should the open market be left unprotected and open to dumped imports at unfair prices, the Indian jute mills will become unviable. This would result in loss of market for raw jute farmers and would adversely impact their livelihood. It has been brought to the notice of the Authority that this market has an immense potential for growth, as globally efforts are being made to move from plastic to natural/bio-degradable products. Further, as stated above, production facilities for both sacking bags and yarn/hessian must necessarily co-exist and it is impossible for the Indian industry to continue viable operations based solely on government procurement.
157. It is also noted that the imports of jute sacking bag, jute yarn/twine and hessian fabric only compete in the open market. The products being manufactured and dedicated for sale in the open market by the domestic industry have required significant investments. In the presence of continued and increasing share of subject imports in the open market, the Indian industry would be forced to exit from the open market. This will result in these dedicated capacities, investments, plant & equipment, employment and huge Infrastructure to become completely redundant, and the industry suffer perennial losses.
158. The Authority also notes that the Indian market has remained attractive for the imports from the subject countries and it has not diminished over the period. The dumping of the subject product has also continued despite the extant anti-dumping duties. Further, the exporters from Bangladesh have even resorted to dumping of upstream product after the original imposition of duties. The Authority carried out an anti-circumvention investigation to address this phenomenon. Thus, jute products have continued to be an attractive export product to India with continued dumping and consequential injury to the domestic industry in India.
159. The Authority notes that the imposition of duty will not in any manner restrict the imports, but only ensure that the goods are available at fair prices. Further, there is no demand-supply

gap in the country, as domestic producers have sufficient capacity to cater the need of the Indian market. Additionally, the product can also be imported from other countries.

160. The Authority also notes the observations made by the Commission for Agricultural Costs and Prices, Ministry of Agriculture and Farmers Welfare, on the impact of the anti-dumping duties imposed on subject countries. The Commission in its Report<sup>25</sup> has observed the following:

“1.23 To safeguard interest of domestic jute industry and growers, definitive antidumping duty on import of ‘Jute Products’ comprising of Jute yarn/twine (multiple folded/cabled and single), Hessian Fabrics and Jute Sacking bags originating in or exported from Bangladesh and Nepal were imposed with effect from 5th January, 2017. In June 2019, anti-dumping duty was also imposed on jute sacking cloth under tariff heading 5310 originating in or exported from Bangladesh to prevent the circumvention of levy of anti-dumping duty levied on jute sacking bags. These interventions have resulted in resumption of operations in 13 Twine mills in Andhra Pradesh, benefitting about 20 thousand workers and created additional demand of 2 lakh tonnes of jute goods in the domestic market.”

In another Report<sup>26</sup>, the Commission has observed the following:

“1.26 India is one of the largest importers of jute and jute products from Bangladesh as Government of Bangladesh provides subsidy for promoting export of jute goods. During 2019-20, Bangladesh provided cash subsidy of 12 percent on hessian, sacking and carpet backing clothing (CBC), 7 percent on yarn and twine and 20 percent subsidy on jute diversified jute products. These subsidies promote increased production, distort market and adversely affect Indian jute growers and industry. To safeguard interest of domestic jute growers and industry, definitive antidumping duty on import of ‘Jute Products’ comprising of jute yarn/twine (multiple folded/cabled and single), hessian fabrics and jute sacking bags originating in or exported from Bangladesh and Nepal was imposed with effect from 5<sup>th</sup> January 2017. In June 2019, anti-dumping duty was imposed on jute sacking cloth under tariff heading 5310 originating in or exported from Bangladesh to prevent the circumvention of levy of anti-dumping duty levied on jute sacking bags. Despite these measures, imports of jute and jute products from Bangladesh increased by about 60 percent, from US\$109 million in 2018-19 to about US\$175 million in 2019-20. The export subsidy policy of Bangladesh adversely affects competitiveness of Indian jute goods and thereby corners higher share in the international market. The Commission recommends close monitoring of imports from Bangladesh and take corrective measures including the duty structure and countervailing duty to restrict subsidised imports of jute and jute products from Bangladesh.”

161. It is, therefore, noted that the continuation of the anti-dumping duties on the imports of the subject goods would be in the interest of domestic producers of the subject goods in India.

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<sup>25</sup> Price Policy for Jute 2020 – 21 Season, Commission for Agricultural Costs and Prices, Ministry of Agriculture and Farmers Welfare, October 2019, p.10.

<sup>26</sup> Price Policy for Jute 2021 – 22 Season, Commission for Agricultural Costs and Prices, Ministry of Agriculture and Farmers Welfare, October 2020, p.10.

The fact that this is a capital- and labour-intensive industry, the continuation of the measure would prevent further injury and give time to the domestic producers to compete against the exporters from the subject countries.

## **J. POST – DISCLOSURE COMMENTS**

162. The Authority notes that most of the submissions made by the interested parties in response to the disclosure statement are repetitive in nature and the interested parties have largely reiterated their earlier submissions. The Authority has already examined such submissions in the aforementioned paras and only additional submissions have been examined by the Authority in the following examination to the extent they were found to be relevant.

### **J.1 Submissions made by the other interested parties**

163. The following submissions have been made by the other interested parties:
- i. As per Article 11.5 of the Anti-dumping Agreement a sunset review is to be “*carried out expeditiously and shall normally be concluded **within 12 months** of the date of initiation of the review.*” Therefore, such review must be concluded within 12 months. Unlike original investigation, there is no scope for extension of review period. Rule 23(2) of AD Rules also states the same, that is, “*Any review initiated under sub-rule (1) shall be concluded within a period not exceeding twelve months from the date of initiation of such review*”. Thus, the Indian law also requires the conclusion of the review within a period of twelve months. The Authority should, therefore, terminate the investigation as it would be a violation of the obligations under Art. 11.5 of the WTO Anti-dumping Agreement.
  - ii. The proposal to keep the scope of PUC as has been defined in the original investigation is just and is in line with the consistent practice of the Authority. The proposal may be confirmed for the final findings.
    - a) The exporters from Nepal have made the following submissions on PCN:
      - a. The exporters from Nepal did not seek exclusion of jute twine exported by them from the PCN. Rather, they have requested for a separate/additional PCN as the jute twine exported by them could not be classified within the five grades/qualities proposed by the Authority for jute yarn/twine viz. (i) Sacking, (ii) Hessian, (iii) CB, (iv) CRT/CRX and (v) CRM. Also, the request for separate/additional PCN for jute yarn/twine exported from Nepal was not opposed by the domestic industry or any of the other interested parties.
      - b. The exporters from Nepal have not claimed that the jute twine exported by them is not produced or sold in India. Rather, it was submitted that the jute twine exported by them did not fall within the five grades/qualities suggested by the Authority. Respondents affirm that the jute twine exported by them is sold in India. However, it is denied that it can be used for the same end use as yarns falling within the five PCNs devised by the Authority.
      - c. The end usage of jute yarn for which PCNs have been suggested by Authority are for use in looms for weaving hessian cloth, sacking cloth/bags and for different types of carpets, etc. They have significantly higher ‘break strength’ that is required for use in

looms either as warp or weft threads. Jute twine manufactured by Respondents are used for stitching mouths of sacking bags once the bags are filled with pulses or sugar or any other item or for stitching any tear or other damage to sacking bags. Further, jute twine is presented either in 2 ply or 3 ply and as such, cannot be used in looms as single threaded yarn alone is used in looms to make sacking bags.

- iii. The Authority is requested that jute sacking bag and jute sacking cloth may be considered as like article and jute sacking cloth be included within the scope of the PUC and grant one duty to the product.
- iv. The Government of Bangladesh expected the disclosure statement within June 2021 in accordance with the clear requirement of Article 11.5 of the WTO Agreement. However, since no disclosure was issued within June 2022, the Government of Bangladesh was of the view that the review has been terminated. However, the Government of Bangladesh was surprised to receive the disclosure on 18 August 2022, almost two months after the required date of concluding the investigation. Under these circumstances, the Government of Bangladesh requests the authority not to make any recommendation on the basis of this disclosure.
- v. The requirement to constitute a ‘domestic industry’ in terms of Rule 2(b) of the AD Rules is applicable even in a sunset review and it is not correct to state that the test of standing is not relevant in a sunset review.
- vi. For the purpose of sunset review, the domestic industry means producers who constitute major proportion in the total domestic production. The share of domestic producers is only 27.46%, which cannot be considered as a major proportion of the total domestic production for the purpose of the present investigation. It may be noted that the Appellate Body in the anti-dumping measures on Certain Iron or Steel Fasteners from China found that the EU authorities violated Article 4.1 by defining a domestic industry comprising producers accounting for mere 27 per cent of total estimated EU production of fasteners.
- vii. The standing of the Petitioner companies should be reckoned for each product type separately (i.e., Jute Yarn/Twine, Hessian Fabric, Jute Sacking Cloth, and Jute Sacking bag) and not for all the products as a whole.
- viii. Considering the information provided by the 32 domestic producers as per Trade Notice No. 05/2021 dated 29th July, 2021 and the injury information provided by the 6 domestic producers would be in gross violation of Rule 5 of the AD Rules, which requires the Authority to initiate an investigation based on a Petition by or on behalf of the domestic industry.
- ix. As per Article 3.5 of the Anti-dumping Agreement, the volume of dumped and un-dumped imports should be segregated while undertaking injury and likelihood analysis.
- x. The continuation of anti-dumping duty is unwarranted and the duties must be allowed to expire in the larger public interest.
- xi. Cumulative assessment is not appropriate as dumping margin of imports from Nepal are de-minimis. Article 3.3 of AD Agreement and Para (iii) of Annexure II of AD Rules 1995

does not allow a country which has *de minimis* dumping margin to be cumulatively assessed.

- xii. Even though the capacity for government procurement and open market may be different, in terms of the Orders issued by the Jute Commissioner, the Jute mills have to necessarily fulfil the Government requirements before supplying to the open market. The Authority has not specifically identified the companies which have fulfilled and not fulfilled the Government's requirement. Therefore, it is not clear if the domestic producers in India have sufficient capacity to meet the demand for the open market in India.
- xiii. As per the news article in the Business Standard published on 05.08.2019, the Indian Jute Mills Association (Petitioner Association) has specifically accepted the fact that they have limited capacity. Therefore, non-availability of raw jute is not the only reason affecting the ability of the domestic producers to supply to the open market, but the domestic producers also have limited capacity. Further, unavailability of raw jute not only affects the production for the Government market, but also the production for the open market.
- xiv. The injury to the Indian industry is due to the restrictions imposed by the Government that the Jute mills shall utilise their capacity for fulfilling the Government procurement requirements before producing for the open market and the restriction in prices at which the final product can be sold by the industry in terms of the Jute and Jute Textiles Control Order, 2016.
- xv. The domestic industry must establish that they were allowed to supply sacking bags to the domestic market. Permissions obtained from Jute Commissioner ought to have been filed as evidence and shared with the interested parties. However, no such evidence has been filed or shared.
- xvi. The fact that the domestic industry was prevented from supplying to open market is established from position of inventory which demonstrates average stock has declined.
- xvii. The injury to the domestic industry is due to imports from Bangladesh rather than from Nepal. It is clear from the comparison of the landed value of the PUC from Bangladesh and Nepal that the landed value of the subject goods is much higher from Nepal in comparison to Bangladesh.
- xviii. Notwithstanding that separate looms are required for manufacturing sacking bags for open market, Applicants could not have supplied to open market while sacking requisition orders were operational unless permissions were obtained.
- xix. It is clear from the Authority's analysis that there is likelihood of dumping and injury in respect of imports from Bangladesh only. The surplus capacity and export orientation is much higher in Bangladesh in comparison to Nepal. Further, the Bangladesh Jute mills are also getting cash subsidies from the Government. Further, it is only the exports from Bangladesh to the third countries which are at dumped prices.
- xx. There is no correlation in movement of prices of the subject goods with that of the selling price of the domestic industry. Price undercutting has had no effect on prices of the



domestic industry and there is no price suppression or depression as the Authority has observed that increase in selling price is same as the increase in cost.

- xxi. The Authority has determined a negative injury margin for jute yarn/twine imported from Nepal. Further, the dumping margin is negative for other two product categories i.e. sacking bags and hessian fabric and is overall negative for the product as a whole. No case is made out for continuation of measures on imports from Nepal.
- xxii. Rule 23(1) states that antidumping duties shall remain in force only so long as and to the extent necessary to counteract dumping which is causing injury. When dumping is negative, existing duty must be terminated and no case is made out for continuation of the levy of duty.
- xxiii. From the factors analysed by the Authority regarding likelihood of recurrence of dumping and injury, it can be seen that all but one of these factors are in relation to Bangladesh. The only factor examined with respect to Nepal is surplus capacity which is extremely low between 0-10%. As such, the threat of likelihood of recurrence of injury from Nepal is non-existent.
- xxiv. The anti-dumping duties imposed on jute sacking cloth from Bangladesh should continue as per the duty mentioned in Customs Notification No. 24/2019-Customs (ADD) dated 18.06.2019 and not at any other rate. Further, the aforementioned customs notification should be made co-terminus with the outcome of the present review.
- xxv. The Authority should include a separate duty table which would be applicable to jute sacking cloth.
- xxvi. Rabeya Jute Mills and Bogra Jute Mill were not before the Authority in the original investigation. The Authority should determine a fresh quantum of anti-dumping duty which would be applicable to these exporters should the Authority conclude positively on the existence of likelihood.
- xxvii. The Authority should not modify the anti-dumping duty applicable to Janata Jute Mill as it was a sampled exporter in the original investigation. It should continue with the previous duties as the data of Janata has not been used for determination of fresh margins.
- xxviii. The injury margin for Sonali and Alijan seems to be overstated. The injury margin for the respondents should be lower than that for the other exporters. It could well be negative or de minimis.
- xxix. A.M. Jute Mills has started commercial production in October 2019, i.e., after imposition of original as well as circumvention duties. The dumping margin determined by the Authority for the respondent is negative. It is requested that the Authority as per its past practice award A.M. Jute Mills an individual dumping margin/duty as it is a new producer/exporter.
- xxx. The Authority can determine duty only on the basis of actual export price and normal value of an exporter or producer as enunciated in S. 9A or on the basis of Rule 18(2). However, the provisions of Rule 18(2) are not applicable in the case of A.M. Jute Mills as this provision is applicable only for non-sampled cooperative producer/exporter.

- xxxi. The Authority has not considered the evidence submitted by the Government of Bangladesh regarding the availability of raw jute in Bangladesh. The Authority should revisit its findings in this regard.
- xxxii. The Authority is requested to terminate the present sunset review on imports from Nepal. Alternatively, since the dumping margin/injury margin is negative for most of the exporters from Nepal. The Authority is requested to award 'NIL' rate of duty for such exporters instead of continuing the duty determined during the original investigation.
- xxxiii. Ranu Agro has submitted complete information in respect of sacking cloth which was duly verified by the Authority during the desk verification as well as onsite verification in Bangladesh. The Authority, is therefore, requested to consider jute sacking bag and jute sacking cloth as like articles and grant one and the same duty individually to Ranu Agro.
- xxxiv. The dumping margin calculated by the Authority is different from the dumping margin calculated by Ranu Agro. It is further requested that Ranu Agro be granted an individual rate of anti-dumping duty should the Authority decide to accord Hasan Jute & Spinning Mills the duty extended to its related company, Hasan Jute & Spinning Mills.
- xxxv. There have been several changes in the data pertaining to the economic parameters of the domestic industry which is attributable to non-inclusion of sacking cloth in the PUC. The Authority should have provided the revised economic parameters before issuing the disclosure statement. Sufficient time should be given to the interested parties to make their comments on the same. However, no such opportunity was granted by the Authority in this regard which is against the principles of natural justice.

## **J.2 Submissions of the domestic industry:**

164. The following submissions have been made by the domestic industry:
- i. The present quantum of duties should be extended in the review investigation.
  - ii. The Authority should exclude de minimis/zero margins in calculation of margins for non-sampled cooperating producers in accordance with Art. 9.4 of the Anti-dumping Agreement and Rule 17(3) and 18(2) of the AD Rules.
  - iii. The new exporters who are responding in the present case should not accorded individual margins as the import volume to India has declined significantly and as per, market intelligence, the export volume from these exporters is (a) low and (b) are limited to certain PCNs. This low volume of export and limited product types exports cannot give the correct picture of dumping practices being practiced by the exporters.
  - iv. The producers from the subject countries that responded in the original investigation but have not responded in the present sunset review investigation should be considered as non-cooperating interested parties, as they have failed to provide mandatory questionnaire response.
  - v. The Authority must not remove the import volume of such producers/exporters cases which have been granted negative dumping margin while examining volume and price effect. The Authority in while undertaking sunset review investigation on the following products i.e. Toluene Di- Isocyanate- (TDI), Phthalic Anhydride Ammonium Nitrite ,

Clear Float Glass , Caustic Soda , Acetone , Tyre Curing Press, and MDF, has not reduced the de-minimis volume of imports.

- vi. The disclosure statement does not elaborate the methodology regarding the determination of the cost of production of the foreign producers. It is public knowledge that these producers had failed to provide accurate information for raw materials, utilities, conversion costs for different product types and PCN at the time of original investigations. Thus, the Authority must disclose how the cost of production has been determined considering there are several PCNS involved in the investigation.
- vii. The non-injurious price determined by the Authority is too low resulting in a low injury margin. The non-injurious price has been reduced on account of a number of factors. The domestic industry is unable to provide any further submissions /comments, as the domestic industry has been given only a worksheet showing NIP allowed. In the absence of any statement about disallowance, the domestic industry is highly handicapped in defending its interests.
- viii. The SSR questionnaire has a specific section which requires the transaction wise details regarding the exports of the PUC to third country markets, i.e., markets other than India. It is not clear from the NCV of the responses whether such information has been provided. If the producers have not submitted such information, the Authority should hold that the interested parties have withheld necessary information and consider the best available information provided by the applicant domestic industry.
- ix. The market intelligence report should be accepted. The applicant had claimed only the exact figures as confidential. However, it disclosed the source, the period for which data was collected and also, provided a narrative which in essence summarised the information used from the market intelligence report. The said report contained information pertaining to surplus capacity, exports and raw jute consumption which in any case should have been made available by the interested parties. Thus, the report relied on by the domestic industry should be considered.
- x. The actual information and the name of the report and all relevant details required of the market intelligence report was provided to the Authority which was sufficient to verify the sanctity and authenticity of the data provided
- xi. Notwithstanding the treatment of report submitted by the domestic industry, the Authority should consider the evidence placed on record showing the position at the industry level on capacity, capacity expansions, export orientation.
- xii. A determination of de minimis dumping margin does not mean that the producers from the subject countries can be exempted from the application of antidumping duty. Such producers can be exempted only when the Authority reaches to a negative conclusion regarding the following assessments: (a) dumping margin and injury margin in respect of exports of India during the POI (b) dumping margin and injury margin in respect of exports of various third countries during the POI (c) volume of dumped and injurious exports to third countries during the POI (d) volume of dumped and injurious exports to India during POI.

- xiii. A significant volume<sup>27</sup> of the circumvented product has come into India. The large volume of imports of the PUI is in itself sufficient to establish the likelihood of intensified imports of product under consideration in the event of cessation of antidumping duty.
- xiv. The Authority has determined the significant volume of third country exports made by the subject countries to third countries and has compared the same in relation to Indian demand. It is reiterated that the Authority should work this percentage in respect to open market only as it is in the open market wherein the subject country imports compete.
- xv. The Authority considered similar likelihood parameters in the recently concluded TDI investigation. Infact, more parameters in the recent case indicate the existence of likelihood. Thus, the duties should also be extended as was done in the recently concluded TDI investigation.
- xvi. The third country export analysis conducted by the Authority shows that the Nepal does not have third country exports apart from India and that is the reason such analysis has not been undertaken for Nepal.
- xvii. The producers in Nepal de-facto have only two markets – Nepal and India. The domestic demand is however highly limited. Nepal is infact dependent on India even for raw jute. The exporters from Nepal attract low level of duty and resultantly have been able to increase exports to Indian market significantly.
- xviii. The Government of Bangladesh has framed several policies to which incentivizes the producers in country to increase their capacities and exports.
- xix. It is reiterated that the imposition of measures is in public interest. The Authority prescribed a questionnaire for the users/ user association to provide relevant information with regard to the present investigation including any possible effects of anti-dumping duty on their operations. However, none of the interested parties have provided any information regarding the impact of the anti-dumping duty on their operations. This is a sunset review investigation and if there was any adverse impact, it could have been easily established by the end consumers.

### **J.3 Examination by the Authority**

165. With respect to the submission made by the Government of Bangladesh regarding the non-completion of the review investigation within twelve months, the Authority notes that Art. 11.2 of the Agreement of Anti-dumping states:

“11.4 The provisions of Article 6 regarding evidence and procedure shall apply to any review carried out under this Article. Any such review shall be carried out expeditiously and shall *normally* be concluded within 12 months of the date of initiation of the review.”

The use of the word ‘normally’ in Art. 11.4 makes it amply clear that an investigation can be completed even beyond the stipulated time period of 12 months. The Authority also notes that

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<sup>27</sup> Cumulative volumes from the base year of circumvention investigations till the present POI is 2,58,058 MT, cumulative volume over the injury period is 161977 MT whereas the Indian Industry’s estimated production of sacking cloth over the injury period was 15,325 MT.

the details regarding the extension of timeline for investigation was duly notified on the website of DGTR on 10/06/2022.

166. Regarding the submission made by the other interested parties with respect to non-cumulation of imports from Nepal with Bangladesh, it is noted that the dumping margin for producers from Nepal is de – minimis. However, the margin for the residual category is above the de-minimis margin and therefore, the conditions of cumulation have been satisfied. Further, the Panel in *US — Oil Country Tubular Goods Sunset Reviews* has observed the following:

“7.335 Having concluded that cumulation is generally allowed throughout the Agreement, including sunset reviews, the next issue we have to address is whether the conditions for the use of cumulation set out in Article 3.3 also apply to sunset reviews. Argentina contends that if the Panel finds that cumulation is allowed in sunset reviews, then it should also find that the conditions of Article 3.3 regarding the use of cumulation apply to sunset reviews. We disagree.

7.336 We note that paragraph 3 of Article 3 is the only paragraph that contains the word "investigation" under Article 3. In our view, therefore, by its own terms Article 3.3 limits its scope of application to investigations. In this respect, we note that this particular issue was also raised in *US – Corrosion-Resistant Steel Sunset Review* and that panel opined:

As stated above, even if the provisions of Article 3, including the definition of injury in footnote 9, are generally applicable throughout the Anti-Dumping Agreement, paragraph 3 of Article 3 is exceptional, in that it alone explicitly refers to the term "investigations". Nowhere else in the text of any other paragraph of Article 3 is the word "investigation" mentioned. Therefore, we are of the view that Article 3.3, by its own terms, is limited in application to investigations and does not apply to sunset reviews. It follows that the cross-reference in Article 3.3 to the negligibility standard in Article 5.8 does not apply to sunset reviews.

We agree with this view, and therefore find that the conditions set forth in Article 3.3 do not apply in sunset reviews.”<sup>28</sup>

167. The exporters from Nepal have stated that the PCN for the yarn exported by them has not been not appropriately framed. The Authority notes that the yarn produced by the exporters

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<sup>28</sup> Panel Report, United States — Sunset Reviews of Anti-Dumping Measures on Oil Country Tubular Goods from Argentina, WT/DS268/R.

is used for the purpose of sewing the mouths of sacking bags. Further, it has been admitted by the exporters that the domestic industry also uses the produces and sells the same yarn which is used for sewing the mouth of sacking bags. Therefore, based on the information/documents furnished by the exporters/producers, the Authority has placed the jute yarn produced by the exporters from Nepal in the relevant PCN category.

168. As regards the determination of dumping margin for the non-sampled cooperating producers, the same has to be determined on the basis of weighted average margins of the sampled producers as per Rules 17(3) and 18 (2) of the AD Rules. The provisions are as follows:

**Rule 17(3):**

“(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 ”

**Rule 18(2):**

“(2) In cases where the designated authority has selected percentage of the volume of the exports from a particular country, as referred to sub-rule (3) of rule 17, any anti-dumping duty applied to imports from exporters or producers not included in the examination shall not exceed -

(i) the weighted average margin of dumping established with respect to the selected exporters or producers or,

(ii) where the liability for payment of anti-dumping duties is calculated on the basis of a prospective normal value, the difference between the weighted average normal value of the selected exporters or producers and the export prices of exporters or producers not individually examined:

Provided that the Central Government shall disregard for the purpose of this sub-rule any zero margin, margins which are less than 2 per cent expressed as the percentage of export price and margins established in the circumstances detailed in sub-rule (8) of rule 6. The Central Government shall apply individual duties to imports from any exporter or producer not included in the examination who has provided the necessary information during the course of the investigation as referred to in the second proviso to sub-rule (3) of rule 17.”

From the aforesaid provisions, it can be seen that while calculating the dumping margin for non-sampled cooperating producers, any zero and de minimis dumping margins for sampled producers will not be considered. However, it is noted that while determining the weighted average dumping margin for non-sampled cooperating producers from subject countries, due to an inadvertent error, the zero and de minimis margins of sampled producers was also taken into account. The error has now been corrected in this final findings, and weighted average dumping margin for non-sampled producers has been re-calculated taking into account provisions of Rules 17(3) and 18 (2) of the AD Rules. There was also an error in the calculation of the margin for the residual category which has also been rectified.

169. With respect to the submissions made with respect to the domestic industry's share in the total production and whether it constitutes a 'major proportion' or not, it is noted that the issue regarding standing and domestic industry's status has already been examined by the Authority under the relevant headings in the final findings.
170. With respect to the determination of dumping margin for Ranu Agro Industries, it is noted, that there was an inadvertent error in the selection of appropriate cells. The error has been rectified and the margin has been modified accordingly.
171. With respect to the changes made in the data pertaining to the domestic industry due to non-inclusion of sacking cloth in the PUC, it is noted that the same was disclosed to the other interested parties at the stage of disclosure and sufficient time was granted to them to provide their comments on the same.
172. As regards the argument that domestic industry must establish that they were allowed to supply sacking bags to the domestic market in view of requisition orders, the Authority notes that the requisition orders cannot be interpreted to imply prohibition from sale for the entire industry. It only implied an obligation, and once this obligation towards government procurement/demand was met, the jute mills were free to sell the product in open market. The Authority notes that these kinds of obligations are imposed by the Office of the Jute Commissioner from time to time, and are merely intended to ensure timely supply of goods. It is also noted that the said order concerns only sacking bag for government procurement and does not concern other products. The Authority has also examined monthly sales of sacking bag in the open market by the applicant companies. It is seen that the domestic industry was selling the product in the open market throughout the POI. Thus, the requisition orders did not stop the sale of goods by the industry in the open market and this could not be the reason for imports.
173. The Authority has determined the non-injurious price (NIP) for the domestic industry on the basis of information furnished by the domestic industry, principles laid down in the Anti-Dumping Rules read with Annexure III and the Generally Accepted Accounting Principles (GAAP).
174. The disallowance of expenditure and determination of reasonable return is in accordance with the principles laid down in Annexure III of the AD Rules. The same was also explained to domestic industry during verification of data.

175. As noted above, despite the marginal decline in the operating performance of the domestic industry during the POI, the domestic industry has largely been able to maintain its profitability during the review investigation period. However, it remains vulnerable to recurrence of dumped imports from subject countries. Therefore, the Authority has examined the likelihood of continuation or recurrence of injury to the domestic industry. As is evident from the examination undertaken in the above paragraphs, in the present investigation, there is likelihood of recurrence of injury to the domestic industry. Therefore, the Authority has recommended the continuation of duties as determined in the original investigation. The Authority has recommended the present duties on the basis of the following principles:

<b>S.No.</b>	<b>Participation Stage and whether Sampled or Non-sampled</b>	<b>Duty recommended</b>	<b>Exceptions</b>
<b>1</b>	Sampled in SSR and not present in OI	Non-sampled cooperative duty as determined in OI	
<b>2</b>	Sampled in SSR and OI	Individual duties as determined in OI	
<b>3</b>	Sampled in SSR and non - sampled in OI	Non-sampled cooperative duty as determined in OI	
<b>4</b>	Non-sampled in SSR Sampled/Individual Treatment in OI	Individual duties as determined in OI. In case of Nepal, all non-sampled producers who were granted individual treatment in OI have been accorded the duties as determined in the OI.	
<b>5</b>	Not present in SSR and OI	Residual duty as determined in OI	
<b>6</b>	Non-sampled in SSR non-sampled in OI	Non-sampled cooperative duty as determined OI	
<b>7</b>	Non-sampled in SSR but not present in OI	Non-sampled duty as determined in OI	Sampled highest cooperative duty from OI (Only in case of Nepal as no sampling had been done by the Authority for Nepal in OI).

## **K. CONCLUSION**



176. Having regard to the contentions raised, the information provided, and the submissions made by the other interested parties and the domestic industry, and the information available before the Authority, as recorded in the above findings, and on the basis of the above analysis of the likelihood of continuation or recurrence of the dumping and the injury to the domestic industry, the Authority concludes that:
- a. 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 which is the same as the original investigation.
  - b. The product produced by the domestic industry is like article to the PUC imported from the subject countries.
  - c. The applicant companies constitute as the domestic industry within the meaning of Rule 2(b) of the AD Rules.
  - d. The application contained all the information relevant for the purpose of initiation of the sunset review and the application contained sufficient evidence to justify initiation of the present sunset review.
  - e. Based on the information on record, the normal value, export price and the dumping margin for the subject goods have been determined. The dumping margin determined for substantial volume of exports from the subject countries remains above *de-minimis*.
  - f. Despite the marginal decline in the operating performance of the domestic industry during the POI, the domestic industry has largely been able to maintain its profitability during the review investigation period. However, it remains vulnerable to recurrence of dumped imports from subject countries.
  - g. There is likelihood of recurrence of injury to the domestic industry due to the existence of the following factors:
    - i. The dumping of the subject goods has continued from Bangladesh and Nepal despite the anti-dumping duties being in force. The volume of imports has also remained significant in absolute and relative terms. The market share of the subject imports has increased significantly and that of the domestic industry has declined.
    - ii. It is also noted that the import volume of jute sacking cloth of Bangladesh has increased significantly after the imposition of duties that led to the circumvention investigation and subsequently, the duties were extended to jute sacking cloth.
    - iii. There exist significant surplus capacities with producers in Bangladesh. Further, the production in the subject countries is much higher in comparison to their domestic demand.
    - iv. The producers/exporters in the subject countries are highly export oriented.
    - v. The Government of Bangladesh has enacted certain measures including the provision of subsidies that incentivize exports of jute products.
    - vi. The projected inventories in the subject countries are significant enough to subsume the Indian demand.

- vii. There are significant exports to third countries which are at prices below the non-injurious price of the domestic industry. A significant share of exports to third countries are also at dumped prices.
- viii. Since India is one of the largest markets, the cessation of anti-dumping duties from Bangladesh and Nepal, when export price from the subject countries to third is below the dumped prices from India and are below the non-injurious prices clearly proves that continuation of duties is necessary for the Indian industry's survival. Further, in case of exports from Nepal the only market is India. Therefore, exports from Nepal will inevitably end up in the Indian market.

h. In view of the foregoing, in the event of expiry of the existing antidumping duty, there is every likelihood that the dumped imports of the subject goods from the subject countries would increase.

i. It is noted that the continuation of the anti-dumping duties on the imports of the subject goods would be in the interest of domestic producers of the subject goods in India. The fact that this is a capital and labour-intensive industry, the continuation of measure would prevent further injury and give time to the domestic producers to compete against the exporters from the subject countries.

j. Further, the anti-dumping duty on the subject product has been circumvented. There has been an anti-circumvention investigation undertaken by the Authority was against the one of the subject countries in the instant investigation.

177. In view of the above the Authority finds that there is a likelihood of continuation or recurrence of dumping and injury in the event of cessation of the existing anti-dumping duties, and therefore, recommends continuation of anti-dumping measures for a further period of five years.

### **L. Recommendations**

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

179. Having concluded that there is positive evidence of likelihood of dumping and injury if the existing anti-dumping duties are allowed to cease, the Authority is of the view that the anti-dumping duty in force on the imports of the product under consideration from the subject countries is required to be continued further. Considering the facts and circumstances of the case, as established hereinabove, the Designated Authority considers it appropriate to recommend extension of the anti-dumping duties on the imports of the subject goods from the subject countries. Accordingly, the anti-dumping

duties for producers from Bangladesh and Nepal are recommended as per the duty table below.

180. Thus, in terms of provision contained in Rule 4(d) and Rule 17(1) (b) of the AD Rules, the Authority recommends the continued imposition of the existing anti-dumping duties, so as to remove the likelihood of dumping and injury to the domestic industry. Accordingly, definitive anti-dumping duty equal to the amount mentioned in column 8 of the duty table below is recommended for the imposition for five (5) years from the date of the Notification to be issued by the Central Government, on all imports of subject goods originating in or exported from the subject countries.

### **DUTY TABLE**

S.N.	Heading/ Sub- heading	Description of Goods**	Specificati ons	Country of Origin	Country of Export	Producer	Duty Amount	Currency/Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	5307, 5310, 5607 or 6305	Jute Yarn/ Twine	In all forms and specificatio ns	Bangladesh	Any country including Banglades h	Hasan Jute Mills Limited	NIL	US\$/ MT
2.	-do-	Sacking Bags	-do-	-do-	-do-	Hasan Jute Mills Limited	NIL	US\$/ MT
3.	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Alijan Jute Mills Limited	20.35	US\$/ MT
4.	-do-	Jute yarn/Twine	-do-	-do-	-do-	Sonali Aansh Industries Limited	20.35	US\$/ MT
5.	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Sidlaw Textiles (Banglades h) Limited	102.93	US\$/ MT
6.	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Sagar Jute Spinning Mills Limited	102.93	US\$/ MT
7.	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Janata Jute Mills Limited	20.68	US\$/ MT
8.	-do-	Hessian Fabric	-do-	-do-	-do-	Janata Jute Mills Limited	NIL	US\$/ MT
9.	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Asha Jute Industries Ltd.	19.30	US\$/ MT

10	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Pride Jute Mills	104.16	US\$/ MT
11	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Sharif Jute Mills Ltd.	152.85	US\$/ MT
12	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Anwar Jute Spinning Mills Ltd.	109.59	US\$/ MT
13	-do-	Jute Yarn/ Twine	-do-	-do-	-do-	Bogra Jute Mills Limited	97.19	US\$/ MT
14	-do-	Sacking Bags	-do-	-do-	-do-	Bogra Jute Mills Limited	125.21	US\$/ MT
15	-do-	Jute Yarn/Twine	-do-	-do-	-do-	A.M. Jute Industries Ltd.	97.19	US\$/ MT
16	-do-	Hessian Fabric	-do-	-do-	-do-	A.M. Jute Industries Ltd.	351.72	US\$/ MT
17	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Hasan Jute & Spinning Mills Limited	97.19	US\$/ MT
18	-do-	Sacking Bags	-do-	-do-	-do-	Hasan Jute & Spinning Mills Limited	125.21	US\$/ MT
19	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Ranu Agro Industries Limited.	97.19	US\$/ MT
20	-do-	Sacking Bags	-do-	-do-	-do-	Ranu Agro Industries Limited.	125.21	US\$/ MT
21	-do-	Hessian Fabric	-do-	-do-	-do-	Nawhata Jute Mills Limited	351.72	US\$/ MT
22	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Mouna Jute Mills Limited	97.19	US\$/ MT

23	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Rabeya Jute Mill	97.19	US\$/ MT
24	-do-	Sacking Bags	-do-	-do-	-do-	Rabeya Jute Mill	125.21	US\$/ MT
25	-do-	Hessian Fabric	-do-	-do-	-do-	Rabeya Jute Mill	351.72	US\$/ MT
26	-do-	Jute yarn/Twine	-do-	-do-	-do-	Oriental Jute Mills Limited	97.19	US\$/ MT
27	-do-	Sacking Bags	-do-	-do-	-do-	Oriental Jute Mills Limited	125.21	US\$/ MT
28	-do-	Hessian Fabric	-do-	-do-	-do-	Oriental Jute Mills Limited	351.72	US\$/ MT
29	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Nawab Abdul Malek Jute Mills (BD) Ltd.	97.19	US\$/ MT
30	-do-	Jute yarn/twine	-do-	-do-	-do-	Rahman Jute Spinners Pvt Ltd.	97.19	US\$/ MT
31	-do-	Sacking Bags	-do-	-do-	-do-	Rahman Jute Mills (Pvt.) Ltd.	125.21	US\$/ MT
32	-do-	Jute yarn/twine	-do-	-do-	-do-	Rajbari Jute Mills Ltd.	97.19	US\$/ MT
33	-do-	Jute yarn/twine	-do-	-do-	-do-	Usha jute Spinners Ltd.	97.19	US\$/ MT
34	-do-	Jute yarn/twine	-do-	-do-	-do-	Madina Jute Industries Ltd.	97.19	US\$/ MT
35	-do-	Sacking Bag	-do-	-do-	-do-	Madina Jute	125.21	US\$/ MT

						Industries Ltd.		
36	-do-	Hessian Fabric	-do-	-do-	-do-	Madina Jute Industries Ltd.	351.72	US\$/ MT
37	-do-	Jute yarn/twine	-do-	-do-	-do-	Mirza Jute Mills Ltd.	97.19	US\$/ MT
38	-do-	Jute yarn/twine	-do-	-do-	-do-	Gem Jute Mill	97.19	US\$/ MT
39	-do-	Jute yarn/twine	-do-	-do-	-do-	Afzal Fibre Processing Industries	97.19	US\$/ MT
40	-do-	Sacking Bag	-do-	-do-	-do-	Afzal Fibre Processing Industries	125.21	US\$/ MT
41	-do-	Sacking Bag	-do-	-do-	-do-	Anam Jute Products Ltd.	125.21	US\$/ MT
42	-do-	Jute yarn/twine	-do-	-do-	-do-	Bonanza Jute Composite & Diverse Factory Ltd.	97.19	US\$/ MT
43	-do-	Jute yarn/twine	-do-	-do-	-do-	Jamuna Jute Industries Ltd.	97.19	US\$/ MT
44	-do-	Jute yarn/twine	-do-	-do-	-do-	Joy Jute Mills Limited	97.19	US\$/ MT
45	-do-	Jute yarn/twine	-do-	-do-	-do-	Jute Textile Mills Limited	97.19	US\$/ MT
46	-do-	Jute yarn/twine	-do-	-do-	-do-	Golden Jute Industries Limited	97.19	US\$/ MT
47	-do-	Sacking Bag	-do-	-do-	-do-	Hasen Jute Industries Limited	125.21	US\$/ MT
48	-do-	Jute Yarn/twine	-do-	-do-	-do-	Mazeda Jute Industries Limited	97.19	US\$/ MT
49	-do-	Jute Yarn/twine	-do-	-do-	-do-	Reliance Jute Mills Ltd.	97.19	US\$/ MT
50	-do-	Jute Yarn/twine	-do-	-do-	-do-	Salim Agro Industries Limited	97.19	US\$/ MT
51	-do-	Jute Yarn/twine	-do-	-do-	-do-	Shamsher Jute Mills Limited	97.19	US\$/ MT

52	-do-	Sacking Bag	-do-	-do-	-do-	Shamsher Jute Mills Limited	125.21	US\$/ MT
53	-do-	Hessian Fabric	-do-	-do-	-do-	Shamsher Jute Mills Limited	351.72	US\$/ MT
54	-do-	Jute Yarn/twine	-do-	-do-	-do-	Wahab Jute Mills	97.19	US\$/ MT
55	-do-	Sacking Bag	-do-	-do-	-do-	Wahab Jute Mills	125.21	US\$/ MT
56	-do-	Hessian Fabric	-do-	-do-	-do-	Wahab Jute Mills	351.72	US\$/ MT
57	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Akij Jute Mills Ltd.	97.19	US\$/ MT
58	-do-	Sacking Bag	-do-	-do-	-do-	Akij Jute Mills Ltd.	125.21	US\$/ MT
59	-do-	Sacking Bag	-do-	-do-	-do-	Lovely Jute Mills Ltd.	125.21	US\$/ MT
60	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Any producer other than S.N. above	162.45	US\$/ MT
61	-do-	Sacking Bags	-do-	-do-	-do-	Any producer other than S.N. above	138.97	US\$/ MT
62	-do-	Hessian Fabric	-do-	-do-	-do-	Any producer other than S.N. above	351.72	US\$/ MT
63	-do-	Jute Yarn/Twine	-do-	Bangladesh	Any country other than above	Any	162.45	US\$/ MT
64	-do-	Sacking Bags	-do-	Bangladesh	Any country other than above	Any	138.97	US\$/ MT
65	-do-	Hessian Fabric	-do-	Bangladesh	Any country other than above	Any	351.72	US\$/ MT
66	-do-	Jute Yarn/Twine	-do-	Any country other than above	Bangladesh	Any	162.45	US\$/ MT
67	-do-	Sacking Bags	-do-	Any country other than above	Bangladesh	Any	138.97	US\$/ MT
68	-do-	Hessian Fabric	-do-	Any country other than above	Bangladesh	Any	351.72	US\$/ MT
69	-do-	Jute Yarn/Twine	-do-	Nepal	Any country	Arihant Multi-fibres Ltd.	24.61	US\$/ MT

					including Nepal			
70	-do-	Sacking Bags	-do-	Nepal	Any country including Nepal	Arihant Multi-fibres Ltd.	35.25	US\$/ MT
71	-do-	Hessian Fabric	-do-	Nepal	Any country including Nepal	Arihant Multi-fibres Ltd.	NIL	US\$/ MT
72	-do-	Jute yarn/Twine	-do-	Nepal	Any country including Nepal	Shree Raghupati Jute Mills Ltd.	24.61	US\$/ MT
73	-do-	Sacking Bags	-do-	Nepal	Any country including Nepal	Shree Raghupati Jute Mills Ltd.	35.25	US\$/ MT
74	-do-	Hessian Fabric	-do-	Nepal	Any country including Nepal	Shree Raghupati Jute Mills Ltd.	NIL	US\$/ MT
75	-do-	Jute yarn/Twine	-do-	Nepal	Any country including Nepal	Swastik Jute Mills Ltd.	15.36	US\$/ MT
76	-do-	Sacking Bags	-do-	Nepal	Any country including Nepal	Swastik Jute Mills Ltd.	8.18	US\$/ MT
77	-do-	Hessian Fabric	-do-	Nepal	Any country including Nepal	Swastik Jute Mills Ltd.	34.20	US\$/ MT
78	-do-	Jute yarn/Twine	-do-	Nepal	Any country including Nepal	Baba Jute Mills	26.07	US\$/ MT
79	-do-	Sacking Bags	-do-	Nepal	Any country including Nepal	Baba Jute Mills	33.73	US\$/ MT
80	-do-	Hessian Fabric	-do-	Nepal	Any country including Nepal	Baba Jute Mills	6.30	US\$/ MT
81	-do-	Jute Yarn/Twine	-do-	Nepal	Any country including Nepal	Nepal Jute Industries Pvt. Ltd.	26.07	US\$/ MT
82		Sacking Bags	-do-	Nepal	Any country including Nepal	Nepal Jute Industries Pvt. Ltd.	35.25	US\$/ MT



83	-do-	Jute Yarn/Twine	-do-	-do-	-do-	Any producer other than S.N. above	28.72	US\$/ MT
84	-do-	Sacking Bags	-do-	-do-	-do-	Any producer other than S.N. above	8.18	US\$/ MT
85	-do-	Hessian Fabric	-do-	-do-	-do-	Any producer other than S.N. above	38.90	US\$/ MT
86	-do-	Jute Yarn/Twine	-do-	Nepal	Any country other than above	Any	28.72	US\$/ MT
87	-do-	Sacking Bags	-do-	Nepal	Any country other than above	Any	8.18	US\$/ MT
88	-do-	Hessian Fabric	-do-	Nepal	Any country other than above	Any	38.90	US\$/ MT
89	-do-	Jute Yarn/Twine	-do-	Any country other than above	Nepal	Any	28.72	US\$/ MT
90	-do-	Sacking Bags	-do-	Any country other than above	Nepal	Any	8.18	US\$/ MT
91	-do-	Hessian Fabric	-do-	Any country other than above	Nepal	Any	38.90	US\$/ MT

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

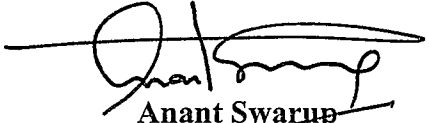
181. Further having regard to the Final findings notified by the Authority vide Notification No. 7/3/2018-DGAD, dated 19<sup>th</sup> March 2019 recommending extension of existing anti-dumping duty on ‘jute sacking cloth’ originating in or exported from Bangladesh, and further imposition of the same by the Ministry of Finance vide Notification No. 24/2019-Customs (ADD) dated 18<sup>th</sup> June, 2019, the Authority is of the view that the ADD is also required to be extended to imports of ‘jute sacking cloth’ from Bangladesh for all exporters of jute sacking cloth from Bangladesh except for the following producers for which exemption had been granted from the extension of duties in the above notification:

1. M/s Mouna Jute Mills Ltd.
2. M/s Arnun Jute Mills Limited
3. M/s Rahman Jute Mills (Pvt.) Ltd.

4. M/s Jamuna Jute Industries Limited
5. M/s Sagar Jute Spinning Mills Limited
6. M/s Sidlaw Textiles (Bangladesh) Limited
7. M/s Partex Jute Mills Limited Bangladesh
8. M/s Asha Jute Industries Limited
9. M/s Nawhata Jute Mills Ltd.
10. M/s Mymensingh Jute Mills Ltd.

**M. Further procedure**

182. An appeal against the order of the Central Government that may arise out of this recommendation shall lie before the Customs, Excise and Service Tax Appellate Tribunal in accordance with the relevant provisions of the Act.



Anant Swarup  
(Designated Authority)