

# **MINISTRY OF ECONOMY**

---

**RESOLUTION accepting the request of interested party and declaring the initiation of the administrative procedure of anti-dumping investigation concerning imports of texturized textile polyester filament originating in the People's Republic of China and the Republic of India, irrespective of the country of origin.**

---

In the margin is a stamp with the National Shield, which reads: United Mexican States - Ministry of Economy.

RESOLUTION ACCEPTING THE REQUEST OF INTERESTED PARTY AND DECLARING THE INITIATION OF THE ADMINISTRATIVE PROCEDURE ON IMPORTS OF TEXTURED POLYESTER FILAMENT ORIGINATING IN THE PEOPLE'S REPUBLIC OF CHINA AND THE REPUBLIC OF INDIA, REGARDLESS OF THE COUNTRY OF ORIGIN

Seen to resolve at the initiation stage administrative file 22/19 filed with the International Trade Practices Unit (UPCI) of the Ministry of Economy (the "Ministry"), this Resolution is issued in accordance with the following

## **RESULTS**

### **A. Request**

1. On October 31, 2019, Akra Polyester, S.A. de C.V. (Akra or the 'Applicant') requested the initiation of an administrative investigation procedure concerning unfair international trade practices in the form of price discrimination on imports of texturized textile polyester filament (PFTT) originating in the People's Republic of China ('China') and the Republic of India ('India'), irrespective of the country of origin.

2. Akra argued that during the last three years, in particular in the period July 2018-June 2019, imports into Mexico of PFTTs originating in China and India increased significantly under conditions of price discrimination, and their increase in absolute terms and in relation to Apparent Domestic Consumption caused material injury to the domestic industry. This injury was reflected in negative effects on the main indicators, particularly in a significant reduction in the prices of the domestic merchandise, which brought as a consequence, not only a loss in market share but also in sales, generating lower than expected revenues, affecting, therefore, the desirable results, putting at risk the viability of the domestic industry producing PFTT. It proposed as period of investigation the period from July 1, 2018 to June 30, 2019 and as period of injury analysis the period from July 1, 2016 to June 30, 2019. It presented the arguments and evidence with the purpose of supporting its petition, which are contained in the file of reference, which were considered for the issuance of the present Resolution.

3. On 9 January 2020, the Applicant responded to the Ministry's request of 26 November 2019 for clarification, correction or completion of various aspects of its application.

### **B. Applicant**

4. Akra is a company established under Mexican law. Its main activity is the manufacture of all kinds of synthetic, artificial, cellular or any other type of fibers, including any kind of finishing, processing and texturing, which can be done to such fibers. The Company's address for notification purposes is Paseo de la Reforma No. 222, Torre 1, 17th Floor, Col. Juárez, C.P. 06600, Mexico City..

### **C. Product under investigation**

#### **1. General description**

5. Akra pointed out that the product under investigation is also known as polyester textured filament yarn (PTY) and corresponds to a synthetic multifilament yarn made of polyethylene terephthalate (PET), either virgin or recycled, which is manufactured through a texturizing process that imparts special properties to the yarn's filaments, including elasticity, thickness, strength, moisture absorption, insulation, as well as the appearance of a natural fiber. It added that the coverage of the product under investigation includes all forms of PFTT, regardless of surface texture or appearance, density and thickness of the yarn (measured in denier or decitex), number of filaments, number of layers, finish (lustre or brightness), cross section, colour, dyeing method, texturing method, or packaging method (such as spindles, tubes or rollers); because although PFTT may vary in terms of denier, lustre and colour, they do not change its essential characteristics.

#### **2. Characteristics**

6. Akra noted that all PFTT shares the same physical and chemical characteristics, because it is a commodity, which is made from polyester (obtained from virgin or recycled PET), is composed of continuous filaments and has a textured surface that imparts specific properties, including elasticity, thickness, strength, moisture absorption, and insulation; plus a soft, cotton-like feel that is in demand in many end uses, including

the manufacture of fibers that come into contact with people such as apparel, home textiles and upholstery, automotive bedding and seating; plus it is also used in industrial applications such as medical materials and devices, industrial materials, and general automotive applications.

7. Akra indicated that the main physical and chemical properties as well as generally accepted technical specifications identifying PFTT yarn are decitex or denier, number of filaments, lustre and intermingle, which can be distinguished from yarn made of other raw materials with different physical characteristics.

8. To support its arguments, Akra submitted screen shots of websites of various PFTT producers with information on PFTT manufactured in China and India, as well as a copy of the resolution of the United States International Trade Commission (USITC), regarding the preliminary stage of the anti-dumping investigation of PFTT originating in China and India, published in December 2018 ("USITC Resolution 2018"), which states that PFTT is characterized by denier, yarns, luster, and other variants associated with the texturing process and that the Applicant's customers generally purchase it in denier between 20 and 400, although such merchandise may be manufactured in denier outside this range according to the specifications requested by each customer.

### 3. Tariff treatment

9. Akra indicated that the product under investigation enters the domestic market through tariff item 5402.33.01 of the Tariff of the Law on General Import and Export Taxes (TIGIE), whose description is as follows:

Tariff Coding	Description
Chapter 54	Synthetic or artificial filaments
Heading 5402	Synthetic filament yarn (other than sewing thread) not put up for retail sale, including synthetic monofilament of less than 67 decitex
	- Textured yarns:
Sub-item 5402.33	-- Of Polyester
Tariff Item 5402.33.01	Of Polyester

Source: Tariff Information System via Internet (SIAVI).

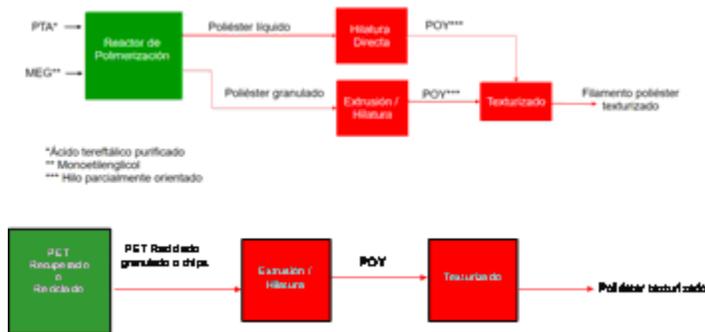
10. According to information from the SIAVI, the Ministry observed that imports of PFTT entering through fraction 5402.33.01 of the TIGIE are subject to a general ad valorem tariff of 5%, with the exception of imports originating in countries with which Mexico has concluded free trade agreements, which are exempt from tariff, and imports originating in Japan and Vietnam, which have a tariff of 2% and 3%, respectively.

11. The unit of measurement used in the TIGIE and in commercial operations is the kilogram.

### 4. Productive process

12. Akra indicated that PFTT is produced from polyester, which is manufactured in a polymerisation reactor, whose original raw materials are either purified terephthalic acid (PTA) and monoethylene glycol (MEG) or recovered material (recovered or recycled PET granules or chips). Once produced, the liquid polyester can be spun directly (direct spinning) or go into a solid state (cooling and cutting into small granules) to be spun later in extruders by means of pressure and temperature. Spinning produces partially oriented yarn (POY), which can have different characteristics such as thickness and filaments depending on the spinning media used. Finally, the POY goes to texturing machines, which give the final finish by stretching, temperature and texturing.

### Diagram of the PFTT production process



13. Furthermore, the Applicant pointed out that the raw materials used in the elaboration of the PFTT are PTA and MEG, if a polymerization reactor is available, or granulated polyester, if it was generated directly from the chemical reaction of the raw materials or if it comes from a process with recycled or recovered PET material.

14. To support this, Akra submitted a copy of the USITC 2018 Resolution, as well as information obtained from websites of PFTT producers, both from China and India, regarding their production processes (including diagrams of them); furthermore, a specialized opinion in the textile field, which includes both the description and diagrams confirming the PFTT production process.

#### 5. Standards

15. Akra indicated that due to the enormous variety of final characteristics of the fabrics, such as construction, composition, density, weight, feel, appearance, comfort, durability, resistance to abrasion, tearing, heat treatment, exposure to light, among others, and the wide range of variants in the processes of dyeing and textile finishing, the establishment of standard values for PFTT specifications does not follow generally accepted local or international standards. Therefore, even though the PFTT under investigation manufactured by different producers may have variations in their specifications, such differences do not prevent them from being commercially substitutable, because the equipment for their manufacture, the raw materials and the production processes are aimed at the same end use.

#### 6. Uses and functions

16. Akra pointed out that PFTT is mainly used in the textile industry to manufacture various fabrics, ribbons, ropes, embroideries, sewing threads that are incorporated in various types of fabrics, which are used to produce clothing (trousers, sportswear, socks, etc.), household items (mattress, upholstery, ornaments), automotive items (interior coverings) and other various uses. To support the above, it submitted a copy of the USITC 2018 Resolution, as well as information obtained from websites of PFTT producers from both China and India, regarding the uses of such merchandise.

#### D. Interested parties

17. Possible parties known to the Ministry who may have an interest in appearing in this investigation are:

##### 1. Importers

Adient México Automotriz, S. de R.L. de C.V.  
 Blvd. Johnson Controls No. 1993  
 Parque Santa María  
 C.P. 67190, Monterrey, Nuevo León

Alitex, S.A. de C.V.  
 Circuito de la Industria No. 109  
 Parque Industrial Lerma  
 C.P. 52000, Lerma de Villada, Estado de México

Ansertex, S.A. de C.V.  
 Av. Federal México-Puebla Km. 21.7  
 Col. La Paz  
 C.P. 56400, Los Reyes Acaquilpan, Estado de México

Apolo Textil, S.A. de C.V.  
 Calle 8 Pte. No. 701  
 Col. Libertad

C.P. 72000, Puebla, Puebla  
Arturo Calderón Ornelas  
Hortensia No. 55  
Col. Lomas de San Miguel  
C.P. 52928, Atizapán de Zaragoza, Estado de México

Aunde México, S.A. de C.V.  
Calle C, Mn C, Lt. 1  
Santa Ana Xalmimilulco  
C.P. 74169, Huejotzingo, Puebla

Avances Modernos, S.A. de C.V.  
Bosques de Ciruelos No. 160, piso 3, Of. 301-b  
Col. Bosque de las Lomas  
C.P. 11700, Ciudad de México

A&Z Global, S.A. de C.V.  
Morelos s/n  
Col. Tlanalapa Centro  
C.P. 43930, Tlanalapa, Hidalgo

Aztextil, S.A. de C.V.  
Calle De Los Granjenos No. 7  
Col. Yuriria  
C.P. 38940, Yuriria, Guanajuato

Barceló Calcetines, S.A. de C.V.  
Carretera La Gachupina Km. 1  
Col. Centro  
C.P. 38400, Valle Santiago, Guanajuato

Beguk, S.A. de C.V.  
Av. Boulevard Ignacio Zaragoza No. 1, Mz. 16, Lt. 3  
Col. México  
C.P. 52915, Atizapán de Zaragoza, Estado de México

Blancos España, S.A. de C.V.  
Av. Parque del Convento, Mz. 1, Lt. 21  
Parque Industrial El Convento  
C.P. 54610, Tepetzotlán, Estado de México

Bonetera Britania, S.A. de C.V.  
Alzate No. 23 A  
Col. Centro  
C.P. 56600, Chalco de Díaz Covarrubias, Estado de México

Bustextil, S.A. de C.V.  
Carretera Huamantla-Veracruz Km. 116+100  
Col. San Marcos  
C.P. 90640, Santa Cruz Tlaxcala, Tlaxcala

Calidad de Avios Textiles, S.A. de C.V.  
Pánfilo Pérez No. 617  
Col. Blanco y Cuellar  
C.P. 44730, Guadalajara, Jalisco

Calprutex, S.A. de C.V.  
Hortensia No. 55  
Col. Lomas de San Miguel  
C.P. 52928, Atizapán de Zaragoza, Estado de México

Caprose de México, S.A. de C.V.  
San Ricardo No. 247  
Col. Pedregal de Sta. Úrsula  
C.P. 04600, Ciudad de México

Cargo Lift, S.A. de C.V.  
Av. Tezozómoc No. 94

Col. San Miguel Amantla  
C.P. 02700, Ciudad de México

Cierres y Accesorios BBJ, S.A. de C.V.  
Miguel Alemán Valdés s/n  
Col. San Pedro Totoltepec  
C.P. 50226, Toluca de Lerdo, Estado de México

Citosa Textiles, S.A. de C.V.  
Blvd. Miguel Alemán No. 95, Lt. 5  
Corredor Industrial  
C.P. 52004, Lerma, Estado de México

Coats México, S.A. de C.V.  
Av. Periférico Sur No. 3325, Piso 8  
Col. San Jerónimo Lídice  
C.P. 10200, Ciudad de México

Colchas México, S.A. de C.V.  
Carretera Cuautitlán Teoloyucan Km. 35.5, Mz. 823, Lt.9  
Col. San Lorenzo Río Tenco  
C.P. 54713, Cuautitlán Izcalli, Estado de México

Comercializadora Cobalma, S.A. de C.V.  
Dolores Hidalgo No. 12  
Col. El Bordo  
C.P. 38800, Moroleón, Guanajuato

Comercializadora La U de Adolfo Domínguez, S.A. de C.V.  
Prolongación Corregidora No. 190 Sur, 3er Piso  
Col. El Cerrito  
C.P. 76000, Querétaro, Querétaro

Comercializadora Natex, S. de R.L. de C.V.  
San Ricardo No. 247, Piso 2  
Col. Pedregal de Sta. Úrsula  
C.P. 04600, Ciudad de México

Comfort Mills, S.A. de C.V.  
Miguel Alemán No. 65  
Col. Francisco I. Madero  
C.P. 52120, San Mateo Atenco, Estado de México

Compacta, S.A. de C.V.  
Av. Juan Gil Preciado No. 2450, Nave 25  
Col. El Tigre  
C.P. 45134, Zapopan, Jalisco

Compañía Mexicana Textil, S.A. de C.V.  
Sándalo No. 58  
Col. Santa María Insurgentes  
C.P. 06430, Ciudad de México

Corduroy, S.A. de C.V.  
Av. Alfredo B. Nobel No. 49  
Col. Tlalnemex  
C.P. 54070, Tlalnepantla de Baz, Estado de México

Corp. Futuro & S, S.A. de C.V.  
Nicolás Bravo No. 9  
Zona Centro  
C.P. 15100, Ciudad de México

Corporación Allal, S.A. de C.V.  
Miguel Hidalgo No. 29  
Col. Coltongo  
C.P. 02630, Ciudad de México

Corporativo Atelier, S.A. de C.V.

Alfonso Nápoles Gándara No. 50, Piso 4  
Col. Santa Fe Peña Blanca  
C.P. 01210, Ciudad de México

Damosi, S.A. de C.V.  
Calzada de las Armas No. 16  
Fracc. Industrial Alce Blanco  
C.P. 53100, Naucalpan de Juárez, Estado de México

Diltex, S.A. de C.V.  
Av. 1 de Mayo No. 125, Local A  
Col. San Andrés Atoto  
C.P. 53500, Naucalpan de Juárez, Estado de México

Distribuidora de Textiles Avante, S.A. de C.V.  
Av. Industria Automotriz No. 202  
Col. Santa María Totoltepec  
C.P. 50200, Toluca, Estado de México

Doobalo, S.A. de C.V.  
Av. Juárez No. 3  
Col. Juárez  
C.P. 43780, Singuilucan, Hidalgo

Dyexsa, S.A. de C.V.  
Oriente 233 No. 36  
Col. Agrícola Oriental  
C.P. 08500, Ciudad de México

E O M Importaciones, S.A. de C.V.  
Océano Pacífico No. 199, Mz. 42, Lt. 30  
Col. Lomas Lindas  
C.P. 52947, Atizapán de Zaragoza, Estado de México

Ekavaly, S.A. de C.V.  
República de Uruguay No. 161, Local B  
Col. Centro, Área 6  
C.P. 06060, Ciudad de México

El Surtidor del Tapicero, S.A. de C.V.  
Rafael Delgado No. 657  
Col. Lomas del Paradero Reforma  
C.P. 44840, Guadalajara, Jalisco

Elasticintas Teresita, S.A. de C.V.  
Lago Gran Oso No. 123  
Col. Pensil  
C.P. 11410, Ciudad de México

Elásticos y Cintas Antava, S.A. de C.V.  
Leona Vicario No. 5 PB, Área 3  
Col. Centro  
C.P. 06020, Ciudad de México

Elásticos y Telas Avi, S.A. de C.V.  
Calz. Vallejo No. 1361 Bodega I  
Col. Nueva Industrial Vallejo  
C.P. 07700, Ciudad de México

Entex de México CR, S. de R.L. de C.V.  
Carretera Cuautitlán-Tlalnepantla Km. 32, No. 10, Bodega 18  
Col. Loma Bonita  
C.P. 54879, Cuautitlán Izcalli, Estado de México

Entretelas Brinco, S.A. de C.V.  
Carretera Cuautitlán-Tlalnepantla No. 62  
Col. La Concepción Tultitlán  
C.P. 54900, Tultitlán, Estado de México

Entretex, S.A. de C.V.  
Lago Rodolfo No. 54  
Col. Chapultepec Morales Granada  
C.P. 11520, Ciudad de México

Estampados Atritex, S.A. de C.V.  
Bosques de Ciruelos No. 140  
Col. Bosque de las Lomas  
C.P. 11700, Ciudad de México

Estefanía Mercantil, S.A. de C.V.  
Vidrio No. 225-1  
Col. Barrera  
C.P. 44190, Zapopan, Jalisco

Estiel, S.A. de C.V.  
Dr. Carmona y Valle No. 45, Despacho 40  
Col. Doctores  
C.P. 06720, Ciudad de México

Etiquetas Altima, S.A. de C.V.  
Av. Ingenieros Militares No. 105, Piso 5-G  
Col. Lomas de Sotelo  
C.P. 11200, Ciudad de México

Fariel, S.A. de C.V.  
Blvd. Adolfo Ruiz Cortines No. 150  
Col. Bosques de Atizapán  
C.P. 52967, Atizapán de Zaragoza, Estado de México

Faskem de México, S.A. de C.V.  
Reforma No. 469  
Col. Granjas Estrella  
C.P. 09880, Ciudad de México

Finos Textiles de México, S.A. de C.V.  
Prolongación Saturno No. 456, Nave 20  
Col. Nueva Industrial Vallejo  
C.P. 07700, Ciudad de México

Fintapelle, S.A. de C.V.  
Av. 10 de Mayo No. 32  
Col. Xocoyahualco  
C.P. 54080, Tlalnepantla de Baz, Estado de México

Flexico, S. de R.L. de C.V.  
Carretera Jilotepec-Soyaniquilpan Km. 3.5, Mz. 2, Lt. 1B  
Parque Industrial Jilotepec  
C.P. 54240, Jilotepec, Estado de México

Gade Internacional, S.A. de C.V.  
Retorno 17 de Fray Servando Teresa de Mier No. 935  
Col. Jardín Balbuena  
C.P. 15900, Ciudad de México

Galbe Trading, S.A. de C.V.  
Tamaulipas No. 311  
Col. El Cerrito  
C.P. 72440, Puebla, Puebla

Global Yarn, S.A. de C.V.  
Calle Morelos s/n  
Col. Centro  
C.P. 43930, Tlanalapa, Hidalgo

Grammer Automotive Puebla, S.A. de C.V.  
Blvd. Tetla No. 107, Mz. 2, Lt.1  
Ciudad Industrial Xicohtencatl  
C.P. 90434, Tetla de la Solidaridad, Tlaxcala

Grupo Acytex, S.A. de C.V.  
Av. Ferrocarril No. 190  
Col. Moctezuma, Segunda Sección  
C.P. 15530, Ciudad de México

Grupo Hilos Midas, S.A. de C.V.  
Av. Presidente Masaryk No. 515  
Col. Miguel Hidalgo  
C.P. 11560, Ciudad de México

Grupo Industrial Creysi, S.A. de C.V.  
Salvador Velasco, Mz. 3, Lote 1, 2 y 3  
Parque Exportec  
C.P. 50223, Toluca, Estado de México

Grupo Industrial J M, S.A. de C.V.  
Av. De La Industria No. 17  
Col. El Trébol  
C.P. 54614, Tepotzotlán, Estado de México

Grupo Inteligente S&M, S.A. de C.V.  
Las Cruces No. 19  
Col. Centro, Área 6  
C.P. 06060, Ciudad de México

Grupo Luxgen, S.A. de C.V.  
Eugenia No. 1115  
Col. Del Valle Centro  
C.P. 03100, Ciudad de México

Grupo Romamills, S.A. de C.V.  
Sierra Mojada No. 620, Piso 7  
Col. Lomas de Chapultepec  
C.P. 11000, Ciudad de México

Grupo Textil Providencia, S.A. de C.V.  
Av. Juan Cuamatzi s/n  
Col. Xopantla  
C.P. 90670, Contla de Juan Cuamatzi, Tlaxcala

Grupo Textil Puente, S.A. de C.V.  
Montserrat No. 14  
Col. Puente de Vigas  
C.P. 54090, Tlalnepantla de Baz, Estado de México

Gutermann Polygal Mexicana, S.A. de C.V.  
Calle 9 Este No. 86  
Col. Industrial Civac  
C.P. 62578, Jiutepec, Morelos

Habertex México, S.A. de C.V.  
Av. Vasco de Quiroga No. 3900, Torre A, Piso 10-B  
Col. Contadero  
C.P. 05348, Ciudad de México

Han Mex Logistics, S. de R.L. de C.V.  
Av. Lázaro Cárdenas 1094  
Col. Brisas del Mar  
C.P. 28210, Manzanillo, Colima

Hazmatlog & Operations, S. de R.L. de C.V.  
Aguascalientes No. 175-701  
Col. Hipódromo  
C.P. 06100, Ciudad de México

Hilados de Alta Calidad, S.A. de C.V.  
Paseo Camelias No. 3, Club de Golf, of. 106  
Col. Tabachines  
C.P. 62498, Cuernavaca, Morelos

Hilados y Tejidos Spring, S.A. de C.V.  
Carretera México Querétaro Km. 42  
Parque Industrial La Luz  
C.P. 54716, Cuautitlán Izcalli, Estado de México

Hilaturas Intertex, S.A. de C.V.  
Camino a Copalita No. 1242  
Col. Copalita  
C.P. 45200, Zapopan, Jalisco

Hilfor Especialidades, S.A. de C.V.  
Xalatla No. 1  
Col. La Joya  
C.P. 72700, Cuautlancingo, Puebla

Hilos American & Efird de México, S.A. de C.V.  
Calle 21 No. 93-E  
Col. Itzimná  
C.P. 97100, Mérida, Yucatán

Hilos Iris, S.A. de C.V.  
Sánchez Azcona No. 222 Pte.  
Col. Del Norte  
C.P. 64000, Monterrey, Nuevo León

Hilos Policolor, S.A. de C.V.  
Av. Las Américas No. 3815  
Col. América Sur  
C.P. 72340, Puebla, Puebla

Huejotextil, S.A. de C.V.  
Carretera a Resurrección No. 10  
Col. Joaquín Colombres  
C.P. 72300, Puebla, Puebla

Ilo Linens, S.A. de C.V.  
Av. Miguel Othón de Mendizábal Oriente No. 479  
Col. Nueva Industrial Vallejo  
C.P. 07700, Ciudad de México

Importador y Exportador Crown, S.A. de C.V.  
Av. de las Granjas No. 239  
Col. Jardín Azpeitia  
C.P. 02530, Ciudad de México

Indorama Ventures Polymers México, S. de R.L. de C.V.  
Prolongación Paseo de la Reforma No. 1015, Torre A, Piso 2  
Col. Santa Fe  
C.P. 05348, Ciudad de México

Industrias T Taio, S.A. de C.V.  
Av. Hacienda Escolástica No. 131-4  
Col. Ex Hacienda El Rosario  
C.P. 02420, Ciudad de México

Industrias Trébol Textil, S.A. de C.V.  
Av. de la Industria No. 5  
Col. Industrial Trébol  
C.P. 54600, Tepotzotlán, Estado de México

Innofa México, S.A. de C.V.  
Circuito Ingenieros Civiles No. 204  
Parque Industrial Chachapa  
C.P. 72990, Amozoc, Puebla

Innovación y Desarrollo Textil, S. de R.L. de C.V.  
Calle G No. 10  
Parque Industrial 2000  
C.P. 72225, Puebla, Puebla

Integradora de Puertos del Pacífico, S.A. de C.V.  
Blvd. Manuel Ávila Camacho No. 1903-601  
Col. Naucalpan de Juárez  
C.P. 53100, Naucalpan de Juárez, Estado de México

Internacional Caribeña del Comercio, S.A. de C.V.  
Matamoros No. 6138 PB  
Col. Leobardo Coca  
C.P. 72450, Puebla, Puebla

Isjo Global Alliance, S. de R.L. de C.V.  
Blvd. Isla de la Concepción s/n  
Col. Prado Vallejo  
C.P. 54170, Tlalnepantla de Baz, Estado de México

Jasplex, S. de R.L. de C.V.  
Valle de Bravo, Mz. 4, Lt. 25 y 26  
Parque Industrial Nezahualcóyotl  
C.P. 57819, Nezahualcóyotl, Estado de México

Jol Basar, S.A. de C.V.  
Av. Paseo de la Reforma No. 300, Piso 9  
Col. Juárez  
C.P. 06600, Ciudad de México

Khafitex, S.A. de C.V.  
Av. Paseo de la Reforma No. 333, Nivel E-2  
Col. Cuauhtémoc  
C.P. 06500, Ciudad de México

Kimex Tela, S.A. de C.V.  
Autopista México Querétaro Km. 26.5  
Col. Lomas de Boulevares  
C.P. 54020, Tlalnepantla de Baz, Estado de México

Kinob Traders, S.A. de C.V.  
Av. Presidente Masaryk No. 62, Piso 2  
Col. Bosques de Chapultepec  
C.P. 11580, Ciudad de México

KMGP Trade, S. de R.L. de C.V.  
Av. Lázaro Cárdenas No. 94, Piso 2  
Col. Las Brisas  
C.P. 28210, Manzanillo, Colima

Licratel, S.A. de C.V.  
Calz. Mariano Escobedo No. 476, Nivel 16  
Col. Anzures  
C.P. 11590, Ciudad de México

Loma Lasetex, S.A. de C.V.  
Javier Mina No. 67  
Col. Centro  
C.P. 47140, San Miguel El Alto, Jalisco

Los Reyes Industrial, S.A. de C.V.  
Carretera Libre México-Puebla Km. 17.4  
Col. Los Reyes Acaquilpan  
C.P. 56400, Los Reyes La Paz, Estado de México

Manufacturas Kaltex, S.A. de C.V.  
Carretera México-Querétaro Km. 11 s/n  
Col. Santiago Tlautla  
C.P. 42860, Tepeji del Río de Ocampo, Hidalgo

Manufacturas Qualy, S.A. de C.V.  
Industria Automotriz No. 202  
Col. Santa María Totoltepec  
C.P. 50200, Toluca, Estado de México

Manufacturera Gisa, S.A. de C.V.  
Blvd. Aeropuerto Miguel Alemán No.154-7  
Col. Lerma  
C.P. 52000, San Mateo Atenco, Estado de México

Martisan, S.A. de C.V.  
Paseo Hospicio No. 22, Int. 1069, Edificio Magno Centro Joyero, Local 1069  
Col. San Juan de Dios  
C.P. 44360, Guadalajara, Jalisco

Meltex, S.A. de C.V.  
Calle 8 No. 2539  
Zona Industrial  
C.P. 44940, Guadalajara, Jalisco

Mex Traffic, S.A. de C.V.  
Av. Tepeyac No. 1536  
Col. Briseño  
C.P. 45236, Zapopan, Jalisco

Milza Distribuciones Universales, S.A. de C.V.  
Oriente 182 No. 357, Int. 3  
Col. Moctezuma Segunda Sección  
C.P. 15530, Ciudad de México

Misbo, S.A. de C.V.  
Mariano Otero No. 2347, Piso 5c  
Col. Verde Valle  
C.P. 44550, Guadalajara, Jalisco

Multi-Elast, S.A. de C.V.  
Calle Hornos No. 123  
Col. Centro  
C.P. 45500, Tlaquepaque, Jalisco

Nano Estate Trading, S.A.P.I. de C.V.  
Av. Primavera No. 13123  
Col. Valle de las Garzas  
C.P. 28219, Manzanillo, Colima

Operadora Juno, S.A. de C.V.  
Azafrán No. 200  
Col. Granjas México  
C.P. 08400, Ciudad de México

Overfil, S.A. de C.V.  
Blvd. Vicente Valtierra No. 7020-A  
Col. Cañada de Alfaro  
C.P. 37238, León, Guanajuato

Pbx Trading Services, S. de R.L. de C.V.  
Arroyo Grande No. 172  
Col. Tres Arroyos  
C.P. 20926, Jesús María, Aguascalientes

Peguservicios, S.A. de C.V.  
San Sebastián No. 703-2  
Col. La Martinica  
C.P. 37500, León, Guanajuato

Peluches de Tepeji, S.A. de C.V.  
Centeotl No. 172  
Fracc. Industrial San Antonio  
C.P. 02760, Ciudad de México

Politel, S.A. de C.V.  
San Felipe Ixtacuixtla  
Col. Ixtacuixtla  
C.P. 90120, Ixtacuixtla, Tlaxcala

Politextil, S.A. de C.V.  
Av. Uno No. 17  
Fracc. Industrial Cartagena Tultitlán  
C.P. 54918, Tultitlán, Estado de México

Prentel, S.A. de C.V.  
Blvd. "A" No. 25-A  
Parque Industrial Puebla 2000  
C.P. 72226, Puebla, Puebla

Productora de no Tejidos Quimibond, S.A. de C.V.  
Calle 3 Sur, Mz. 7, Lt. 10  
Parque Industrial Toluca  
C.P. 50200, Toluca, Estado de México

Quimialmel México, S.A. de C.V.  
Leibnitz No. 20 Despacho 1202  
Col. Anzures  
C.P. 11590, Ciudad de México

Rahga Textil, S.A. de C.V.  
Circuito de la Industria Sur No. 25  
Parque Industrial  
C.P. 52000, Lerma, Estado de México

Relats México, S.A. de C.V.  
Circuito San Javier No. 107  
Col. Puerto Interior  
C.P. 36275, Silao de la Victoria, Guanajuato

Rofepi, S.A. de C.V.  
Carretera Jilotepec-Ixtlahuaca  
Col. Ejido Coscomate  
C.P. 54253, Jilotepec, Estado de México

Rondatess Logística, S.A. de C.V.  
Arequipa No. 892  
Col. Lindavista  
C.P. 07300, Ciudad de México

Sage Automotive Interiors de México, S. de R.L. de C.V.  
Av. Miguel Alemán Km. 14.5 3 C  
Col. Apodaca  
C.P. 66633, Monterrey, Nuevo León

Sanrush Comercializadora, S. de R.L. de C.V.  
4a. Cerrada de Alfalfares No. 11-D13  
Col. Granjas Coapa  
C.P. 14330, Ciudad de México

Santetex, S.A. de C.V.  
Valle del Ganges No. 133  
Col. Valle de Aragón, Primera Sección  
C.P. 57100, Nezahualcóyotl, Estado de México

Satin Export, S. de R.L. de C.V.  
Calle Circuito Aguascalientes Norte No. 121  
Parque Industrial del Valle  
C.P. 20300, San Francisco de los Romo, Aguascalientes

Savava, S.A. de C.V.  
Aniceto Ortega No. 817, PB-D  
Col. Del Valle  
C.P. 03100, Ciudad de México

Seiren Viscotec México, S.A. de C.V.  
Av. Miguel Hidalgo 200, Carretera Federal Km. 90  
Col. Industrial Marabis  
C.P. 36987, Abasolo, Guanajuato

Servicios Modernos Litográficos, S.A. de C.V.  
Av. Prolongación Juárez No. 5775  
Col. San Felipe  
C.P. 27019, Torreón, Coahuila de Zaragoza

Sheng Tan Shu de México, S.A. de C.V.  
Av. Central, Bodega 145  
Col. Nueva Industrial Vallejo  
C.P. 07700, Ciudad de México

Shil&Tin, S.A. de C.V.  
Santa María Auxiliadora No. 1209  
Col. Cuauhtémoc  
C.P. 36310, San Francisco del Rincón, Guanajuato

Sidi Importaciones, S.A. de C.V.  
José María Izazaga No. 401-131  
Col. Centro  
C.P. 06010, Ciudad de México

Simil Cuero Plymouth, S.A. de C.V.  
Calle 4 No. 38  
Col. Rústica Xalostoc  
C.P. 55540, Ecatepec de Morelos, Estado de México

Skytex México, S.A. de C.V.  
Jaime Balmes No. 411  
Col. Polanco  
C.P. 11510, Ciudad de México

Soko Seiren Mexicana, S.A. de C.V.  
Bangalore No. 304  
Parque Industrial Logistik II  
C.P. 79526, Villa de Reyes, San Luis Potosí

Solkotech, S.A. de C.V.  
Blvd. Francisco Villa No. 2409-B y C  
Col. León  
C.P. 37235, León, Guanajuato

Sonata Calcetín, S.A. de C.V.  
Av. Unión No. 685  
Col. El Zapote  
C.P. 36557, Irapuato, Guanajuato

Stretchline de México, S. de R.L. de C.V.  
Ingeniero Salvador Sánchez Colín, Mz. 16, Lt. 3  
Parque Industrial Atlacomulco  
C.P. 50458, Atlacomulco, Estado de México

Tb Kawatex de México, S.A. de C.V.  
Carretera SLP-Zacatecas Km. 12.5, Parque Industrial Pueblo Viejo  
Col. Mexquitic de Carmonas  
C.P. 78480, San Luis Potosí, San Luis Potosí

Teje Quintex, S.A. de C.V.  
Carretera Arquitos Km. 1  
Col. Chicahuales  
C.P. 20926, Jesús María, Aguascalientes

Tejido con Aire de los Altos, S.A. de C.V.  
Carretera Tepatitlán-Yahualica Km. 9.5  
Col. Tepatitlán de Morelos  
C.P. 47640, Tepatitlán de Morelos, Jalisco

Tejidos y Confecciones del Centro, S.A. de C.V.  
Corregidora No. 108  
Col. Centro  
C.P. 43740, Cuauhtepic de Hinojosa, Hidalgo

Tek Cierres Tecnología, S. de R.L. de C.V.  
Francisco I. Madero No. 83  
Col. San Andrés Atoto  
C.P. 53500, Naucalpan de Juárez, Estado de México

Texpert, S.A. de C.V.  
Citlaltépetl No. 42  
Col. Malintzi  
C.P. 72210, Puebla, Puebla

Textil Ascentex, S. de R.L. de C.V.  
Av. Río Churubusco No. 299, of. 7  
Col. General Pedro María Anaya  
C.P. 03340, Ciudad de México

Textil Pinkirose, S.A. de C.V.  
Eucken No. 103-8  
Col. Anzures  
C.P. 11590, Ciudad de México

Textil Will, S.A. de C.V.  
Corregidora No. 53  
Col. Santa Anita  
C.P. 08300, Ciudad de México

Textiles de Occidente Careguiz, S. de R.L. de C.V.  
Calle 25  
Col. El Sol  
C.P. 57200, Nezahualcóyotl, Estado de México

Textiles Forca, S.A. de C.V.  
Av. México-Puebla No. 36  
Col. Manantiales  
C.P. 72760, Cuautlancingo, Puebla

Textivision, S. de R.L. de C.V.  
Henry Ford No. 25  
Fracc. Industrial San Nicolás Tlaxcolpan  
C.P. 54030, Tlalnepantla, Estado de México

Texturizados y Tejidos Windsor, S.A. de C.V.  
Urbina No. 42  
Parque Industrial  
C.P. 53370, Naucalpan de Juárez, Estado de México

Tocaz Mex, S.A. de C.V.  
Bradley No. 30  
Col. Anzures  
C.P. 11590, Ciudad de México

Towel, S.A. de C.V.  
Prolongación 14 Sur No. 3308  
Col. El Mirador  
C.P. 72530, Puebla, Puebla

Vivi Industrias, S.A. de C.V.  
Blvd. Esteban de Antuñano No. 1463, Int. 2  
Col. La Ahogada  
C.P. 72130, Puebla, Puebla

Xenit, S.A. de C.V.  
Av. Amsterdam No. 77  
Col. Condesa  
C.P. 06100, Ciudad de México

Zentrix, S. de R.L. de C.V.  
Cerrada Doctor Gustavo Baz No. 5-A  
Col. México Nuevo  
C.P. 52966, Atizapán de Zaragoza, Estado de México

Zetga Internacional Asesores, S.A. de C.V.  
Valle de Mosela No. 21  
Col. Valle de Aragón Tercera Sección  
C.P. 55280, Ecatepec de Morelos, Estado de México

Ziptex, S.A. de C.V.  
Fernando de Alva Ixtlixochitl No. 44-11  
Col. Obrera  
C.P. 06800, Ciudad de México

## 2. Exportadores

Air Tiger Express (Asia) Inc.  
Jiaye International Town No. 158, 4th Building, Room 2103  
Lushan Road, Jianye District  
Zip Code 210019, Nanjing, China

Alok Industries Ltd.  
Peninsula Business Park Ganpatrao Kadam Marg  
Lower Parel, Tower B, 2nd & 3rd Floor  
Zip Code 400013, Mumbai, Maharashtra, India

Ascent Yarns Pvt. Ltd.  
Moraiya Road 14-16  
Moraiya Industrial Estate  
Zip Code 382213, Sanand, Ahmedabad, India

Bhumi Yarn Pvt. Ltd.  
Kalbadevi Road 15, 2nd Floor  
Kanchan Bhavan  
Dadiseth Agiary Lane  
Zip Code 400012, Mumbai, India

Chori (China) Co. Ltd.  
Yan'an Road (West) Suite 1208  
International Trade Center 2201  
Zip Code 200336, Shanghai, China

Colourtex Industries Ltd.  
Survey No. 91 Bhestan Surat  
Zip Code 395023, Gujarat, India

Creative Outerwear Ltd.  
Sun Industrial Estate 101  
Lower Parel  
Zip Code 400013, Mumbai, India

Damco China Ltd. (Shanghai Branch)  
Tian An Centre No. 338  
Nanjing Road (W) 3-4/F  
Zip Code 200003, Shanghai, China

DNH Spinners Pvt. Ltd.  
Chincholi Bunder Road 601, 602 y 603  
Malad (W)  
Zip Code 400064, Mumbai, India

Dodhia Synthetics Ltd.  
Filix Towers 1001, Opp. Asian Paints  
LBS Marg Sonapur, Bhandup West  
Zip Code 400078, Mumbai, India

Enturbo & Jingu Group Inc.  
Wuyuan Bay, Xiamen  
Unit L,8/F., Building 1, Business Operation Center  
Zip Code, 361006, Fujian, China

Euro Vistaa (India) Ltd.  
Dinshaw Vachha Road 28, 5th Floor  
Vaswani Mansion, Churchgate  
Zip Code 400020, Mumbai, India

Fairdeal Filaments Ltd.  
Dawer Chamber 3rd Floor  
Ring Road, Near Sub Jail  
Zip Code 395002, Gujarat, India

Filatex India Ltd.  
Community Centre 43, New Friends Colony  
Zip Code 110025, New Delhi, India

Fujian Billion Polymerization Fiber Technology Industrial Co. Ltd.  
Fenglin Industrial District  
Longhu Town Jinjiang City, Quanzhou  
Zip Code 362000, Fujian, China

Fujian Zhengqi High Tech Fiber  
Jinjiang Industrial Zone  
Yinglin Town, Jinjiang  
Zip Code 362256, Fujian, China

Garden Silk Milis Ltd.  
Tulsi Krupa Arcade 1st Floor, Near Aai Mata Chowk  
Puna-Kumbharia Road, Dumbhal, Surat  
Zip Code 395010, Gujarat, India

Guangdong Kaiping Chunhui Co. Ltd.  
Gangkou Road 10, Changsha Town  
Kaiping City  
Zip Code 529300, Guangdong, China

Hangzhou Changxiang Chemical Fiber  
Shianqiao Village, Dangshan Town  
Xiaoshan, Hangzhou  
Zip Code 311241, Zhejiang, China

Hangzhou Kings Chemical Fiber Sales  
Yaqian Road No. 688, Yaqian Town  
Xi Aoshan District, Hangzhou City  
Zip Code 311200, Zhejiang, China

Hangzhou Lanfa Textile Co. Ltd.  
22th. Street Hangzhou No. 48  
Economic and Technological Development  
Zip Code 310018, Area, P.R., China

Hangzhou Top Polyester Co. Ltd.  
Yaqian Road 732, Yaqian Town  
Xiaoshan District  
Zip Code 311209, Hangzhou, China

Hangzhou Xianglu Chemical Fiber Co. Ltd.  
Changxiang Industrial Zone, Guali Town  
Xiaoshan District, Hangzhou  
Zip Code 311241, Zhejiang, China

Hangzhou Xiaoshan Donglong Chemical Fiber Co. Ltd.  
Wulian Village, Xintang Street  
Xiaoshan, Hangzhou  
Zip Code 311201, Zhejiang, China

Hangzhou Zhongcai Chemical Fiber Co.  
Changxiang Village, Guali Town  
Xiaoshan District  
Zip Code 311241, Hangzhou, China

Hengyi Petrochemicals Co. Ltd.  
Yaqian Road  
Xiaoshan, Hangzhou  
Zip Code 311215, Zhejiang, China

High Link Line. Inc.  
West Beijing Rd 3E No 1399  
Xinda Building  
Zip Code 200040, Shanghai, China

Indo Rama Synthetics  
DLF Square 20th Floor, DLF Phase II, NH8, Gurgaon  
Zip Code 122002, Haryana, India

JBF Industries Ltd.  
Express Towers, 8th Floor  
Nariman Point  
Zip Code 400021, Mumbai, India

Jiangdu Ao Jian Sports Apparatus  
Canghai Rd, Building No. 1962  
Shandong Business Centre, 3th floor  
Jiangdong District, China

Jiangsu Bestart Trading Co. Ltd.  
Jianzhu W. Rm 1010, A Building No. 599  
Binhu District  
Wuxi, Jiangsu, China

Jiangsu Guotai International Group  
Renmin Road, Guotai Building  
Zhangjiagang  
Zip Code 215600, Jiangsu, China

Jiangsu Guowang High Technique Fiber Co. Ltd.  
Meiyan Area, Pingwang Town  
Wujiang, Suzhou  
Zip Code 215200, Jiangsu, China

Jiangsu Hengli Chemical Fibre Co. Ltd.  
Hengli Road 1, Shengze Town  
Zip Code 215200, Wujiang, China

Jiangsu Heshili New Material Co. Ltd.  
Song Wen Tou Rd No. 32  
Yunting Town, Jiangyin  
Zip Code 214422, Jiangsu, China

Jiangsu Shenghong Science and Technology Co. Ltd.  
Shengze Textile Tech Demo Gdn  
Wujiang, Suzhou  
Zip Code 215228, Jiangsu, China

Jiangsu Zhonglu Technology Development Co. Ltd.  
Meiyan Hi-New-Tech Development Area  
Pingwang Town, Wujiang  
Zip Code 215228, Jiangsu, China

Jiangzi Shengxinglong Imp&Exp Co. Ltd.  
Yuzhang, Huacheng No. 255, Rm 1501 Unit 1, Building 7  
Nanchang  
Zip Code 330009, Jiangxi, China

Jinjiang Jinfu Chemical Fiber and Polymer Co. Ltd.  
Jinjiang Industrial Zone, Yinglin Town  
Zip Code 362256, Fujian, China

Keenara Industries Pvt. Ltd.  
Varachha Road 316, Super Diamond Market  
Zip Code 395006, Surat, India

Kuehne Nagel Pvt. Ltd.  
Targate Center Sterling Road 62/59  
Nungambakkam, Chennai, Tamil Nadu  
Zip Code 600034, Mumbai, Maharashtra, India

Leopard Accessory Co. Ltd. (Hk)  
Aoji Road No. 3, Building No. 655, Rm. 1216  
Zip Code 20005, Shanghai, China

Longwell Textiles Limited  
Qunxian Road 2/F, Hengchang Group  
Paojiang, Shaoxing  
Zip Code 312000, Zhejiang, China

Million Union Trading Co. Ltd.  
Zhangyang Road No. 838, Floor 25  
Pudong  
Zip Code 200122, Shanghai, China

Modern Petrofils  
Mumbai National Highway No. 8, Village Bamangam Taluka Katjan  
Zip Code 391210, Vadodara, Gujarat, India

Ningbo Kd Industries Co. Ltd.  
Middle Yinxian Avenue No. 1357  
Guangbo Guomao Center, Rm. 601, Yinzhou  
Zip Code 315000, Ningbo, China

Ningbo Zhida Textile Co. Ltd.  
Yongjiang River Road No. 8  
Beilun District, Ningbo  
Zip Code 315800, Zhejiang, China

NJ Textile Industries Pvt. Ltd.  
Belgium Square S/42, Opp. Linear Bus Stand  
Delhi Gate  
Zip Code 395003, Surat-Gujarat, India

Pujiang Fairy Home Textile Co. Ltd.  
Ban Ban Avenue No. 57  
Pujiang  
Zip Code 322200, Zhejiang, China

Recron (Malasya) Sdn.Bhd.  
Wisma Goldhill 67 Level 9, Jalan Raja Chulan  
Kuala Lumpur, Federal Territory of Kuala Lumpur  
Zip Code 50200, Malasya

Reliance Industries Ltd.  
Maker Chambers-IV Nariman Point  
Zip Code 400021, Mumbai, India

Ritime Group Inc. (SHA)  
Kunming Road No 739, Unit 17/F  
Yangpu District  
Shanghai, China

Rongsheng Petrochemical Co. Ltd.  
Hongyang Road No. 98  
Yinong Town, Xiaoshan, Hangzhou  
Zip Code 311247, Zhejiang, China

Sanathan Textiles Pvt. Ltd.  
Trade World, Kamala Mills Compund 15th Floor D Wing  
Senapati Bapat Marg, Lower Parel  
Zip Code 400013, Mumbai, Maharashtra, India

Sarla Performance Fibers Ltd.  
Arcadia 304  
Nariman Point  
Zip Code 400021, Mumbai, India

Shaoxing County Yifeng Textile Co. Ltd.  
Qunxian West Road No. 989  
Shaoxing County, Shaoxing  
Zip Code 312000, Zhejiang, China

Shekhawati Poly Yarn Ltd.  
Express Zone, A Wing, Unit No. 1102/1103  
Patel Vatika, Off Western Express Highway, Malad (East)  
Zip Code 400097, Mumbai, India

Showtime Industries Group Ltd.  
Dapu Road 269th  
ForeSight Plaza, 28FL  
Zip Code 200023, Shanghai, China

Shubhalakshmi Polyesters Ltd.  
Jeevandeep Complex Ring Road 401  
Surat  
Zip Code 395002, Gujarat, India

Sumeet Industries Ltd.  
Ring Road 504, Trividh Chamber, Opp. Fire Brigade Station 5th Floor  
Surat  
Zip Code 395002, Gujarat, India

Suzhou ShengHong Fiber Co. Ltd.  
West No.2 Road, Textile Technology Area  
Shengze, Wujiang  
Zip Code 215228, Suzhou, China

T.H.I. Group (Shanghai) Ltd. (T3EX Group)  
Wanhangdu Road No 888, Kaikai Plaza 10F  
Jinan  
Zip Code 200042, Shanghai, China

Tongkun Group Co. Ltd.  
Guangming Road No. 199, Economic Development Zone  
Tongxiang  
Zip Code 314513, Zhejiang, China

Tongxiang Hengji Chemical Fibre Co.  
Daole Road No. 299  
Tongxiang, Jiaxing  
Zhejiang, China

Unify Texturisers Pvt. Ltd.  
Astral Centre, 3rd Floor, N.M. Joshi Marg, Opposite Chinchpokli Station  
Behind Kasturba Hospital, Byculla West  
Zip Code 400011, Mumbai, Maharashtra, India

Valson Polyester Ltd.  
Twin Complex, Phase II, 1st Floor, Opp. Marol Fire Brigade  
Marol Naka, Andheri (E)  
Zip Code 400059, Mumbai, India

Wellknown Polyesters Ltd.  
Nirmal, B-Wing, 18th Floor, Backbay Reclamation  
Nariman Point  
Zip Code 400021, Mumbai, India

Wujiang Hengyu Textile Co. Ltd.  
Ditang Road 1677  
Zhenze, Wujiang  
Zip Code 215231, Jiangsu, China

Wuxi Autofibre Textile Co. Ltd.  
Dadi Industrial Park, Hudai Town, Binhu, Wuxi  
Zip Code 214161, Jiangsu, China

Xiamen Jin Xia Technology Co. Ltd.  
Fanghu North 2nd Road No. 1507  
Huli, Xiamen  
Zip Code 361010, Fujian, China

Xianglu Chemical Fiber Co. Ltd.  
Maqing Road 1268, Haicang Investment Zone  
Xiamen  
Zip Code 361026, Fujian, China

Zhangjiagang Hengshuo Trading Co. Ltd.  
Renmin Middle Road 70  
Zhangjiagang, Suzhou  
Zip Code 215600, Jiangsu, China

Zhejiang Hemei Leisure Products Co.  
Shanbei Village, Dangshan  
Xiaoshan  
Zip Code 311245, Hangzhou, China

Zhejiang Hengyi Petrochemicals Co.  
North Shixin Road No. 260, Nan An Ming Zhu  
Xiaoshan  
Zip Code 311215, Hangzhou, China

Zhejiang Huaxin Advanced Materials Co. Ltd.  
Xinwan Industry Zone, Xiaoshan, Hangzhou  
Zip Code 311228, Zhejiang, China

Zhejiang Shengyuan Chemical Fibre Co. Ltd.  
Hongyang Road  
Dongsha, Yinong, Xiaoshan  
Zip Code 311247, Hangzhou, China

Zhejiang Sunmarr International Transportation Co. Ltd.  
Shixin Middle Rd No.819, Lvdu World Trade Plaza 14F  
Xiaoshan  
Hangzhou, China

Zhejiang Xinghuali Fiber Co. Ltd.  
Huashe Street, Industrial Zone  
Shaoxing  
Zip Code 312033, Zhejiang, China

### **3. Gobiernos**

Embajada de China en México  
Platón No. 317  
Col. Polanco  
C.P. 11560, Ciudad de México

Embajada de la India en México  
Musset No. 325  
Col. Polanco  
C.P. 11550, Ciudad de México

### **E. Information requirements**

**18.** On November 26, 2019, the Ministry requested the Chemical Industry Association, A.C. (ANIQ) to confirm that Akra was the only domestic producer of PFTT in the period July 2016-June 2017, and to provide figures for domestic production volumes of PFTT for the period under review. It replied on 3 December 2019.

## **CONSIDERING**

### **A. Competency**

**19.** The Ministry is competent to issue this Resolution, in accordance with the provisions of Articles 16 and 34 sections V and XXXIII of the Organic Law of the Federal Public Administration; 1, 2 section A, fraction II, number 7, and 19 fractions I and IV of the Internal Regulations of the Ministry of Economy; 5 and 12. 1 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement"), and 5 fractions VII and 52 fractions I and II of the Foreign Trade Law (LCE), and 80 and 81 of the Regulations of the Foreign Trade Law (RLCE).

### **B. Applicable legislation**

20. For purposes of this procedure, the Antidumping Agreement, the LCE, the RLCE, the Federal Tax Code, the Federal Law of Administrative Litigation and the Federal Code of Civil Procedures are applicable, the last three of which are of supplementary application.

#### **C. Protection of confidential information**

21. The Ministry may not publicly disclose confidential information submitted to it by interested parties, or confidential information submitted by itself, in accordance with articles 6.5 of the Antidumping Agreement, 80 of the LCE and 152 and 158 of the RLCE. Nevertheless, the interested parties may obtain access to the confidential information, as long as they satisfy the requirements established in articles 159 and 160 of the RCFT.

#### **D. Procedural legitimacy**

22. In accordance with paragraphs 170 to 173 of this Resolution, the Ministry determines that Akra is entitled to request the initiation of the present investigation, in accordance with articles 5.4 of the Antidumping Agreement and 50 of the LCE.

#### **E. Period researched and analyzed**

23. The Ministry determines that the period of investigation will be from July 1, 2018 to June 30, 2019, and the period of analysis of injury will be from July 1, 2016 to June 30, 2019, the same periods proposed by Akra, since they are in accordance with the provisions of Article 76 of the RLCE and the recommendation of the Committee on Antidumping Practices of the World Trade Organization (WTO) (document G/ADP/6 adopted on May 5, 2000).

#### **F. Price discrimination analysis**

##### **1. Export price**

24. To credit the export price, Akra provided the list of total import operations of PFTT provided by the Tax Administration Service (SAT) through the ANIQ, which entered by the tariff fraction 5402.33.01 of the TIGIE during the investigated period.

25. Akra pointed out that because the subject merchandise enters by a specific tariff fraction, all import operations should correspond to the investigated product; however, it identified imports that by their description do not correspond to the investigated merchandise, therefore, in order to consider those that correspond to PFTT, based on the product description field presented in the list of imports of the SAT, Akra excluded: i. product that is not 100% polyester (operations that include the words nylon, nailon, acrylic, spandex, cotton, elastane, cotton and polyamide); ii. product that is not imported in reels or is not filament (operations that include the words rolls, cord and cones); iii. product that is sewing thread or thread for sewing or embroidering, and iv. products such as rubber bands, yarn, filling, fabric, vinyl and polyester mesh.

26. Akra calculated a weighted average export price for China and India based on the customs value in dollars per kilogram. It noted that the import prices are net of discounts, refunds and rebates.

27. In order to replicate the Applicant's methodology, the Ministry obtained from the list of total imports of PFTT carried out during the investigated period reported by the Commercial Information System of Mexico (SIC-M).

28. Due to the fact that some differences in value and volume were found between both statistics, the Ministry determined to use the basis of the import statistics reported by the SIC-M to calculate the export price, since the operations contained in such database are obtained prior validation of the customs pedimentos that are given in a framework of information exchange between customs agents, on the one hand, and the customs authority on the other, which are reviewed by the Bank of Mexico and, therefore, is considered the best information available. It purified the database according to the methodology proposed by the national production.

##### **a. Adjustments to the export price**

29. The Applicant stated that for the calculation of the export price it used the customs value which is equivalent to the Cost, Insurance and Freight (CIF) value.

30. It noted that the Customs Law defines customs value as the transaction value, which includes, in addition to the price paid, the amount of the following charges: i. commissions and brokerage expenses, except for purchase commissions; ii. the cost of containers or packaging; iii. packaging expenses, both for labour and materials; and iv. transportation, insurance and related expenses, such as handling, loading and unloading, incurred in connection with the transportation of the goods.

31. It proposed to adjust the export price by terms and conditions of sale, in particular by ocean freight and origin charges for China, as well as by ocean freight and insurance for India.

**32.** For both countries it provided quotes that support the amount of the proposed carrier-based adjustments and applied them to all import operations.

**33.** In the case of China, adjustments for ocean freight and origin charges, specified in the same quotation, are for the stretch from the Chinese port of Shanghai to the port of Manzanillo, Mexico. It calculated a simple average in dollars per kilogram from quotations it provided for each of the months of the period under investigation.

**34.** With reference to India, the adjustment for sea freight corresponds to the stretch from the Indian port of Nhava Sheva to that of Manzanillo, Mexico. Calculated the amount of the adjustment in dollars per kilogram. To obtain the amount of the adjustment for insurance, applied the percentage rate specified in that quote.

**35.** Regarding the inland freight adjustment in both countries, the applicant noted that he did not have the respective information.

**b. Determination**

**36.** In conformity with articles 2.4 of the Antidumping Agreement, 36 of the LCE, and 53 and 54 of the RLCE, the Ministry accepted the information presented by Akra, since it corresponds to data from the period of investigation, as well as to the ports through which the largest volume entered. It adjusted the export price for maritime freight, expenses of origin for China and for maritime freight and insurance for India, considering the customs value reported in the statistics of the SIC-M.

**2. Normal value**

**a. China**

**i. China's status as a non-market economy**

**37.** Akra stated that it provided information and evidence for the purpose of substantiating the presumption that cost and price structures prevail in companies producing PFTT in China that are not determined according to market principles. Therefore, in accordance with Article 33 of the LCE and Article 48 of the RLCE, as well as paragraph 15 of the Protocol of Accession of the People's Republic of China to the World Trade Organization (the "Protocol of Accession of China to the WTO"), prices in a market economy third country that can be considered a substitute for China.

**38.** He noted that China remains a country with a non-market economy. He provided a study called "China's Non-Market Economy Polyester Industry Assessment" (the "Study"), prepared by Akra in September 2019. The study analyses the overall and particular situation of the PFTT industry in China based on the economic criteria set out in Article 48 of the RCFT. The points contained in the Study are analysed below.

**(1). About the country under investigation**

**39.** Akra pointed out that, based on China's Constitution (the "Constitution"), the country maintains a socialist market economy, under the leadership of the Chinese Communist Party (CCP). In accordance with Article 7 of that law, it states that the socialist economy is state-owned, i.e., the state is the leading force through the CCP, with guidelines communicated through the five-year plans.

**40.** Mentioned that the five-year plans are a series of social and economic development initiatives, which set growth targets and project reforms.

**41.** He indicated that, according to economic theory, the factors of production are land, labor and capital. He noted that according to Article 10 of the Constitution, land in China is owned by the State. Furthermore, based on the document of the Working Group of the European Commission "On significant distortions in the economy of the People's Republic of China for defence purposes in trade investigations", of December 2017 (the SWD (2017) (the "document of the European Commission 2017"), particularly in Chapter 9, the allocation of land depends solely on the state, which pursues specific political objectives rather than free market principles, i.e. state enterprises have received their land for free or through fictitious bids with only one participant, obtaining land use rights at a very low price. He pointed out that state intervention in only one of the factors of production results in direct distortions in the production of final goods.

**42.** He went on to say that in this European Commission document 2017, the state sector in China is a pillar of the economy in which state enterprises account for approximately 40% of total industrial assets and half of bank loans, not counting the figures for enterprises with mixed state and public ownership.

**43.** The document develops a number of cross-cutting distortions, concluding that: "State-owned enterprises are increasing their presence in the service economy and a strong presence of public enterprises can also be observed in public services, the financial sector, telecommunications, the transport industry and a wide range of manufacturing industries, including steel and chemicals".

**44.** It argues that, although the government has announced and implemented reforms to varying degrees apparently to allow market forces to come into play, government intervention continues to be widespread and varied. Akra mentioned that in order to determine whether China is a centrally planned economy, the criteria of Article 48 of the RLCE must be considered in a comprehensive manner and not individually because the effect of intervention in one of the criteria may be sufficient to affect the cost and price structure of the product under investigation.

**45.** Akra argued that according to paragraph 15 d ) of the Protocol of Accession of China to the WTO, paragraph a) Romani (ii ) expired in December 2016, but the application of the initial part of paragraph a) and Romani (i).

**46.** Noted that the Protocol of China's Accession to the WTO is clear in that subparagraph (a) provides for the possibility of applying a methodology based on Chinese producers' prices or costs, or a methodology not based on such prices or costs.

**47.** It explained that the Study sets out the elements that allow it to conclude that Chinese imports should be considered as originating in a centrally planned economy country, therefore, in accordance with Article 33 of the LCE, price references from a market economy third country that can be considered as a substitute can be taken as normal value.

**48.** It added that for purposes of Article 33 of the LCE, Article 48 of the RLCE starts from two fundamental premises: i. if the economy is a non-market economy, and ii. to support it, the analysis and evaluation of each one of the criteria established in the second paragraph of the mentioned article.

**49.** It argued that in the Determination of Initiation on the balloon investigation, as well as in the short fiber polyester investigation filed against China, published in the Official Gazette of the Federation (DOF) on June 26, 2017 and February 6, 2018, respectively, the Ministry expressed its judgment for the interpretation of Article 15 of the Protocol of Accession of China to the WTO and its relation with Articles 33 of the LCE and 48 of the RLCE, by establishing that, in order to initiate an antidumping investigation it is up to domestic production, in the first instance, on the basis of the best information available, to provide evidence leading to a reasonable presumption that at the level of the product under investigation, the industry or sector in China does not meet the criteria contained in Articles 33 of the LCE and 48 of the RLCE and, in the second instance, to Chinese exporting producers the opportunity to demonstrate that they operate under market economy conditions as regards the manufacture, production and sale of such product.

**50.** He added that, by economic logic, beyond the criteria established in Article 48 of the RLCE, any aspect that directly impacts the factors of production defined as land, labour and capital, has an impact throughout the productive chains, at the level of the sector, industry and final products. It stated that the distortions identified in the Chinese market, according to the Study, have an impact on the determination of costs and prices of the product under investigation and, therefore, on the manufacture, production and sale of the product.

**51.** In the Study, Akra includes a section on the current situation in China. It also mentioned that at the end of 2012 President Xi Jinping stated in his speech that China had suffered difficulties and unusual sacrifices in modern world history and that with his mandate he would achieve the "great rejuvenation of the Chinese nation". However, according to Yang, Yuan and Liu Nian, in their article published in the Financial Times in May 2019, over the years it seems to reveal a different reality in which problems are emerging, for example, in the financial system, as the government resorted to banks to provide large loans during the boom years, which it is now trying to cut back because of the negative consequences of having invested in unprofitable companies and dubious lending schemes.

**52.** In the recent international context, trade disputes between the United States and China have reopened the debate on the conditions of political and economic control that were the driving force behind China's accelerated growth. Issues related to structural reforms have been highlighted, such as the rewriting of a Chinese foreign investment law to include a ban on forced technology transfer, protection of intellectual property rights of foreign investors, and national treatment of foreign investors. The issue of industrial subsidies to state-owned enterprises (SOEs), the prevention of currency manipulation, among others, has also emerged, according to the article "EU Trade Policy in the midst of the China-US shock. UU: Caught in the Crossfire" by González, Anabel and Véron, Nicolás de 2019.

**53.** He added that according to Ma Jian's article, "The dark side of the chinese dream. Ma Jian on the short path from utopia to dystopia", Literary Hub (2019), the promise of the Chinese dream that the new government would lead to greater economic wealth and restore China to its past glory, has become a vague and nebulous slogan. He pointed out that, for the purposes of analysis, it is necessary to consider the costs and distortions that these actions have implied for the rest of the nations with which China has trade relations.

**54.** It argued that, in October 2017, the United States Department of Commerce (USDOC) (the "USDOC 2017" determination), published the results of an investigation on the status of China, in which it confirms that non-market economy conditions prevail in China, the analysis of which coincides with the criteria contemplated in the Mexican legislation.

**(2).** About the sector or industry under investigation

**55.** Akra explained that PFTT is a product of the petrochemical industry, and the products of that industry are a subset of industrial chemicals derived from oil, ethane and naphtha or natural gas. Petrochemicals account for 90 per cent of total raw material demand in chemical production today.

**56.** He explained that a differentiation should be made on high-value chemicals (HVCs), such as light olefins (ethylene and propylene) and aromatics (BTX), such as benzene, toluene and mixed xylenes, which are often co-produced in a process such as steam cracking.

**57.** Demand for HVCs is driven by PET derivatives, plastics, synthetic fibres and rubber products. In fact, demand for plastics is greater and growing faster than any other bulk material group. This is relevant because the polyester industry is derived from links in the chain from HVCs.

**58.** Synthetic textile products are made of fibres that are polymerised from the same resins used in the other plastic segments, PET and polypropylene being the most common, and polyester fibres and filaments are the most widely produced worldwide.

**59.** The value chain for producing polyesters is one of the most complex. The links go from the production of BTX to xylenes, PTA with ethylene oxide and MEG, concluding in variants such as polyester fibers and filaments, resins or packaging, among other specialties. It provided a diagram of the value chain for the production of polyesters, ranging from natural gas, oil, paraxylene (PX), PTA and MEG, based on the information "The Polyester/PET Value Chain: Process Technology Improvements from BXT to Xylenes and PTA /DMT to Resins/Fibers, 2016-2025.

**60.** Argued that the structure of the petrochemical industry within which the polyester products sector is most relevant, allows us to understand how the control and manipulation exercised by the State at the global-macroeconomic and local-microeconomic level from the first links of the chain, such as those related to the impact on the precursors of the petrochemical industry, results in distortions in the polyester products sector and, consequently, in the PFTT.

**(3).** Criteria established in Article 48 of the RCFT

**61.** To support that China is a non-market economy, Akra presented in the Study, arguments and evidence at the macroeconomic level, industrial sector and the PFTT, according to the criteria contained in Article 48 of the RLCE:

**(a)** That the currency of the foreign country under investigation is generally convertible in international currency markets

**62.** Akra noted that a generally convertible currency is one that can be freely exchanged into another for any purpose without regulatory restrictions. Convertible currencies are associated with open and stable economies, and their prices are determined through supply and demand forces in the market. A non-convertible currency is understood as the opposite, i.e. it does not behave freely because it is controlled or manipulated by the state.

**63.** Noting that the most recent Trade Policy Review of China in 2018, issued by the WTO Trade Policy Review Body, in document WT/TPR/S/375/Rev.1, maintained that there was an optimistic trend, in that the People's Bank of China and the State Foreign Exchange Administration continued to take steps towards greater liberalization and convertibility.

**64.** However, WTO members continued to recommend that China improve its access conditions and eliminate restrictive practices, to the extent that some countries, such as the United States, show that the Chinese currency cannot be considered as widely convertible in international currency markets.

**65.** It noted that under Section 701 of the Trade Facilitation and Trade Enforcement Act of 2015, the United States Department of the Treasury (the "Treasury Department") publishes a report twice a year analysing whether countries are manipulating their currencies. In its 2019 report, it assessed the exchangeability of the currency in China, and noted, under the following arguments, the intervention of the People's Bank of China: "the Chinese authorities have acknowledged that they have extensive control over the exchange rate of the RMB (renminbi)". Furthermore, that China has "a long history of facilitating the undervaluation of its currency"

and would have taken "concrete measures to devalue its currency" in order to obtain an unfair competitive advantage.

**66.** It added that the Treasury Department continues to urge China to take the necessary measures to avoid a weak currency, noting, moreover, that this country has not resolved the actions that lead to the distortion of markets, including subsidies and SOE's, which requires an improvement in economic fundamentals and the configuration of a structural policy to support a stronger renminbi (RMB). In summary, it points out that the Treasury Department came to the following conclusions:

**a.** continues to ensure placement on the "Watch List" with which the United States reviews certain economies that deserve special attention because of their monetary practices;

**b.** will monitor and review, during the following 6-month period, in light of the trade imbalance between China and the United States, the undervaluation of its currency;

**c.** remain concerned about exchange rate practices, particularly regarding the misalignment and undervaluation of the RMB against the dollar;

**d.** China needs to make improvements in the transparency of its operations and reserve and exchange rate management objectives; and

**e.** exchange rate problems are identified, as the RMB has fallen against the dollar by 8% over the last year, in the context of a large and growing bilateral trade surplus.

**67.** Akra said that while China has made progress in recent years in the convertibility of its currency in the international currency market, the government continues to participate in exchange rate formation. It noted that, based on the findings of the USDOC (2017), the Chinese government still maintains significant restrictions on capital account transactions and intervenes significantly in the markets and retains strict approval requirements for all major capital account transactions, further limiting the extent of price divergence between domestic and foreign currency markets.

**(b)** That wages in that foreign country are set by free negotiation between workers and employers

**68.** It indicated that based on the European Commission's 2017 document, China has not ratified all international agreements or conventions on labour matters. Of the eight conventions that the International Labour Organization (ILO) classifies as fundamental, it has ratified only four, with conventions 29, 87, 98 and 105 pending, relating to i. forced labour; ii. freedom of association and protection of the organization; iii. the right to organize and collective bargaining; and iv. the abolition of forced labour, respectively.

**69.** It pointed out that in the European Commission's 2017 document, Conventions 87 and 98 are considered to be of critical importance to the structure of the labour market, as they attribute rights to workers and employers, in addition to promoting market-based wages.

**70.** It added that based on the document "China's Investment Policy Implications for Workers", prepared by Meixner, Warneck, Morvannou and Mestre in 2016, workers' rights in China are mainly based on the 1994 Labour Law, the 1992 Trade Union Law (amended in 2013), the 2008 Arbitration Law, the 2008 Dispute Resolution Law and the 2008 Employment Promotion Law.

**71.** It noted that based on the Observatory of International Labour Relations constituted by a research group from the professional school of labour relations of the Universidad Complutense de Madrid (<http://www.observatoriorli.com>), while there may be almost two million trade unions in China, in practice there is only one, as they must all join the All-China Federation of Trade Unions (ACFTU). In other words, in real terms, in China "there is no freedom of association and there is only one legally authorized trade union under the control and leadership of the Communist Party" (Meixner, et al, op. cit. 2016).

**72.** It noted that collective bargaining in China is still far from ideal. It noted that the China Labour Bulletin (2018) (the "Bulletin 2018"), on its website <https://clb.org.hk>, reports that there is no formal mechanism for collective bargaining at the national level and since unions cannot effectively represent workers in bargaining, workers have been forced to take matters into their own hands by organizing strikes. These events have increased from less than 200 in 2011 to 1,256 in 2017, according to Thomlinson Harvey in the article "The Chinese Communist Party is abandoning the workers", published in The New York Times, in April 2018.

**73.** In relation to the above, Akra made a comparison on the 2011 and 2018 strike movements in the manufacturing industry, and concluded that the uprisings of Chinese workers have not served to push for the improvement of their working conditions, on the contrary, the government has reacted with arrests and repression.

**74.** Akra noted that according to Bulletin 2018, the effect of workers' uprisings extends beyond collective bargaining on wages, and it has been proven that despite workers' efforts, "enforcement has weakened in the last decade as the economy slowed and governments sought to protect local investments. Following the implementation of the Employment Contract Law in 2008, there was an initial push by local governments and the union to ensure that the most vulnerable workers, rural migrants, signed formal employment contracts as prescribed by law. However, the initiative never gained momentum.

**75.** In addition, it said that based on the China Labour Bulletin 2019, most of the labour disputes during that year occurred in nationally owned enterprises, with or without a union controlled by the management of the company. These disputes were mainly due to the large power imbalance in labour relations that has allowed employers to delay payment of wages and social security contributions, refuse to pay severance pay or relocation, arbitrarily reduce wages and benefits, and dictate working conditions.

**76.** On this issue, Akra pointed out that: i. every trade union is under the supervision and leadership of the All-China Federation of Trade Unions, which is subordinated to the Communist Party, i.e. controlled by the State; ii. the role of the All-China Federation of Trade Unions is ineffective in meeting the real needs of the workers, and the private sector cannot develop representative trade unions; and iii. the monopoly of trade union representation held by the All-China Federation of Trade Unions leads to distortions and poor signals in the labour market.

**77.** The Applicant added that USDOC 2017 agrees that there are still important institutional constraints in China, on the extent to which wage rates are determined through free negotiation between workers and enterprises. The Chinese government prohibits the formation of independent unions to represent workers, using this prohibition to its advantage to impose itself in collective bargaining, mainly due to the unilateral control of the ACFTU and the Communist Party. Even though there are certain legal remedies for an individual to challenge the labour contract and wage violations in individual cases, institutional barriers limit their effectiveness.

**78.** Akra concluded that the arguments put forward in this regard result in a clear indication that working conditions in China are not established through free negotiation between workers and employers but are directly and permanently influenced by the Chinese political system. Furthermore, that in the Preliminary Determination of the antidumping investigation on imports of short fiber polyester originating in China, published on November 30, 2018, the Ministry observed that despite the fact that the China Chamber of Commerce for the Import and Export of Textiles provided some examples of full-time employment contracts established between one of the exporters and its workers, these did not indicate the minimum conditions of hiring, such as benefits, breaks, vacations, social security, dispute resolution, among other elements that regulate the labour relationship, resolving for these purposes, that in China there are still control mechanisms that limit the mobility of labour and the free negotiation of wages between employers and workers as established in Article 48 of the RLCE.

**c)** That decisions of the sector or industry under investigation on prices, costs and supply of inputs, including raw materials, technology, production, sales and investment, are made in response to market signals and without significant State interference

**79.** In relation to the PFTT industry, Akra explained that the technical relationship from raw material to final product is practically the same all over the world. It explained that chemicals in general, and therefore petrochemicals such as PFTT, are constituted by the ratio of chemical reactions and the "quantitative study of reagents and products" thereof, which is defined as stoichiometry. This means that for the production of one unit of PFTT, about 0.86 units of PTA and 0.34 units of MEG are used. It clarified that in practice there may be some decimal variations in the performance of materials, due to factors related to specific conditions in the processes of each production plant.

**80.** It pointed out that the technology used for the manufacture of PFTT worldwide is similar in any country, except for minor and marginal differences; the raw materials used, PTA and MEG, are also the same; the technical relation from raw material to final product is practically the same; the chemical, petrochemical and polyester industry under investigation is capital intensive, therefore the relation capital/work is very high and it is an industry characterized by a strong installed capacity.

**81.** It added that the value of a good or service, whether at the cost or price level, is determined by the factors of production, i.e. land, labour and capital, for which there is evidence of Chinese government interference.

**82.** It pointed out that with respect to the sector or industry under investigation, there is evidence that the chemical industry in China does not respond to market signals, due to direct government intervention.

83. It argued that based on the European Commission's 2017 document, of the 20 largest chemical companies in China, 11 are SOEs, including the 6 largest. It added that these companies are directly related along the value chain and petrochemical products, so that control of the origin of the large state-owned conglomerates has undeniable effects on the final products, upstream to downstream.

**The 20 largest chemical companies in China**

No.	Name of the company	Ownership
1	ChemChina	SOE
2	Henan Energy Chemical Industry Group Co. Ltd.	SOE
3	China PingMei Shenma Energy Chemical Co. Ltd.	SOE
4	Tianjin Bohai Chemical Industry Group. Co. Ltd.	SOE
5	Hubei Yihua Group Co. Ltd.	SOE
6	9Yuntianhua Group. Co. Ltd.	SOE
7	Shandong Dongming Petrochemical Group Co.	Private
8	Shandong Jingbo Holding Co. Ltd.	Private
9	China National Chemical Engineering Co.	SOE
10	Shanghai Huayi Group	SOE
11	Wengfu (Group) Co. Ltd.	SOE
12	Wanda Holding Co. Ltd.	Private
13	Shanxi Yangmei Chemical Industry Investment Co. Ltd.	SOE
14	Lihuayi Group Co. Ltd.	Private
15	Jiangying Chengxing Industry Group Co. Ltd.	Private
16	Jiangsu Sanfanggang Group. Co. Ltd.	Private
17	Shandong Haike Chemical Industry Group Co. Ltd.	Private
18	Hengli Petrochemical (Dalian) Co. Ltd.	Private
19	Sinochem International (Holding) Co. Ltd.	SOE
20	Shandong Huatai Group Co. Ltd.	Private

Source: European Commission document 2017

84. In addition, Akra provided statistics on production capacities of PFTT, PTA and MEG for 2018 and 2019, which correspond to the period under investigation. The information was obtained from the publication Wood Mackenzie Chemicals Data Extract. The production capacity data is broken down by manufacturing company, in volumes per quintile, from 2016 to 2019.

85. From this data, it was observed that:

a. the PFTT industry and its raw materials is made up of a large number of small companies, which in 2019 there were 227 companies with the capacity to produce filament, 52 for PTA and 63 for MEG;

b. there is a high number of companies that do not have the optimal installed capacity size to produce efficiently, thus presumably being economically unviable facilities; furthermore, it should not be lost sight that this industry is capital intensive and therefore the break-even point implies a high installed capacity utilization;

c. at least three groups in the list of the 20 chemical producers (Henan Energy Chemical Industry Group Co. Ltd., Tianjin Bohai Chemical Industry Group Co. Ltd. and Hubei Yihua Group Co. Ltd.), indicated as SOEs, have the capacity to produce PTA, MEG, film, polymer, fibre and filament;

d. There are 10 major polyester filament producers with installed capacity, which on average exceeds one million tons per year;

e. with respect to PTA, the main manufacturers with installed capacity were identified, which on average exceeds 1.5 million tons per year; and

f. in the case of MEG, the main producers exceed an installed capacity of 400 thousand tons per year.

**86.** It explained that, based on Wood Mackenzie's production capacity data, it proceeded to identify the ownership of the major manufacturers. It conducted a search on the Internet pages for profiles of these companies. From this, it noted that, out of a total of 16 raw material manufacturers, it identified 5 PTA and 6 MEG producers, with a history of state control.

**87.** It stated that, based on the information of these companies on their websites, it observed that, in some cases, the relationship with the main energy precursors, i.e. oil, gas and electricity, is indicated.

**88.** It found that based on the document entitled "State enterprises in today's Chinese economy: role, reform and evolution", by the Institute of China and the University of Alberta (2018), there are three major oil and oil products companies (NOCs) and they are indicated as SOEs: i. China National Petroleum Corporation (CNPC); ii. Sinopec, China Petroleum and Chemical Corp; and iii. China National Offshore Oil Corporation (CNOOC). Also, according to the document "The Structure of China's Oil Industry: Past Trends and Future Prospects", published by Oxford University in May 2016, the NOCs, despite the opening reform followed by the Chinese government, are far from independent and there is still intensive state involvement in their structural decisions.

**89.** It pointed out that according to the report of the "Group of 20 China 2016", such NOCs, in the extraction of oil and natural gas, represent a control on the inputs that are transferred to the final products.

**90.** Additionally, Akra presented a diagram prepared by the European Commission 2017, referring to distortions in the chemical industry in China, from which the following stands out:

- a. there is a high level of unused installed capacity, especially in the production of PTA
- b. local governments protect obsolete plants and allow them to artificially expand the scale of production to prevent closure;
- c. the State imposes government control over production capacity when it considers it to be in excess; and
- d. the five-year plan sets out policy support measures to ensure the connection between fiscal, financial, trade and other policies. It plans to expand financing to key companies and projects and to continue with the improvement of industry and technological transformation work. It considers other instruments in the commercial area that have the potential to influence market prices, costs and the structure of the value chain. Financial policy will support the chemical industry. Central and local governments have established a large number of investment funds to provide for priority sectors.

**91.** The Petitioner added that based on the Final Resolution on the subsidy investigation on exports of fine denier polyester staple fiber originating in China, published on January 16, 2018, for the main raw materials, PTA and MEG, the USDOC concluded the existence of distortions due to the intervention of the Chinese government in the following terms:

- a. the Chinese government identified 17 state-owned companies among 32 MEG producers. In the case of the PTA, it identified state-owned enterprises which it claimed represented 29% of the industry in terms of the number of enterprises, and
- b. determined that the government owns or controls all of the domestic production of MEG and PTA in China, so that significant government participation in these markets results in significant price distortion of these raw materials.

**92.** Based on the Wood Mackenzie publication and other sources such as the Independent Commodity Intelligence Service (ICIS) and PCI, Akra provided a price comparison of MEG and PTA. It pointed out that, according to the different terms of sale reported in those information sources, China's prices compared to those of other regions such as, Asia, North America, Europe, among others, are consistently lower.

**93.** Akra stated that, under the following premises, it is not difficult to conclude that such government intervention in NOCs distorts the production of the entire petrochemical chain, including the subject merchandise:

- a. the petrochemical industry has two essential characteristics: i. the stoichiometric ratio of raw materials to final product is essentially the same worldwide. Therefore, its production is highly related to the availability and costs of raw materials, and ii. it is capital-intensive, so that state intervention artificially facilitates elements related to this production factor (for example, the cost of land rent and the cost of financing), and has an effect on the advantage of that production chain versus that originating in countries where market rules are complied with, and

b. government intervention from the main precursors, as in the case of NOCs, transfer the distortions to the entire value chain of the PFTT under study. It added that, as a particular case, the company SOE, Sinopec Group, allows us to assume that its costs and sales prices of its products (including MEG) are not determined by the free interaction of supply and demand.

94. Based on the above arguments, Akra concluded that the government intervention distorts the cost structure from integrated precursors to gas and oil, through raw materials to final products; mainly because the government intervenes in decisions related to the price of productive factors. Therefore, it emphasizes that the decisions of the sector or industry under investigation on prices, costs and supply of inputs, including raw materials, technology, production, sales and investment, are not made in response to market signals and have significant state interference.

(d) To allow foreign investment and co-investment with foreign firms

95. Akra noted that according to notes issued in June 2018 and February 2019 by Xinhuanet and Wong Dorcas, respectively, China announced that it would introduce a "negative list" which divided the Catalogue for the Guidance of Foreign Investment Industries into two parts: the recommended list as a new catalogue and the negative list. In addition, it indicated that on 15 March 2019, the Chinese Congress approved a new Foreign Investment Law that would come into force on 1 January 2020, according to the source Latham & Watkins, "China introduces new foreign investment law, negative lists, and encouraged industries catalogue". Client alert, 2019.

96. It argued that while China has indicated that it is in the process of facilitating administrative approval processes, the "Catalogue for the Guidance of Foreign Investment Industries" (the "Catalogue") is still in force. The Catalogue indicates in which sectors foreign investment is encouraged, restricted and prohibited, but also under which conditions investments are allowed.

97. It stated that according to Appendix 1 of the Catalogue, foreign investment is encouraged in the textile industry, manufacture of chemical raw materials and chemicals and in the manufacture of chemical fibres, however, inputs or production of synthetic fibres of PET are not covered.

98. On the contrary, in Appendix 2 of such Catalogue, the gas and energy sectors that are precursors of the raw materials for the manufacture of the PFTT, are found in part I of the Catalogue of Restricted Industries for Foreign Investment.

99. It argued that China has a history of attracting foreign technology by allowing investment in specific sectors, and then preventing further entry once the required technology has been transferred and Chinese industry has become competitive. It added that the European Commission's 2017 document concludes that "while the Chinese government is implementing reforms affecting both domestic and foreign investment, including an ambitious ongoing effort to unify the country's legal regime under the single, comprehensive Foreign Investment Law that codifies recent reform trends, these reforms do not reduce the role of the state in managing private investment. On the contrary, they seem to be used as a means to strengthen the hand of the State by making its influence on the economy more specific and more efficient".

(e) That the industry under investigation possesses exclusively one set of accounting records that are used for all purposes, and that are audited in accordance with generally accepted accounting principles

100. Akra argued that, in the international context, the notion of accounting standards had appeared in China since the early 1990s. It argued that according to Dezan Shira & Associates' article "Chinese accounting standards: a primer for foreign investors", published in China Briefing (2018), confirms that, in China, "accounting systems are comparatively less mature than those in developed economies" and "it is still difficult to understand financial statements prepared by Chinese-based entities under Chinese accounting standards".

101. It pointed out that accounting in China is governed by the Chinese Accounting Standards (CAS), which is based on two standards and, although efforts have been made to standardize these, there are still differences to the International Financial Reporting Standards (IFRS).

102. It added that based on an article prepared by LehmanBrown "Accounting & bookkeeping in China" (2016), this accounting, tax and business advisory firm based in China, there are no standards or IFRS or Generally Accepted Accounting Principles (GAAP) in China, although recent reforms have brought its accounting system closer to these principles, the accounting standards followed by the Ministry of Finance are not comparable to IFRS.

103. It was further stated that the accounting standards or CAS in China prevail over international standards, which shows the possibility of distortion in the financial statements, since the legal framework in that country allows the existence of more than one set of accounting books. According to an article by Chen,

"Analysis of cause of financial fraud and precautions" published in Trade Science Inc Journal (2014), the imperfection of the accounting system of the Chinese company is evident, partly because "the company generally makes two sets of accounting books, the false one for publication and the true one for the company".

**104.** It emphasized that Shen Hong and Zhou Wei published in 2019 the article "Chinese auditors are on the hook after clients caught cooking the books" in The Wall Street Journal, which notes that dozens of Chinese companies had their audits questioned for allegedly violating the securities law. Also, in the article, Amy Un, senior analyst at Shanghai-based Capital Securities, said that "the cost of violating the law was too low in China". This results in an incentive to manage the books at will.

**105.** Akra concluded that there is no certainty in China that a set of books exists and that it is audited in accordance with generally accepted accounting principles.

**(f)** That the costs of production and financial situation of the sector or industry under investigation are not distorted by reason of depreciation of assets, bad debts, barter trade and debt compensation payments, or other factors considered relevant

**106.** In relation to the cost of precursors, Akra argued that based on an article by Rioux, Bertrand in May 2019 entitled "The Economic Impact of Price Controls on China's Natural Gas Supply Chain", it assessed the economic distortions caused by regulated prices in China's natural gas supply market, and concluded that in highly concentrated, upstream and midstream markets, dominant players can undermine the implementation of reform initiatives (such as price reforms) if they counteract their interests.

**107.** It noted that in a report published in ICIS by John Richardson "China purified terephthalic net exports to reach 2.7m tones by 2025" (2019), it is argued that from 2009 China launched a major wave of investment in new PTA plants, this during the economic stimulus program 2009-2017. At that time, according to the author, it was not a question of building capacity based on long-term supply and demand; furthermore, he assumes that by 2018 not all PTA producers were getting good business, due to rapidly growing local competition, but local governments issued debt cancellation decisions allowing them to operate only on a variable cost basis. The author also noted that "Improved spreads indicate that variable costs were more easily covered in 2018 compared to 2017," despite the slowdown. Akra concluded that this is an example of the distortions in costs along the entire value chain of the relevant industries it has under control.

**108.** With regard to assets, Akra mentioned that according to the publication "China's financial repression: symptoms, consequences and causes", prepared by Xu, Guangdong in 2018, in China investments made by both local government and traditional state-owned enterprises have played a key role in boosting the economy after the impact of the financial crisis, although unfortunately the efficiency of these investment projects is doubtful. In general, on the financial conditions in China, the author concludes that the Chinese government "needs a repressed financial system that allows it to create and distribute revenues to reward its central constituency (such as managers and employees of state-owned enterprises) and buy the support of new emerging forces (such as private entrepreneurs). ... Given the importance of financial resources to the CCP, it is hard to imagine that it will eventually adopt a strategy of liberalisation and relinquish its control over the financial system. From this perspective, as long as the Party can retain power, China may never have a chance to free itself from financial repression".

**109.** With regard to bad debts, Akra noted that the reaction of the government and its financial institutions to the increase in bad debt problems in recent years has been to write off the debt, transferring the debt and providing bailouts or debt restructuring to avoid default. It said that one measurable effect is so-called permanent credit, where lenders essentially transfer loan maturities or provide credit simply to pay off old debts.

**110.** It indicated that Deutsche Bank measures this by calculating what companies owe each year in terms of capital payments and interest expenses. It then assesses the resources to make those payments, such as cash flow, equity and excess cash. It added that Frangos Alex's article "How China's Big Lending Boost Falls Short," published by The Wall Street Journal in February 2016, notes that the result is a massive shortfall in debt service compared to cash sources, and that gap is being filled by more borrowing.

**111.** It said that according to the European Commission document 2017, Deutsche Bank analysed the degree of perpetuation of corporate debt in China that has increased since 2010 and is more frequent in sectors of overcapacity, such as the chemical industry. The bank estimates that these companies have been increasing their leverage despite the drop in profitability.

**112.** It noted that in May 2017, in the Wildau, G. note "Regulator Urges Chinese Banks to Save Sick Companies", reported that the existence of perennial practices was confirmed during a press conference in which the director of the local office of the Banking Regulatory Commission of China pointed out that his

agency had coordinated with creditors to transfer loans to coal and steel companies that cannot pay, but are considered likely to recover their health, which proves the CCP's failed promise to close down zombie companies.

**113.** It clarified that zombie companies make losses or fail to meet their interest payment obligations, yet still obtain loans. Situation different from a market economy situation, where such debt conditions would force companies to improve their efficiency or exit the market, not to remain sponsored by loans outside competitive schemes.

**114.** It emphasized that throughout the Study it was demonstrated that there is direct government intervention in the pricing of capital, labour, land, raw materials and basic inputs related to the chemical and petrochemical industry and the merchandise under investigation. It concluded that although the prices of final products may be determined by supply and demand in an open market, the reality is that price distortions along the value chain create incorrect price signals that do not reflect the reality in the industry and distort the profit or loss balances of all economic agents involved. This, according to Markus Taube (2017), in his report "Analysis of market distortions in the Chinese non-ferrous metals industry".

## ii. Determination

**115.** The Ministry carried out a comprehensive analysis of the arguments and evidence provided in this investigation that are in the administrative record. In principle, the Ministry notes that, in accordance with paragraph 15(d) of the Protocol of Accession of China to the WTO, only paragraph (a)(ii) expired in December 2016. However, paragraph 15(a) and (i) of the Protocol of China's Accession to the WTO remain in force. The above-mentioned subparagraph (a) provides for the possibility of applying a methodology based on prices or costs in China, from Chinese producers, or a methodology not based on such prices or costs. Thus, the Ministry considers that the mere fact that paragraph 15(a)(ii) of the Protocol of China's Accession to the WTO has expired does not mean that the possibility of using a methodology that is not based on a strict comparison with domestic prices or costs in China has ceased to exist.

**116.** Indeed, the methodological basis for determining price comparability in anti-dumping proceedings involving products of Chinese origin is, in principle, expressly contained in paragraph 15(a) of the Protocol of China's Accession to the WTO, which, like subparagraph (i), has not expired. According to subparagraph (a), there is a legal possibility to use the prices or costs of the investigated Chinese producers in China, or to employ a methodology that is not based on a strict comparison with prices or costs in China.

**117.** Accordingly, the Ministry believes that there is a legal basis for assessing Akra's proposal to consider China as a non-market economy in the manufacture, production and sale of PFTT and to analyse the appropriateness of applying a methodology that is not based on a strict comparison with prices or costs in China, for the following reasons:

**a.** the Ministry confirmed that, at the macroeconomic level, there are distortions in variables such as foreign investment, exchange rate, wages and land:

**i.** it warns that according to the European Commission's 2017 document, although the Chinese government has implemented reforms around a single, comprehensive foreign investment law, these reforms do not reduce the role of the state in the management of private investment. On the contrary, they are used as a means to strengthen state intervention by making its influence on the economy more targeted and efficient. In relation to inputs, it is noted that the gas and energy sectors, which are precursors of the raw materials for the manufacture of PFTT, are restricted to foreign investment;

**ii.** the exchange rate policy established by the government, although it has advanced in the convertibility of its currency in the international currency market, the WTO indicates that the government continues to participate in the formation of the exchange rate. The Chinese authority itself has acknowledged that it maintains control over the exchange rate which results in facilitating the undervaluation of its currency;

**iii.** the labour market being subject to government controls prevents wages from being set by free negotiation between employees and employers; and

**iv.** According to Article 10 of the Chinese Constitution, land is owned by the State. State intervention in only one of the factors of production results in direct distortions in the production of final goods.

**b.** the above suggests that active intervention by the Chinese government may lead to distortions arising from government policies, regulatory provisions or direct intervention that selectively discriminate between enterprises owned by it, which impact on the price and cost formation of production factors where PFTT

manufacturing is intensive, either through the repression of capital and energy costs or the absence of markets in land ownership;

c. Consequently, the support that in China and, specifically, in the PFTT producing industry, cost and price structures prevail that are not determined according to market principles, is subject to the analysis of the arguments and evidence that Akra provided to support it, of which the Ministry observed:

i. from the document of the European Commission 2017, that the Five Year Plan number 13 on the Petrochemical and Chemical Industries (2016-2020), foresees accompanying instruments in the commercial area, which have the potential to influence the market, prices, costs and structures of the value chain, where the financial policy supports the chemical industry;

ii. from the review of the aforementioned document, it identified in the list of the 20 largest chemical companies in China that more than half of them are state-owned;

iii. based on the statistics of installed capacities to produce PFTT, PTA and MEG, published by Wood Mackenzie, of the 20 companies listed above, 3 state-owned industrial groups were identified, which are involved along the value chain in the production of PTA, MEG and PFTT. This may confer artificial competitive advantages, costs and prices would seem to be controlled by the State, which allows for the assumption that the PFTT value chain could be distorted;

iv. the companies identified in the previous point, are companies that Akra identified in its request for investigation as investigated exporters;

v. also, it observed that important oil and natural gas producing companies identified as SOEs, maintain a control in the prices and supply of the main inputs that can be transferred to the value chain in the production of PFTT. The Ministry observed that in the case of CNPC company, it maintains a monopoly in the production of gas in China, which represents 71% of the total production of China;

vi. in addition, on May 3, 2019, the USDOC published the preliminary resolution for subsidies number C570-098 against imports from China of the same product, where support from the Chinese government was identified, such as: i. loans and preferential interest rates, ii. income from tax reduction, and iii. reduction of taxes on imports, among others, which results in a more advantageous position in the market, and

vii. The Ministry identified in SIC-M's statistics, in the period under investigation, 16 exporting companies that the USDOC listed in its investigation for PFTT subsidies against China and that AKRA also pointed out in its request for the present investigation. This supports the assumption that the prices and costs of Chinese PFTT may be distorted, as public policies or direct government interventions, such as subsidies, are passed on in the formation of prices and costs of products.

118. Based on the above, the Ministry considers that the information provided by the national production generates the presumption that, in the production, manufacture and sale of PFTT in China, cost and price structures that are not determined according to market principles prevail, because distortions are observed in the market of the factors that affect the allocation of resources in the production of PFTT and interfere in the determination of the costs and prices of the productive factors in which it is intensive.

119. Having identified state-owned companies producing PFTT and its raw materials, it pays to the presumption that the prices of the merchandise could be controlled by the State, which allows to suppose that costs and sales prices are not determined by the free interaction of supply and demand.

120. In light of the above, and in accordance with paragraph 15(a) of the Protocol of China's Accession to the WTO, the Ministry proceeded to analyse a methodology that is not based on a strict comparison with prices or costs in China for the PFTT. For this purpose, Akra proposed to use a substitute country from China for the calculation of normal value, in accordance with Article 33 of the LCE and Article 48 of the RLCE.

#### b. Selection of the substitute country

121. The applicant proposed the United States as a market economy country which meets the criteria to be used as a reasonable basis for the determination of normal value in this investigation.

122. In order to demonstrate that the United States operates under market economy principles, Akra argued that based on the United States Trade Policy Review (WT/TPR/S/382/Rev.1) of March 27, 2019, it is established that there are no federal policies directed specifically at the manufacturing sector and that the main objective of the policy is to create a framework within which market forces can operate in a fair and competitive environment. In relation to foreign investment, it is indicated that the United States maintains an open regime, with some sectoral limitations.

**123.** Additionally, based on information obtained from the website [www.theusaonline.com](http://www.theusaonline.com), it indicated that, in the U.S. economic system, it refers to laws and institutions such as those of a nation that determines who owns economic resources, how those resources are bought and sold, and how the production process uses the resources to provide goods and services. In addition, the U.S. economy is made up of business and labour organizations and social institutions. People function as consumers, workers, savers, and investors.

**124.** Trade unions, which represent some workers in collective bargaining with employers, are another important type of economic organization. So are cooperatives, organizations formed by producers or consumers who join together to share resources. In addition, individual producers and consumers determine the types of goods and services produced, as well as their prices.

**125.** The Ministry also noted that the country report prepared by HSBC Global Connections, indicates that the United States is a market-oriented economy and that the dollar in this country remains one of the strongest currencies worldwide, and the most popular currency for reserves. The report also confirms that most businesses enjoy flexibility in decisions to expand their capital, labour decisions and the development of new products, as well as an openness to foreign direct investment and the federal government's equal treatment of both foreign and domestic investment.

**126.** To select the United States as a substitute country, Akra based its approach on effective competition in the PFTT industry, according to which at least four necessary conditions must be met: i. five comparable suppliers that can exert mutual pressure and avoid implicit or explicit coordination among them; ii. absence of a dominant firm; iii. entry and exit barriers must be low; and iv. consumers must be able to change suppliers without significant costs.

**127.** It noted that in assessing PFTT indicators in the United States and its environment, it is reiterated that the product is the same as that manufactured in China. Based on a comparative analysis between the United States and China on various economic variables of the PFTT industry, such as installed capacity, production, imports, exports, which it obtained from Wood Mackenzie and from Trade statistics for international business development (ITC-Trade Map) for 2018, it reached the following conclusions

**a.** in both countries there is a high number of PFTT manufacturing companies;

**b.** there is no large company in the United States which could be considered as dominant and which could influence the determination of prices. There are no technical or other standards that discriminate against the demand for the product manufactured by one company to the detriment of another;

**c.** there are no barriers to entry to this industry in the United States that would limit competition. The country is one of the most open economies. Its import tariff is only 4.3% on average for the PFTT subheading, which allowed 65 thousand tons to be imported in 2016. There is enough raw material to manufacture the required quantities of the product in question, and

**d.** The United States has considerable domestic demand, and like China, its domestic production would be basically sufficient to satisfy it.

**128.** It indicated that, from the above, it can be concluded that the prices of the PFTT in the United States are determined under effective competition, and therefore, it considers the United States as the substitute country of China for the purpose of this investigation.

**i.** Similarity in the production process

**129.** Akra explained that PFTT is a petrochemical commodity that is manufactured from a worldwide standard technology and is a capital-intensive industry.

**130.** It pointed out that PFTT is manufactured in a polymerisation reactor, whose raw materials are PTA and MEG. Liquid polyester can be spun directly or be converted to a solid state and then spun in extruders using pressure and temperature. The spinning produces POY, which can have different characteristics such as thickness and filaments depending on the spinning media used. The POY goes to texturing machines, which give the final finish to the polyester filament by stretching, temperature and texturing.

**131.** It added that, according to the USITC, in its anti-dumping investigation on PFTT originating in China and India, in its document number 4858, it concluded that the production process is very similar for all the producers, independently of the countries, the same raw materials are used, as well as the same inputs. That is to say: i. they are made from PET, made from PTA and MEG, directly or from chips or granules; ii. PET is melted at very high temperatures in order to be extruded into partially oriented yarn, POY, and iii. POY goes through a process of stretching and texturization, and sometimes dyeing.

**132.** Regarding the cost structure to manufacture PFTT that Akra provided, it explained that in China, the United States and India, it is similar, since PFTT is manufactured through similar production processes and technologies; it is a capital intensive industry, regardless of the country of production, which would hardly allow the cost structure to vary significantly from one country to another, which reasonably proves that the production costs in both markets should be similar. It clarified that the level of efficiency is very similar in the companies at a worldwide level, under penalty that the inefficient ones tend to leave the market, being a very competitive market, therefore, the cost structure must also be very similar.

**ii. The United States is a producer of PFTT**

**133.** It provided data on production volume, capacity and consumption, as well as the number of producers in the United States and China in 2018 and 2019, among other economic indicators of PFTT. The information was obtained from Wood Mackenzie and the United Nations Commodity Trade Statistics Database (the "UN Comtrade").

**iii. Availability of main raw materials and inputs**

**134.** It stated that the United States as well as China have the main raw materials for the production of PFTT. It provided data on production, capacity and consumption of PTA and MEG, in the United States and China, for 2018 and 2019, which it obtained from Wood Mackenzie Chemicals Data Extract.

**135.** It explained that both countries are major oil and gas producers, which are the precursors of PFTT raw material. It provided data for both countries in 2018, which it obtained from the United States Central Intelligence Agency (CIA) published in The World FactBook.

**136.** It pointed out that the data show that both China and the United States produce PFTT, have installed capacity and consume PFTT, export and import PFTT, and use the same raw materials, PTA and MEG, which shows that the United States is a reasonable substitute for China.

**iv. Other elements**

**137.** Akra stated that there are no dumping or countervailing duty investigations or measures against the United States by other countries on their PFTT exports, which is based on the information contained in the website <https://enforcement.trade.gov/trcs/foreignadcvd/index.html>, which lists the U.S. products that are subject to antidumping or countervailing measures. This information comes from the WTO semi-annual reports as of August 2019, which concluded that no countervailing duties apply, nor are any investigation proceedings underway against U.S. PFTT.

**v. Determination**

**138.** The third paragraph of Article 48 of the RLCE states that a substitute country means a third country with a market economy similar to the non-market economy exporting country. The similarity between the substitute country and the exporting country shall be reasonably defined, so that the normal value in the exporting country can be approximated on the basis of the domestic price in the substitute country, taking into account economic criteria.

**139.** In order to comply with this provision, the Ministry carried out a comprehensive analysis of the information provided by Akra to consider the United States as a substitute country for China. It found that both countries are the main producers and consumers of PFTT, they have availability of inputs and there is similarity in the production processes. Thus, it can reasonably be inferred that the intensity of the use of the production factors is similar in both countries.

**140.** Based on the analysis described in the previous points of this Resolution, and in accordance with Articles 33 of the LCE and 48 of the RLCE, the Ministry confirmed the selection of the United States as a market economy substitute for China for the purposes of the calculation of the normal value.

**c. Domestic prices in the United States**

**141.** Akra provided prices in the internal market of the United States, based on information from the specialized international publication Fibres Global Montly Market Overview of the international consulting firm Wood Mackenzie, for each of the months that cover the period of investigation, corresponding to the PFTT.

**142.** Prices are expressed in US cents per pound, are at the level of sales delivered to average consumers in the United States market, and are net of discounts, bonuses and rebates. It obtained the average price from the maximum and minimum prices in the investigated period and finally converted it to dollars per kilogram.

**143.** The Applicant argued that the reported prices are a reasonable basis for the calculation of normal value in the United States, since they come from a publication that has a worldwide reputation, which provides

a general and detailed overview of the global textile industry, including prices for raw materials and fibers; price trends for polyester filaments and fibers; as well as economic, commercial, production and price data, and recent market developments in the main raw materials for polyester fibers, such as PTA and MEG.

**144.** It explained that the prices come from consultations that the personnel of said publication makes with the relevant producers, suppliers and buyers of PFTT in the United States, and that apart from being a relevant, valid and reliable reference, it is the best information available to demonstrate sufficient evidence of the existence of the practice of discrimination at this stage of the procedure.

**145.** The Ministry reviewed and accepted the information provided by the Applicant to calculate the price at which the PFTT is sold for consumption in the domestic market in the United States, based on Article 33 of the LCE. The Ministry calculated the average normal value of the PFTT in dollars per kilogram for the period of investigation.

**i. Adjustments to the normal value in the United States**

**146.** Akra proposed to adjust the normal value by terms and conditions of sale, in particular by inland freight from the plant to the customers' location.

**147.** In order to credit the adjustment, Akra considered the information from the anti-dumping investigation on imports of PFTT originating in China and India carried out in the United States. It clarified that the proposed adjustment is applicable, since the US investigating authority obtained the data from the information provided by the US producers.

**148.** It explained that the cost of transportation fluctuates between 1 and 4% of the value of the merchandise, which it assumes represents the difference in the distances for the delivery of the product. It pointed out that it conservatively applied the highest rate.

**149.** It added that the main producers of PFTT in the United States (Miliken & Company, Nan Ya Plastics Corp. America, O'Mara Incorporated; Sapona Manufacturing Co. Inc. and Unifi Manufacturing, Inc.), are located in the same geographic area, North and South Carolina. It justified that, since these producers are concentrated in the same geographical area, the adjustment would be applicable to all of them.

**150.** It clarified that based on Articles 5.2 and 5.3 of the Antidumping Agreement, this is the information that it reasonably had at its disposal.

**ii. Determination**

**151.** The Ministry considered the information and methodology that Akra provided to adjust the normal value for inland freight, and applied it based on articles 2.4 of the Antidumping Agreement, 36 of the LCE, and 53 and 54 of the RLCE.

**d. India**

**152.** Akra provided price references in the Indian domestic market which it obtained from various companies on the website [www.alibaba.com](http://www.alibaba.com). It also pointed out that Alibaba.com is a leading global wholesale trading platform, created in 1999 ([https://activities.alibaba.com/alibaba/following-about-alibaba.php?spm=a2700.8293689.0.0.2ce267afU7XGdj&tracelog=footer\\_alibaba](https://activities.alibaba.com/alibaba/following-about-alibaba.php?spm=a2700.8293689.0.0.2ce267afU7XGdj&tracelog=footer_alibaba)), offering hundreds of millions of products in more than 40 different categories, including electronics, machinery and clothing, both finished goods and inputs. The platform reaches buyers and sellers in more than 190 countries and regions, whose main suppliers are in Asia, including India.

**153.** It prepared a list of PFTT prices, corresponding to manufacturing and marketing companies that offer and quote the product on that website, based on the following methodology:

**a.** provided profiles of the companies for which it provided prices that include information on the size of the plant, payment conditions, delivery times, as well as the type of merchandise it offers, among other information;

**b.** considered various characteristics of the product, such as density, thickness of the yarn, filaments, layers, finish, colour, method of dyeing, method of texturing and packaging. It argued that such peculiarities are consistent according to the description of the merchandise under investigation;

**c.** the price list includes the minimum and maximum prices, terms of sale, the supplier, type of company, whether it is a producer or a producer/marketer;

**d.** the average price was obtained from the minimum and maximum dollar prices per kilogram; and

e. prices are at the commercial FOB (Free On Board) level. It clarified that no adjustment was necessary, because according to Article 2.4 of the Antidumping Agreement, when comparing with the export price both prices are at the same level of trade.

154. Due to the fact that the price references were consulted on January 3, 2020, they are outside the period of investigation. Akra provided the data and the methodology to deflate them for the period of investigation. It provided the Consumer Price Index in India that it obtained from Trading Economics, on the website [www.tradingeconomics.com](http://www.tradingeconomics.com), until November 2019. It clarified that this was the most recent information available. However, the Ministry in corroborating such information observed that the index was available until December 2019 and considered it to apply the adjustment. The Ministry adjusted the normal value for inflation, in accordance with Article 58 of the RLCE.

155. Akra clarified that the use of price references obtained from Alibaba's website is acceptable, in accordance with the standard for the initiation of an anti-dumping investigation, and that it is the best information available and reasonably available to it, as provided for in Articles 5.2 and 5.3 of the Antidumping Agreement.

156. The Ministry replied to the methodology that Akra presented to calculate the prices of PFTT in India and accepted its proposal, since it is a reasonable basis for determining normal value, since the prices correspond to producers and producers/traders, and refer to prices destined for internal consumption in India.

157. Additionally, Akra provided information and evidence for the calculation of the constructed value of PFTT in the Indian market. Based on Akra's cost structure. It provided available information of costs and international prices of raw materials and inputs. The statistical information and prices were obtained from [GlobalPetrolPrices.com](http://GlobalPetrolPrices.com), the Ministry of Petroleum and Natural Gas of the Government of India and Tecnon OrbiChem Ltd ("Tecnon OrbiChem").

158. Information regarding selling, general and administrative expenses and profit was obtained from two PFTT producers in India based on their financial statements.

159. It was pointed out that the reconstruction of the normal value was prepared by the consulting company Compañía Promotora de Negocios Internacionales, S.A. de C.V. with more than 45 years of experience in the industry of synthetic fibers and their raw materials. It stated that this information is the one it reasonably had available.

i. Determination

160. Based on Article 31 of the LCE, the Ministry considered the sales prices for consumption in the domestic market of India obtained from Alibaba as an appropriate basis for determining normal value, and calculated the average normal value in dollars per kilogram for the period of investigation.

3. Margin of price discrimination

161. In accordance with the above analysis and based on the provisions of articles 2.1 of the Antidumping Agreement and 30 of the LCE, the Ministry compared the normal value with the export price and determined that there is sufficient evidence, based on positive tests, to presume that, during the investigated period, the imports of PFTT originating in China and India were made under alleged conditions of price discrimination with margins higher than the de minimis.

**G. Damage and causality analysis**

162. The Ministry analysed the arguments and evidence submitted by Akra, with the objective of determining the existence of sufficient evidence to support that the imports of PFTT originating in China and India made under allegedly dumping conditions caused material injury to the domestic industry of the like product. This assessment comprises, inter alia, an examination of:

a. the volume of the imports at allegedly dumped prices, their price and the effect of the imports on the domestic prices of the like product, and

b. the impact of the volume and price of such imports on economic and financial indicators of the domestic industry of the like product.

163. The analysis of the economic and financial indicators of the domestic industry corresponds to the information provided by Akra, since this company constitutes the domestic industry of the like product under investigation, as determined in paragraph 173 of this resolution.

164. For this purpose, the Ministry considered data from the periods July 2016-June 2017, July 2017-June 2018 and July 2018-June 2019, which constitute the period analysed and include the period investigated for

the dumping analysis. Unless otherwise indicated, the behaviour of the economic and financial indicators in a given year or period is analysed with respect to the immediately preceding comparable period.

#### 1. Similarity of the product

**165.** In accordance with the provisions of Article 2.6 of the Antidumping Agreement and Article 37 section II of the RLCE, the Ministry evaluated the information and evidence provided by Akra to determine if the domestically manufactured PFTT is similar to the product under investigation.

**166.** Akra indicated that domestically manufactured PFTT and those imported from China and India under conditions of price discrimination are similar in terms of the applicable legislation, since these products are considered commodities and have the same uses and functions, as well as the same consumer destination.

**167.** In order to support the above, in addition to the information indicated in the section related to the investigated product, Akra submitted: i. information from its web page in which the characteristics of the merchandise that it manufactures as well as its uses are observed; ii. a description of its productive process and inputs used in the manufacture of PFTT certified in the specialized opinion in the textile area indicated in paragraph 14 of this Resolution; iii. a comparative table between the physical and chemical characteristics, uses, consumers, clients and production processes and inputs used in the manufacture of the PFTT, relative to both the merchandise under investigation and the merchandise manufactured in Mexico; iv. the list of imports from SAT, corresponding to tariff item 5402. 33.01 of the TIGIE, for the months comprised in the analysed period, which was provided by ANIQ; v. a list of their clients to whom they sold PFTT in the analysed period, and vi. a table in which they identify the names of the clients and the countries from which they acquired imported PFTT.

**168.** In this regard, the Ministry noted the following:

**a.** As regards the comparative analysis, based on the information in the administrative record, the Ministry observed that for both the PFTT under investigation and the domestically manufactured PFTT, the main physical and chemical characteristics are decitex or denier, number of filaments, luster and level of braiding;

**b.** as to the comparative analysis between the production processes and inputs used in the production of the PFTT, the Ministry observed that Akra's production process and the inputs used in it are similar to those of the subject merchandise;

**c.** regarding the uses and functions, from the information existing in the administrative record, the Ministry observed that they are the same for both goods; and

**d.** Regarding the existence of common customers, based on the information of the sales by customer made by Akra and the list of import operations of SIC M, the Ministry observed that fifteen customers of said company also made imports of PFTT originating in the two investigated countries during the analysed period, so that, added to the above, there are indications that they reach the same markets and serve the same type of consumers, which allows them to be commercially interchangeable.

**169.** Based on what is described in the previous points of this Resolution, the Ministry had sufficient elements to initially determine that the PFTT of national manufacture is similar to the product under investigation, since they have similar physical characteristics, they are manufactured with the same inputs and through productive processes that do not show substantial differences, likewise, they attend the same markets and consumers, which allows them to fulfill the same functions and be commercially interchangeable, so that they can be considered similar, in terms of the provisions of articles 2.6 of the Antidumping Agreement and 37 section II of the RLCE.

#### 2. Domestic production and representativeness

**170.** In accordance with articles 4.1 and 5.4 of the Antidumping Agreement, 40 and 50 of the LCE and 60, 61 and 62 of the RLCE, the Ministry identified the domestic industry of the like product to the investigated product, as an important proportion of the total domestic production of PFTT, taking into account whether the manufacturing companies are importers of the product under investigation or if there are elements to presume that they are related to importing or exporting companies of the same.

**171.** Akra pointed out that it is the most important manufacturer of PFTT in Mexico, since it represents more than 90% of the total national production and has the support of the rest of the same, in addition to the fact that it is not related to any importer or exporter of the merchandise under investigation and that, although it made imports of PFTT in the analysed period, these were not significant, since those originating in China corresponded to specialties, while those coming from origins other than the investigated countries were due to returns of merchandise exported by Akra. To support its arguments, it submitted: i. a letter from ANIQ recognizing the applicant as a producer of PFTT; ii. a letter of support from the other domestic producer

Antextil, S.A. de C.V.; iii. an estimate of the domestic production of PFTT based on the production levels of the companies Akra and Antextil during the period under review; iv. the figures of its imports of PFTT during the period under review; and v. a copy of a pedimento (import documentation) of an operation regarding the merchandise it imported.

**172.** Based on the existing information in the administrative record, including the information presented by Akra and the figures obtained from the list of import operations of the SIC-M related to the imports made through tariff item 5402.33.01 of the TIGIE, the Ministry observed the following:

**a.** Akra's production represents a significant proportion of domestic production (over 90%). The above, considering both the information presented by ANIQ at the request of the Ministry, and the estimate presented by Akra, which was considered adequate and relevant, given that they start from the information observed in the analysed period and contemplates the average of the production reported by Antextil), and

**b.** although it was observed that Akra made imports during the period analysed through tariff item 5402.33.01 of the TIGIE, these were not significant, since those corresponding to PFTT originating in China represented 0.05% of the imports under investigation made in the period analysed; while those originating in the United States and Canada represented 0.4% of the imports from origins other than China and India, made in the entire period analysed.

**173.** Based on the results described above, the Ministry initially determined that Akra constitutes the national production branch of PFTT, since in the investigated period it produced 91% of the total national production of such product, in accordance with the provisions of Articles 4.1 and 5.4 of the Antidumping Agreement, 40 and 50 of the LCE and 60, 61 and 62 of the RLCE. Additionally, the Ministry did not have elements that indicate that Akra is related to exporters or importers of the merchandise subject to the investigation or that their imports are the cause of the distortion of the internal prices or the alleged injury.

### **3. International market**

**174.** With respect to the international market, the Applicant pointed out that the consumption of PFTT does not respond to economic cycles, and stated the following:

**a.** According to data obtained from the consulting firm Wood Mackenzie for 2019, China was the main producer of PFTT and represented 75% of the world production, followed by India with 9%, while the rest of the supply was pulverized among several countries, among which Mexico occupied the 15th place;

**b.** according to the "Global Polyester Fibers & Feedstock -Supplement-Supply/Demand Issue 102" report of IHS Markit (IHS) of August 2019, the main PFTT consuming regions in the world, for the period investigated, were Northeast and Southeast Asia, while the main countries consuming such merchandise were China, Indonesia, South Korea, Taiwan, Thailand, United States, Japan and Malaysia, and

**c.** According to data from the International Trade Centre (ITC), by 2018, Akra noted that: i. China and India were the main exporters of PFTT in the world, accounting for 47% and 23% of the total exported volume, respectively; ii. PFTT imports are less concentrated than the production and exports of such product, since, for instance, Turkey (the main importer) represented only 13% of the total volume of such imports, and iii. with positive balances of China and India for 1,035 thousand and 511 thousand tons, respectively, they were net exporters.

**175.** To support the above, Akra presented tables with volumes and participations with 2018 figures, from main producers, whose source is the Wood Mackenzie consulting firm, imports, exports and trade balance obtained from ITC, as well as tables with figures of: i. supply/demand of PFTT worldwide, by region and country from 2016 to 2019, whose source is Wood Mackenzie; ii. demand of PFTT by regions and countries with quarterly figures of 2018 and estimated for 2019 and 2020, obtained from IHS; iii. export and import volumes for the years 2016 to 2018, as well as the 2018 trade balance by country (information regarding subheading 5402.33 obtained from ITC), and iv. monthly average prices of PFTT in China obtained from Wood Mackenzie, since the Applicant indicated that there is no price information for all the countries or regions of the world where the product is produced or traded.

**176.** In addition, the Ministry obtained quarterly figures from ITC-Trade Map on world export and import statistics by country for the period under review for tariff subheading 5402.33. On the basis of this information and that indicated in the previous item, the Ministry noted the following:

**a.** The main exporters in the period analysed were the same as in the period investigated, in which China (56%), India (19%), Taipei (7%), Thailand (4%) and Malaysia (3%) contributed together with 88% of total exports. In this regard, Mexico was ranked 13th with less than 1% of total exports;

**b.** the main importers in the period analysed were the same as in the period investigated, in which Turkey (18%), Brazil (16%), Korea (8%), Italy (4%) and the United States (4%) together accounted for 50% of total imports. On the other hand, Mexico was in 11th place with 3% of the world total, and

**c.** PFTT prices in China had an increasing behaviour in the period analysed by registering a 12% growth, while in the period under investigation, they had a 2% fall.

#### **4. National market**

**177.** The Ministry evaluated the behaviour of the domestic market based on the existing information in the administrative file, including the national figures of production, sales to the domestic market and exports presented by Akra, both own and estimated, and the figures that the Ministry obtained, related to the imports made through tariff item 5402.33.01 of the TIGIE obtained from the list of import operations of the SIC-M for the period analysed, which were purged by the Ministry, as indicated in items 186 and 187 of this Resolution.

**178.** Due to what is indicated in paragraph 171 of this Resolution, regarding the existence of another national PFTT producer (Antextil) during the analysed period, Akra calculated the national production volumes of PFTT for the analysed period, previously estimating the volumes of the production figures of Antextil, from its average production. In this sense, as stated in paragraph 172 of this Resolution, the Ministry considered Akra's estimates as the best information available at this stage of the investigation, regarding the domestic production figures of PFTT, since the estimates submitted by Akra were adequate and relevant, since they start from the information observed in the analysed period and correspond specifically to Antextil.

**179.** Considering the information indicated in the previous point, the Ministry observed that the Apparent National Consumption (ANC), measured as the Domestic Production Oriented to the Internal Market (PNOMI) plus the imports, the domestic supply of PFTT decreased 3% from the period July 2016-June 2017 to the period July 2017-June 2018 and increased 1% in the investigated period, accumulating a drop of 2% in the analysed period.

**180.** On the other hand, total imported volume of PFTT decreased 4% in the period July 2017-June 2018 and increased 7% in the period investigated, accumulating an increase of 2% in the period analysed. Likewise, during the period analysed, total imports of PFTT were made from 44 countries, the main origins of PFTT imports were China (61%) and India (18%), in addition to the United States (4%), Italy, Indonesia and Malaysia (3% each), which together concentrated 92% of total imports.

**181.** With regard to the volume of domestic production of PFTT, it increased by 2% in the period July 2017-June 2018, but decreased by 10% in the period under investigation, with a cumulative fall of 7% in the period under analysis. Likewise, the PNOMI had a similar behaviour by accumulating a fall of 15% in the period analysed, due to the fact that it remained practically constant in the period July 2017-June 2018 and decreased 15% in the period investigated.

**182.** On the other hand, exports increased by 6% in the period July 2017-June 2018, but in the period under investigation they decreased by 2%, which meant an accumulated growth of 4% in the period under analysis.

**183.** Akra indicated that PFTT is distributed and marketed throughout the country, in addition to being consumed mainly by manufacturers of fabric, tape or rope, garment makers, textile suppliers to the automotive industry, resellers/distributors. It added that the consumption of PFTT does not respond to economic cycles nor does it present any seasonal sales pattern.

#### **5. Analysis of imports**

**184.** In accordance with articles 3.1, 3.2 and 3.3 of the Antidumping Agreement, 41 section I and 43 of the LCE, and 64 section I and 67 of the RLCE, the Ministry evaluated the behaviour and the trend of the imports of the product under investigation during the analysed period, both in absolute terms and in relation to the national production or consumption.

##### **a. Imports subject to analysis**

**185.** The Applicant indicated that the tariff fraction through which the PFTT enters is specific, so that all the operations should correspond to such merchandise, however, Akra identified that through it, products other than the PFTT entered. In support of the above, it presented the list of imports of the SAT, corresponding to tariff item 5402.33.01 of the TIGIE, for the months comprised in the analysed period, which was provided by ANIQ.

**186.** Due to the fact that through tariff item 5402.33.01 of the TIGIE, products different from the object of the investigation entered throughout the period analysed, the Applicant presented the purification criteria referred to in paragraph 25 of this Resolution.

**187.** On its part, the Ministry analysed the methodology presented by the Applicant and considered it reasonable, so it calculated the value and volume of the PFTT imports with such methodology, based on the imports of tariff item 5402.33.01 of the TIGIE obtained from the list of import operations of the SIC-M. When comparing this information with the information presented by Akra, no significant differences were observed; however, for the analysis of this section, it was determined to use the figures obtained from the list of import operations of the SIC-M, for the reasons explained in paragraph 28 of this Resolution.

**b. Accumulation of imports**

**188.** The Ministry assessed whether the effects of imports of PFTT originating in China and India should be cumulated for the analysis of material injury to the domestic industry. In this regard, it analysed whether the margins of dumping of these imports were higher than those considered de minimis and whether their volumes were not negligible, as well as their effects in light of the conditions of competition between these imports and the domestically produced product. In this regard, the Ministry noted the following:

**a.** in accordance with the analysis of price discrimination described in this Resolution, the Ministry had evidence of the existence of margins of dumping greater than the de minimis for the imports of PFTT originating in China and India, during the period of investigation

**b.** the imports originating in China and India were significant, since they represented 61% and 18% of the total imports of PFTT, respectively, made in the analysed period. Likewise, in the investigated period, such imports represented 66% and 16% of the total imports of PFTT, respectively, and

**c.** based on the information existing in the administrative record, referring to Akra's list of PFTT sales to its customers that in turn acquired imported merchandise from the investigated countries, in addition to the import figures obtained from the list of import operations of the SIC-M, the Ministry observed that: i. there are importing companies that during the analysed period acquired indiscriminately product from the investigated countries, and ii. as indicated in paragraph 168 of this Resolution, it was also observed that there are common customers that acquired investigated merchandise originating in China and India, and domestic; which reflects a reasonable degree of competition and interchangeability between the products originating in China and India, and of domestic production.

**189.** Due to the results described in the previous point of this Resolution, the Ministry considered it appropriate to cumulate the imports of PFTT originating in China and India, for the purposes of the analysis of material injury to the domestic industry producing the like product, since the investigated imports were made with dumping margins higher than the de minimis; the volumes of imports from each country are not negligible, and the products compete in the same markets with those produced in Mexico, they reach common customers and have very similar characteristics and composition, and therefore they are considered to be in competition with each other and with the domestically produced PFTT.

**c. Analysis of imports**

**190.** Akra pointed out that the presence in the Mexican market of PFTT imports from China and India, carried out under conditions of price discrimination, and their increase in absolute terms and relative to the CNA, cause material damage to the national industry that produces the same product; damage that is reflected in negative effects on the main economic indicators of the national production, and is a direct cause of such imports.

**191.** The Applicant added that, if the situation continues, the imports made under conditions of price discrimination would continue to increase, affecting various indicators of the domestic industry, such as the volume of production and sales of the domestic merchandise, which would continue to decrease significantly in the following years, especially when the level of undervaluation is significant, which does not allow the domestic production to increase its prices, on pain of losing sales volume against such imports.

**192.** Considering points 187, 188 and 189 of this Resolution, the Ministry observed that total specific imports of PFTT decreased 4% in the period July 2017-June 2018, but increased 7% in the period under investigation, accumulating an increase of 2% in the period analysed.

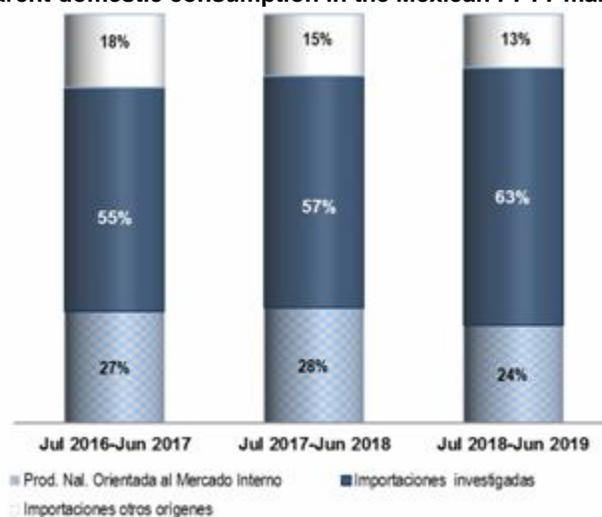
**193.** The growth of total imports during the period analysed is explained by the performance of the imports under investigation, which presented an increasing trend throughout the period analysed: they increased less than 1% in the period July 2017-June 2018 and 12% in the period investigated, accumulating an increase of 12% in the period analysed. Likewise, they maintained an important participation with respect to total imports

throughout the period analysed, representing 75% in the period July 2016-June 2017, 79% in the period July 2017-June 2018 and 83% in the period investigated.

194. In contrast, the imports of origin other than the countries investigated behaved in the opposite manner, by decreasing 18% in the period July 2017-June 2018 and 13% in the period investigated, to accumulate a fall of 29% in the period analysed. In this sense, such imports decreased their participation with respect to the total imports of PFTT by going from 25% in the period July 2016-June 2017 to 17% in the period of investigation.

195. In terms of the domestic market, the Ministry observed that the investigated imports increased their participation in relation to the CNA, the PNOMI and Akra's domestic sales. Regarding the CNA, such imports represented 55% in the period July 2016-June 2017, 57% in the period July 2017-June 2018, and 63% in the investigated period, as illustrated in the following chart; while with respect to the PNOMI, they represented 201% in the period July 2016-June 2017, 202% in the period July 2017-June 2018 and 264% in the period under investigation; in addition, with respect to Akra's domestic market sales, they represented 243% in the period July 2016-June 2017, 230% in the period July 2017-June 2018 and 350% in the period under investigation. Likewise, imports from other origins decreased their market share from 18% of the CNA in the period July 2016-June 2017 to 13% in the period investigated; while, with respect to the PNOMI, such imports went from representing 66% in the period July 2016-June 2017 to 55% in the period investigated; in addition, with respect to Akra's domestic market sales, they represented 79% in the period July 2016-June 2017, 61% in the period July 2017-June 2018 and 73% in the period investigated.

**Apparent domestic consumption in the Mexican PFTT market**



Source: SIC-M import base, Akra and Ministry calculations.

196. Also, as stated in paragraph 168 of this Resolution, fifteen customers of Akra made imports of investigated merchandise during the period of investigation, however, Akra only provided specific figures of values and volumes of sales to the domestic market for its ten largest customers. In this sense, based on such figures and those obtained from the list of operations of the SIC-M, the Ministry observed that eight of the latter, made imports of investigated merchandise in the analysed period, which increased their imports of PFTT, both in the investigated period (24%) and in the analysed period (9%), while in both periods their purchases of domestic merchandise decreased (21% in the analysed period and 18% in the investigated period), which could indicate the possibility of a displacement of the domestic sales derived from the increase of the investigated imports.

197. Based on the results described in the previous points of this Resolution, the Ministry initially determined that there was an increase in the period analysed of the investigated imports both in absolute terms and in relation to the market, production and sales to the domestic market of the domestic industry. Likewise, Akra's sales information per customer provides elements that indicate the possible existence of a displacement of the goods manufactured in Mexico caused by the imports of PFTT originating in the investigated countries.

## 6. Price effects

198. In accordance with articles 3.1 and 3.2 of the Antidumping Agreement; 41 section II of the LCE, and 64 section II of the RLCE, the Ministry analysed whether the investigated imports competed in the domestic market at prices considerably lower than those of the like domestic product and the effect of these imports on

the domestic prices, as well as whether the level of prices of the imports was determinant to explain the behaviour in the domestic market.

**199.** The Applicant argued that the presence in the Mexican market of PFTT imports originating in China and India, carried out under conditions of price discrimination, and their increase in absolute and relative terms in the CNA cause material injury to the domestic industry producing the same product; injury that is reflected in negative effects on the main economic indicators of the domestic industry, and is a direct cause of such imports. The above, considering the existence of a significant level of undervaluation throughout the period analysed, of the price of such imports with respect to the national prices, which does not allow the national production to increase its prices, on pain of losing sales volume.

**200.** Akra added that this occurs because the investigated imports compete in the Mexican market in conditions of price discrimination, due to the excess of production that the producing companies in China and India have; companies that, in order to position themselves in the Mexican market and gain participation in it, export PFTT to their clients in Mexico at dumped prices, prices that are far below the prices at which the national merchandise is sold.

**201.** To support the above, Akra presented figures of its economic and financial indicators for the period analysed, as well as import figures accompanied by the list of import operations of SAT, for the tariff fraction 5402.33.01 of TIGIE, which was provided by ANIQ.

**202.** Due to the provisions of items 187, 188 and 189 of this Resolution, the Ministry considered that the best information available regarding the prices of imports is that obtained from the list of import operations of the SIC-M. Likewise, in order to analyse the prices of the imports at the same level of competition, the payment, if applicable, of the corresponding tariff and the payment of the customs duties to place them in the Mexican market was included.

**203.** Based on the above information, the Ministry observed an increasing behaviour of the prices of the imports in the Mexican market both in the investigated and analysed period. In this sense, the average price of the investigated imports increased 7% in the period July 2017-June 2018 and 5% in the investigated period, accumulating an increase of 13% in the analysed period. On the other hand, the average price of imports from other origins increased 7% in the period July 2017-June 2018 and 5% in the period of investigation, accumulating an increase of 12% in the period analysed. Likewise, when comparing both prices, the Ministry observed that the prices of the investigated merchandise were 52% below the prices of PFTT imported from other origins, consistently throughout the period analysed.

**204.** On the other hand, based on the information obtained from the domestic sales figures of the domestic industry, the Ministry observed that the average price of domestic sales of the domestic merchandise, measured in dollars, increased 9% both in the period July 2017-June 2018 and in the period of investigation, accumulating a growth of 19% in the period analysed. However, when compared to the prices of the investigated imports, it was observed that the latter were 7%, 9% and 12% below the national price in the periods July 2016-June 2017, July 2017-June 2018 and the investigated period, respectively, as illustrated in the following graph.



Source: SIC-M import base, Akra and Ministry calculations.

**205.** Regarding the increasing behaviour of domestic prices, Akra pointed out that it was mainly due to the increase in the cost of the main inputs for the manufacture of PFTT (PTA and MEG), a behaviour that occurred

worldwide, so that it was also reflected in the evolution of the prices of imports. Likewise, the Applicant insisted on the following: i. that the behaviour of its sales prices to the domestic market did reflect the increase in the costs of raw materials, while the prices of the investigated imports did not do so in the same way, and ii. that, despite the increase in prices during the analysed period, the prices of the imports under investigation continued to be consistently below those of the domestic merchandise. To support this, Akra presented figures of the monthly prices of the domestic merchandise and of the investigated imports, as well as annual average prices at which it acquired PTA and MEG during the analysed period, and the prices of both inputs in the markets of China and India, corresponding to the analysed period, the latter, obtained from the specialized publication Tecnon Orbichem.

**206.** The Ministry confirmed the statements made by Akra regarding the increase in prices of both raw materials acquired by the Applicant and inputs in the Chinese and Indian markets. In addition, in the figures corresponding to unit costs of raw materials and manufacturing presented by Akra, regarding its sales to the domestic market, which are indicated in paragraph 220 b of this Resolution, important increases were also observed in the period analysed, even higher than the increase in Akra's price (both observed in constant pesos of June 2019).

**207.** On the other hand, based on the sales figures to Akra's main customers during the analysed period and the import figures obtained from the list of import operations of the SIC-M, the Ministry observed that, although the prices of the investigated imports made by the eight common customers and those of their domestic purchases (expressed in dollars), increased during the analysed period, the prices of the investigated imports were always below the prices at which they purchased domestic merchandise (between 3% and 8%) throughout the analysed period. This supports the existence of the possible displacement of Akra's sales due to the investigated imports.

**208.** Based on the results described in this section, the Ministry observed the following: i. the existence of an undervaluation of the average price of the investigated merchandise with respect to the average price of the internal sales of the domestic industry during the analysed period; ii. that, although there was an increase in the domestic price, this was less than the increase in the unit costs derived especially from the increase in the prices at which Akra acquired its raw material during the analysed period, and iii. based on figures from common customers, the undercutting of the prices of the investigated imports when compared to the prices at which they purchased the domestic product; situations derived from the low price levels at which the investigated imports made under allegedly dumped conditions, the indications of which were previously established, were present in the domestic market. Likewise, the low price level of the investigated imports observed in the period analysed is associated with increasing volumes of the imports, a greater participation in the domestic market and the possible displacement of sales of goods manufactured by Akra.

#### **7. Effects on the domestic industry**

**209.** Based on the provisions of Articles 3.1 and 3.4 of the Antidumping Agreement; 41 section III of the LCE, and 64 section III of the RLCE, the Ministry evaluated the effects of the imports under investigation on the economic and financial indicators of the domestic industry of the like product.

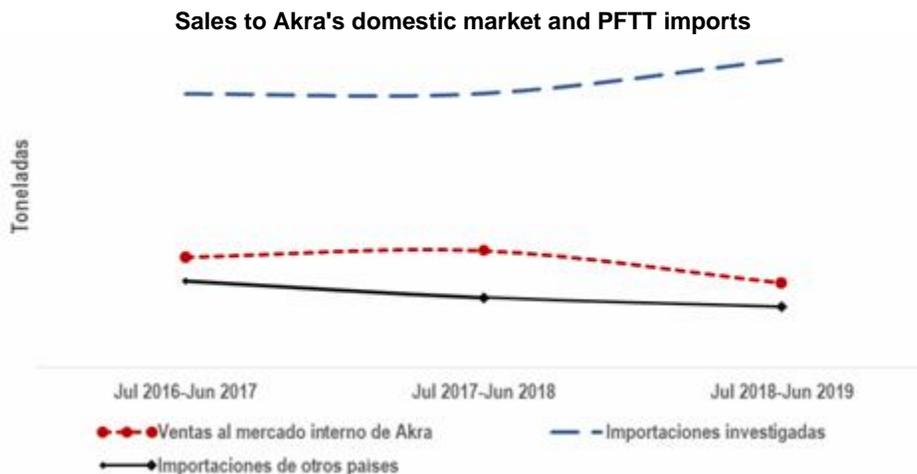
**210.** Akra argued that the presence in the Mexican market of the PFTT imports from China and India, carried out under conditions of price discrimination, and their increase in absolute and relative terms within the CNA caused material injury to the national industry producing the same product; injury that was reflected in negative effects on the main economic indicators of the national production branch, and was directly caused by such imports. To support the above, Akra presented figures of its economic and financial indicators for the period analysed.

**211.** Based on the information mentioned in the previous point, the Ministry observed that Akra's production volume accumulated a drop of 8% in the period analysed, derived from an increase of 3% in the period July 2017-June 2018 and a decrease of 10% in the period investigated. Likewise, the volume of its production oriented to the domestic market accumulated a drop of 17% in the period analysed, derived from having remained constant in the period July 2017-June 2018 and having decreased 17% in the period investigated.

**212.** On the other hand, in the context of the behaviour of the CNA occurred in the period analysed and indicated in paragraph 179 of this Resolution, the production oriented to the internal market of Akra decreased its participation in the ANC in the period analysed by 3 percentage points, from 23% in the period July 2016-June 2017 to 20% in the period investigated.

**213.** On the other hand, total sales of the domestic industry showed an accumulated drop of 11% in the period analysed, increasing 6% in the period July 2017-June 2018 and decreasing 16% in the period investigated. The Ministry observed that the performance recorded by total sales is largely explained by the

behaviour of sales to the domestic market, which showed an accumulated fall of 22% in the period analysed, increasing 6% in the period July 2017-June 2018 and decreasing 26% in the period of investigation; while sales to the export market grew 4% in the period analysed, increasing 6% in the period July 2017-June 2018 and decreasing 2% in the period of investigation.



**214.** Likewise, based on the sales figures to Akra's main customers in the analysed period and the import figures obtained from the list of import operations of the SIC M, as indicated in points 196 and 207 of this Resolution, the eight common customers not only increased the acquisition of investigated imports in the analysed period but also decreased their domestic purchases, configuring the possibility that there has been a displacement of the latter, due to the price differential observed between both goods.

**215.** On the other hand, employment of the domestic industry decreased 15% in the period analysed, due to an increase of 2% in the period July 2017-June 2018 and a fall of 16% in the period investigated; while the wage bill presented a similar behaviour by increasing 4% in the period July 2017-June 2018 and falling 11% in the period investigated, accumulating a fall of 7% in the period analysed. Likewise, employment productivity increased 1% in the period July 2017-June 2018 and 7% in the period investigated, which generated an accumulated increase of 8% in the period analysed; behaviour influenced by the decreases observed both in employment and in Akra's production, in the period investigated and analysed.

**216.** With regard to the inventories of the domestic industry, a cumulative growth in inventories of 33% was noted in the period under review, resulting from a decrease of 12% in the period July 2017-June 2018 and an increase of 52% in the period under review. Likewise, the proportion of inventories to sales to Akra's domestic market increased in the period analysed from 18% for the period July 2016-June 2017 to 31% in the period investigated.

**217.** As regards the installed capacity of the domestic industry for the manufacture of PFTT, the Ministry noted that it remained constant throughout the period under review. However, the percentage of utilization of the same decreased in the period analysed, influenced by the decreasing behaviour of the production, going from 77% in the period July 2016-June 2017 to 70% in the period investigated. In this regard, Akra indicated that the installed capacity figure is representative of the actual product mix (low/high denier) with which it covers its annual demand and was calculated considering the utilization of its available equipment (texturing machines) during the period of investigation. In support of this, Akra submitted the worksheet which shows that the calculation of its installed capacity corresponds exclusively to PFTT.

**218.** The Ministry evaluated Akra's financial situation based on the information submitted by this company, concerning: i. statements of costs, sales and profits of the like product to the investigated product, both total and unit, in three versions (of its sales to the domestic market, of its export sales and the totality of its sales to the domestic market plus export), for the analysed period; ii. Akra's audited financial statements for 2016, 2017 and 2018, and iii. information about an investment project related to the like product to the investigated one (cash flows for the project in dollars, amount of the investment, the net present value, the internal rate of return and the cost of the affectation, in two scenarios: one, without considering imports of the investigated product in dumping conditions and the other, considering them).

**219.** The Ministry updated the financial information in order to make its figures comparable, which was done through the method of changes in the general level of prices, based on the National Index of Consumer Prices published by the National Institute of Statistics and Geography.

**220.** Regarding the information indicated in paragraph 218 of this Resolution, the Ministry analysed the status of costs, sales and profits of the merchandise similar to the one investigated destined to the market; however, of the information referring to the proportional part of the total costs and expenses of operation to the national market, the Ministry will request the corresponding precisions.

**221.** Without prejudice to the above, the Ministry noted the following:

**a.** regarding the operating results of sales exclusively destined to the domestic market, it was observed that operating losses increased 9.5% in the period July 2017-June 2018 and decreased 3.6% in the period of investigation, accumulating an increase of 5.5% in the period analysed, and that the operating margin fell 0.3 percentage points in the period July 2017-June 2018 when going from -15.2% in the period July 2016-June 2017 to -15.5% in the period July 2017-June 2018, and 3.3 percentage points in the period of investigation, to be located at -18.8% in said period, accumulating a fall of 3.7 percentage points in the period analysed. Said behaviour was determined by the observed sales revenues, which increased 7.1% in the period July 2017-June 2018 and fell 20.6% in the period investigated, accumulating a fall of 15% in the period analysed, while operating costs, increased 7.4% in the period July 2017-June 2018 and decreased 18.3% in the period investigated, accumulating a fall of 12.3% in the period analysed, and

**b.** regarding the statement of costs, sales and unit profits of the merchandise similar to the one under investigation, corresponding to the sales to the domestic market expressed in constant pesos of June 2019 per kilogram, it was observed that the unit manufacturing costs increased 2.3% for the period July 2017-June 2018 and 11.3% in the period under investigation, accumulating an increase of 13. The prices of Akra's products, although they also increased throughout the period of investigation, did so to a lesser extent than the costs, increasing by 1.4% for the period July 2017-June 2018 and 8% in the period of investigation, accumulating an increase of 9.4% in the period of analysis.

**222.** On the other hand, the Ministry evaluated the variables Return of the Investment in Assets (ROA), cash flow and capacity to gather capital, from Akra's financial statements, taking into account that they consider the most restricted group or range of products that include the like product, in accordance with the provisions of Article 3.6 of the Antidumping Agreement and Article 66 of the RLCE.

**223.** Regarding the ROA of the national production branch, calculated at the operative level, the Ministry observed that said return was 8.9% for 2016, -2.8% for 2017 and 7.9% for 2018, which represented a drop of 1 percentage point in the analysed period.

**224.** From the statement of changes in Akra's financial situation, the Ministry initially observed that the cash flow at the operating level had an increasing behaviour by reporting a 165% increase during the period analysed, as a consequence of the greater generation of working capital.

**225.** On the other hand, the capacity to gather capital measures the possibility that a producer has of obtaining the monetary resources necessary to carry out the productive activity and is analysed through the behaviour of the working capital, acid test, leverage and debt indexes. In this sense, solvency and liquidity are initially considered to be adequate, if the ratio between current assets and liabilities is 1 to 1 or higher. In this regard, the Ministry observed Akra's current ratio (ratio of current assets to short-term liabilities) of 2.86, 0.88 and 0.79, for 2016, 2017 and 2018, respectively; while, in the acid test (current assets minus the value of inventories, in relation to short-term liabilities), the ratios recorded in the same periods were 2.35, 0.69 and 0.5, respectively. Based on the results obtained, the Ministry initially considers that the solvency and liquidity levels of the domestic industry are not adequate.

**226.** Likewise, a ratio of total liabilities to stockholders' equity of less than 100% is considered manageable. In this case, it is initially concluded that the leverage (total liabilities to stockholders' equity) was not manageable, since it reported a percentage structure of 159% in 2016, 328% in 2017 and 291% in 2018, while the ratio of total liabilities to total assets or debt was at adequate levels in the same years, recording 61%, 77% and 74%, respectively.

**227.** In relation to the investment project, Akra argued that in 2018 it planned an investment project for a fourth spinning line, which it completed in 2019, with which it expected to obtain better quality of the filament and reduce costs, however, this was not achieved, due to the presence of imports in conditions of price discrimination. The Ministry reviewed the information presented by the Applicant for the investment project and observed that the determination of the cash flows is not clear and did not include any explanation, reasons for which in the next procedural stage the Ministry will request that said information be clarified.

**228.** Based on the performance of the economic and financial indicators of the domestic industry, described above, the Ministry observed that, both in the period analysed and in the investigated period, the concurrence of the investigated imports, in allegedly dumped conditions, negatively affected the relevant economic and financial indicators of the domestic industry:

**a.** in the period analysed, a deterioration in the economic and financial variables was observed mainly in various indicators of the national production of PFTT, such as production, the PNOMI, total and domestic sales, as well as the income from said sales, employment, the wage bill, the level of inventories, the relation of inventories to sales, the utilization of installed capacity, the operating losses and the operating margin. In addition, with regard to the indicators determined by the audited financial statements, Akra recorded a decreasing return on investment and limited ability to raise capital, due to the fact that the leverage levels are higher than 100%, in all the years contained in the analysed period; while the working capital ratio and the acid test were lower than 1 time the short term assets and liabilities in 2017 and 2018, and

**b.** when comparing the period of investigation with the previous similar period, the following indicators showed a deterioration: production, PNOMI, total and domestic sales, as well as revenues from such sales, sales to the external market, employment, wage bill, level of inventories, ratio of inventories to sales, installed capacity utilization, operating losses and operating margin.

#### **8. Other damage factors**

**229.** In accordance with articles 3.5 of the Antidumping Agreement, 39 of the LCE and 69 of the RLCE, the Ministry examined the concurrence of factors other than the imports originating in China, in alleged conditions of dumping, which at the same time could be the cause of the injury to the domestic production of PFTT.

**230.** Akra stated that the material injury reflected in negative effects of its main economic and financial indicators of the national production branch was directly caused by the presence in the Mexican market of PFTT imports originating from China and India, under conditions of price discrimination, the increasing behaviour of their volumes in absolute and relative terms in the CNA and the low prices at which they were made. In this sense, it stated the following:

**a.** the imports from origins other than those investigated did not have a negative effect on the performance of the domestic industry, since during the analysed period, as an effect of the investigated imports, they have lost participation both in the Mexican market and in the total of the imports; in addition, the prices of the investigated imports were well below the prices of the imports from origins other than China and India during the investigated period, which clearly explains the displacement suffered both by the latter and by the sales of the domestic industry, and

**b.** during the period analysed there was no change in the consumption structures; there were no technological changes in the production processes of the merchandise under analysis, and there are no restrictive business practices of the foreign or domestic producers of which the Petitioner is aware.

**231.** In this regard, the Ministry considered the following:

**a.** in relation to the imports from origins other than those investigated, it was confirmed that these decreased their participation by 8 percentage points in relation to the total imports, and 5 percentage points in relation to the CNA, when comparing the period July 2016-June 2017 with the period investigated; in addition, throughout the analysed period, they were made at prices higher than those of the investigated merchandise, which confirms what Akra stated in the sense that these imports could not be considered as a cause of injury to the domestic industry;

**b.** regarding the existence of a possible contraction of the demand in the Mexican market of PFTT, the Ministry observed that although the CNA decreased 2% in the analysed period, the behaviour presented by the investigated imports was contrary, as they increased 12% in the same period, imports that, as has been pointed out throughout this Resolution, were made, allegedly in dumping conditions, at lower prices than those of the domestic manufactured merchandise;

**c.** regarding Akra's export performance, the Ministry observed that as well as the sales to the domestic market, its exports also decreased in the investigated period and that, although they increased 4% in the analysed period, in absolute terms such increase represented only 14% of the drop in total sales observed in the same period; and

**d.** Finally, the behaviour of the productivity of the domestic industry was positive throughout the period analysed, a situation that is explained by the performance observed in production and employment, which was determined by the growth in volume and the low prices at which the investigated imports were made during the same period.

**232.** Based on the arguments and evidence presented by the Applicant, as well as the analysis made in the previous point, the Ministry initially did not have elements to presume the existence of factors other than the imports originating in China and India in allegedly dumped conditions that, at the same time, could be the cause of the material injury to the domestic industry.

#### **H. Conclusions**

**233.** Based on the results of the analysis of the arguments and evidence described in this Resolution, the Ministry concluded that there is sufficient evidence to presume that during the period of investigation the imports of PFTT originating in China and India, were made under allegedly dumped conditions and caused material injury to the domestic industry of the like product. Among the main elements assessed in a comprehensive manner, which support this conclusion, without being exhaustive or restrictive, are the following:

**a.** The investigated imports were made with a dumping margin higher than the de minimis one provided for in Article 5.8 of the Antidumping Agreement. In the investigated period, imports originating in China and India represented 66% and 16% of the total respectively.

**b.** The investigated imports showed an increasing trend both in absolute and relative terms, displacing the domestic sales of the domestic industry. During the period analysed, they registered a growth of 12%, and increased their participation in the CNA by 8 percentage points, from a contribution of 55% in the period July 2016-June 2017 to 63% in the period investigated. As a result, the investigated imports increased their participation in the total imports by 8 percentage points, from a contribution of 75% in the period July 2016-June 2017 to 83% in the investigated period.

**c.** The prices of the investigated imports were below the average price of the domestic sales of the domestic industry throughout the period analysed (in percentages that ranged from 7% to 12%) and although there was an increase in domestic prices, this was less than the increase in costs, influenced by the increase in prices at which Akra acquired its raw material during the period analysed. The above, considering that the low price level of the investigated imports observed in the analysed period is associated with increasing volumes of them, a greater participation in the domestic market and the possible displacement of sales of goods manufactured by Akra.

**d.** The concurrence of the imports of PFTT originating in China and India, under allegedly dumped conditions, had a negative impact on the relevant economic and financial indicators of the domestic industry both in the period analysed and in the investigated period. Among the main indicators concerned are the following:

**i.** In the period analysed, deterioration was observed in indicators such as production, PNOMI, total and domestic sales, as well as income from such sales, sales to the external market, employment, wage bill, level of inventories, ratio of inventories to sales, installed capacity utilization, operating losses and operating margin; in addition, Akra recorded a declining return on investment and limited ability to raise capital, due to leverage levels above 100%, in all years of the period under review, while the working capital ratio and acid test were less than 1x short-term assets and liabilities in 2017 and 2018.

**ii.** In the investigated period, a deterioration was observed in the production, the PNOMI, the total sales and the sales to the internal market, as well as the income for such sales, the sales to the external market, the employment, the wage mass, the level of inventories, the relation of inventories to sales, the utilization of the installed capacity, the operating losses and the operating margin.

**e.** No injury factors other than the allegedly dumped imports from China and India were identified.

**234.** In view of the above, and based on articles 5 of the Antidumping Agreement and 52 sections I and II of the LCE, it is appropriate to issue the following

#### **RESOLUTION**

**235.** The request by an interested party is accepted and the anti-dumping investigation is hereby declared open on imports of PFTT, originating in China and India, irrespective of the country of origin, entering under tariff heading 5402.33.01 of the TIGIE, or any other heading.

**236.** The investigation period is set at July 1, 2018 to June 30, 2019, and the injury analysis period is set at July 1, 2016 to June 30, 2019.

**237.** The Ministry may apply, if appropriate, the definitive countervailing duties on the products that have been declared for consumption no more than 90 days prior to the date of application of the provisional

measures, in accordance with the provisions of Article 10.6 of the Antidumping Agreement and Article 65A of the LCE.

**238.** Based on Articles 6.1, 12.1 and footnote 15 of the Antidumping Agreement, 3 last paragraph and 53 of the LCE, the domestic producers, importers, exporters, foreign legal entities or any person that proves to have a legal interest in the result of this investigation, shall have a period of 23 working days to prove their legal interest and to submit their response to the official form established for such purpose, as well as the arguments and evidence they deem relevant. For the persons and governments indicated in paragraph 17 of this Resolution, the period of 23 working days will begin 5 days after the date of sending the official form of notification of the initiation of this investigation. For all other interested parties, the period shall begin 5 days after the publication of this Resolution in the DOF. In both cases, the period shall end at 14.00 hours on the day of its expiry.

**239.** The official form referred to in the previous point of the present Resolution, may be obtained at the official office of parts of the UPCI, located at Insurgentes Sur No. 1940, ground floor, Col. Florida, C.P. 01030, in Mexico City, from Monday to Friday from 9:00 to 14:00 hours. It is also available on the Internet at <https://www.gob.mx/se/acciones-y-programas/industria-y-comercio-unidad-de-practicas-comerciales-internacionales-upci>.

**240.** This Resolution should be notified to the companies and governments that are aware of it. Copies of the transfer are made available to any party that proves its legal interest in the present proceedings, at the address and times indicated in the previous point of this resolution.

**241.** This Resolution shall be communicated to the SAT for the corresponding legal effects.

**242.** This Resolution shall enter into force on the day following its publication in the DOF.

Mexico City, March 18, 2020 - The Secretary of Economy, **Graciela Márquez Colín**.



**ECONOMÍA**  
SECRETARÍA DE ECONOMÍA



**2020**  
LEONA VICARIO  
SEÑORITA MADRE DE LA PATRIA

**Ministry of Economy, Commerce and Competitiveness**  
**International Trade Practices Unit**  
Directorate General for Legal Affairs  
Direction of Administrative Procedures "B"

**PROCEDURE:** Antidumping

**FILE:** A.D.22/19

**PRODUCT:** Texturized textile polyester filament

**APPLICANT:** Akra Polyester, S.A. de C.V.

**TARIFF FRACTION:** 5402.33.01 of TIGIE

**ORIGIN:** People's Republic of China and the Republic of India

Of. UPCI.416.20.682

Subject: Notification

**Mexico City, March 31, 2020**

**MR. SHRI MANPREET VOHRA**

Economic and Commercial Representative of the  
Embassy of India in Mexico

Musset 325

Col. Polanco

P.C.115550, Mexico City

**PRESENT**

Based on Articles 1; 2, paragraph A, fraction II, numeral 7, clause d; 19 fractions I, IV, V and last paragraph, as well as 24 fractions I and II of the Internal Regulations of the Ministry of Economy; 6.1 and 12. 1 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement"); 53 and 84 of the Foreign Trade Law (LCE) 141 and 142 of the Regulations of the Foreign Trade Law (RECE), and 5 of the Law of the Official Gazette and Government Gazettes, I notify you that today it was published in the Official Gazette of the Federation (DOF), the "Resolution accepting the request of interested party and declaring the initiation of the administrative procedure of antidumping investigation on imports of textured textile polyester filament originating in the People's Republic of China and the Republic of India, regardless of the country of origin" (the "Resolution of Initiation"), which can be consulted on the Internet page [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5590761&fecha=31/03/2020](https://www.dof.gob.mx/nota_detalle.php?codigo=5590761&fecha=31/03/2020). Also, in order to provide the necessary information to disseminate it among the companies in your country that exported the product under investigation or any other interested in the outcome of this procedure, you are hereby informed of the following:

1. If you decide to take part in this investigation procedure, you must submit your reply on the official form available on the website of the Ministry of the Economy [https://www.gob.mx/cms/uploads/attachment/file/426637/Antidumping\\_Exportadores.pdf](https://www.gob.mx/cms/uploads/attachment/file/426637/Antidumping_Exportadores.pdf), as well as the arguments and evidence that to its right it should, no later than 14:00 hours of May 14, 2020, in accordance with the provisions of Articles 6.1.1 and footnote 15

of the Antidumping Agreement; 53, last paragraph and 54; 163 of the ALCE, as well as point 238 of the Resolution of Initiation. Likewise, it must comply with the following requirements:

- A. In order to be able to recognize it as an interested party in this proceeding, in terms of the provisions of Articles 6.11 of the Antidumping Agreement, in conjunction with paragraph 51 of the LCE, you must prove your legal interest, that is, you must show evidence that you imported the product under investigation during the period of investigation.
  - B. Present a notarial instrument or a certified copy of the company's articles of association or documents that prove the legal existence of the company, its corporate purpose, and any amendments thereto.
  - C. Appoint an attorney-in-fact or the person who will act in his name and representation before this administrative unit of the Ministry of Economy, who must accredit his personality by means of a public deed or power of attorney granted before two witnesses and ratified signatures before a notary public or before this same authority, in accordance with the provisions of Article 5 of the Federal Law on Contentious-Administrative Procedure (LFPCA). The foregoing, on the understanding that, in accordance with the paragraph of the legal system in question, in no administrative procedure will business be admitted.
  - D. Present a certified copy of the public deed with which the name and powers of the mandator or power of attorney of the company are accredited.
  - E. The legal representative appointed must have a professional degree and a cédula in accordance with Mexican law, except for those who are members of the company's board of directors or its equivalent, in accordance with the second paragraph of Article 51 of the LCE.
  - F. Designate a conventional address in Mexico and an e-mail address to receive notifications, as provided for in the second paragraph of Article 51 and Article 84 of the LCE, respectively
  - G. In accordance with Articles 6.1.1 of the Antidumping Agreement and 54 of the LCE, please submit the information and data required in the official form, which can be obtained at the offices of the International Trade Practices Unit, located at Insurgentes Sur 1940, planta baja (área de ventanillas), Col. Florida, C:P. 01030, Ciudad de México, Monday to Friday from 9:00 to 14:00 hours, as well as website [https://www.gob.mx/cms/uploads/attachment/file/426637/Antidumping\\_Exportadores.pdf](https://www.gob.mx/cms/uploads/attachment/file/426637/Antidumping_Exportadores.pdf), as stated in this document.
2. The documents referred to in paragraphs B, C and D of the previous numeral must contain the corresponding apostille, in accordance with the Convention Abolishing the Requirement of Legalization for Foreign Public Documents, published in the DOF on August 14, 1995 (if they are submitted by members of the Haya Apostille Convention), or must be submitted duly legalized, as provided in Article 546 of the Federal Code of Civil Procedures (CFPC).
  3. In order for the investigating authority to be able to safeguard the original documents and for duly collated copies to be added to the file, it must submit copies of the documents indicated in paragraphs B, C and D of point 1 of this letter, as well as exhibit the original proof of payment of fees for the concept of compiling or comparing each one of them, in accordance with the provisions of articles 3 and 5, section III of the Federal Law on Fees, the above, so that the original copies are returned to you at the time of their presentation.

## **General aspects**

4. In accordance with article 271 of the CFPC, the documents submitted in a language other than Spanish, must be accompanied by their respective and accurate translation into Spanish, if this is not complied, will not be considered in the procedure.
5. In the event that certain information is assigned confidential status, it must comply strictly with the provisions of articles 6.5 of the Antidumping Agreement, 80 of the LCE and 148, 149, 150, 152, 153 and 158 of the RLCE, failure to comply with any of the following requirements, the information may not be taken into account, and will be resolved based on the facts that are known, in accordance with Articles 6.8 and Annex II of the Antidumping Agreement, 54 second paragraph and 64 last paragraph of the LCE:
  - A. Submit a request for confidential treatment of information you identify as confidential.
  - B. Provide detailed and sufficient justification as to why your information is confidential.
  - C. Submit a public summary of the confidential information in sufficient detail to allow the viewer to reasonably understand the information or, if appropriate, to explain why it cannot be summarized. Avoid presenting blank pages or pointing out only titles.
  - D. Express your consent that the information marked as confidential may be reviewed by the legal representatives of the other interested parties who request it, provided that they comply with the requirements set forth in the LCE and the RLCE. For such purpose, the consent form for the consultation of information classified as confidential is attached, which must be sent to the Ministry, duly requested.
6. Based on the above, you must present all the information in two versions: PUBLIC and CONFIDENTIAL and, where applicable, RESERVED COMMERCIAL, as appropriate, so that the versions are identical, with the exception that in the confidential version or reserved commercial, the confidential or reserved commercial information must appear intact in square brackets in the text of the document in question, and in the public version, the confidential or commercially reserved data will be deleted by means of a blank space between square brackets, so that CONFIDENTIAL information is not visible in the PUBLIC version.

Example:

Confidential version	Public version
Production cost	Production cost
[ 50 ] dollars per ton	[   ] dollars per ton

7. Print the captions: "PUBLIC INFORMATION", "CONFIDENTIAL INFORMATION" or "RESERVED COMMERCIAL INFORMATION", according to the version in question, in the middle of each page of the corresponding text, without obstructing the text.
8. The documents and means of evidence attached should be listed, describing their content and precise the source from which they were obtained (title, author, page, date of consultation of the document, website or other as appropriate) and attach a copy of it. The source of each evidence you provide is of the utmost importance so that the authority can evaluate and verify its accuracy, relevance and reliability. Use the following format:

**List of Annexes**

Annex	Description	Source	Classification
Include number, letter, paragraph and/or what is required	of the information contained in the annex and the fact that it pretends to prove	Specify the title, author, page, date of consultation, web page complete or other, as required <b>Attach a copy</b>	Specify if it is public, confidential, commercial reserved, or any combination, as required

9. The reports, data and evidence provided may be verified for accuracy, truthfulness and authenticity in accordance with the provisions of Articles 6.6, 6.7 and Annex 1 of the Antidumping Agreement, as well as 83 of the LCE, so you should keep sources and working papers used, in order to allow verification of this information at a later stage.
10. In accordance with articles 56 of the LCE and 140 of the RLCE, the information and evidentiary documents that have public character and are presented before this administrative authority, must be sent complete to the interested parties, of which the name and address are indicated in point 17 of the Resolution of Initiation, the same day in which the authority receives them. Likewise, it must prove the sending of reports, evidence and documents, which must be sent to this authority, duly required. In the event of non-compliance, the Ministry the information of which no transfer has taken place will not be taken into account and it will be resolved on the basis of the facts known, in accordance with articles 6.8 and Annex II of Antidumping Agreement, 54 second paragraph and 64, last paragraph of the LCE and 140, last paragraph of the RLCE.
11. Present the answer to this letter with an original signature in original and 3 copies, including annexes, in letter-size sheets without perforation, with a space of 3 centimeters between the left edge of the sheet and the beginning of the text. Additionally, you must present a copy for the acknowledgment of receipt.
12. All information must be submitted in printed form as well as in magnetic or digitized media (for each PUBLIC and CONFIDENTIAL version) in electronic file (CD), texts in Word format, tables in Excel and images in PDF (without copying restriction), as appropriate, based on the provisions of point 2 of Annex II of the Antidumping Agreement.
13. Similarly, all information submitted (for each PUBLIC and CONFIDENTIAL version), both in printed and electronic form, must be identical and identified in the same way in both submissions. Likewise, you should avoid including or omitting different information or files between them.
14. All reports, data and evidence submitted must fall within the period of investigation from July 1, 2018 to June 30, 2019. The period for the analysis of injury to the domestic industry is July 1, 2016 - June 30, 2019.
15. All information should be submitted during this and the following periods from 9 a.m. to 2 p.m. as follows:
 

Oliver Ulises Flores Parra Bravo  
 Jefe de la Unidad de Prácticas Comerciales Internacionales  
 Secretaría de Economía  
 Insurgentes Sur 1940, Planta baja (área de ventanillas)  
 Col. Florida, CP 01030, Ciudad de México
16. With the warning that if the requested information is not submitted by 14:00 hours of the day of its expiration, in the terms and form indicated, its right to do so will be precluded and you cannot be considered an interested party in this investigation, consequently, it will proceed on

the basis of the best information available and the facts known, in accordance with Articles 6.8 and Annex II of the Antidumping Agreement, 54, second paragraph, and 64, last paragraph of the LCE.

**SINCERELY**

Based on articles 19 last paragraph and 70 last paragraph of the Rules of Procedure of the Ministry of the Economy signed in the absence of the Head of the International Trade Practices Unit and the Deputy Director General of Legal, the Director of Administrative Procedures "E"

**JUANA ZAPIEN VALTIERRA**

**UNDERSECRETARY OF INDUSTRY, COMMERCE AND COMPETITIVENESS  
INTERNATIONAL TRADE PRACTICES UNIT**

Of. JU.416.20.29

Subject: Notification prior to the beginning of the investigation  
**Mexico City, March 19, 2020**

**HIS EXCELLENCY SHRI MANPREET VOHRA  
AMBASSADOR OF THE REPUBLIC OF INDIA IN MEXICO**

Musset 325  
Col. Polanco  
P.C.11550, Mexico City

On the basis of Articles 1, 2 paragraph A, fraction II, number 7; 19 fractions I and IV of the Internal Regulations of the Ministry of the Economy, and 5 paragraph 5 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement") I inform you that in the next few days the "Resolution accepting the request of interested party and declaring the initiation of the administrative procedure of antidumping investigation on imports of texturized textile polyester filament originating in the People's Republic of China and Republic of India, regardless of the country of origin" will be published in the Official Journal of the Federation (DOF).

In due course, a copy of this publication, as well as the public version of the request for initiation, the response to the prevention and its corresponding annexes to the official form for exporting companies and the format for proof of delivery will be sent to you.

Additionally, in accordance with the aforementioned article of the Anti-Dumping Agreement, I kindly request you to keep this information confidential until the Resolution referred to has been published in the DOF.

**SINCERELY**

Director of the Unit

**Oliver Ulises Flores Parra Bravo**