ด่วนที่สุด

ที่ พณ ๐๓๐๙.๐๙/ ว๕๙๕

สภาอุตสาหกรรมฯ
เลขที่รับ 07883
- 6 พ.ย. 2567
เวลา 11.00 น.

ถึง สภาอุตสาหกรรมแห่งประเทศไทย

กรมการค้าต่างประเทศขอส่งสำเนาเอกสารของหน่วยงานสำนักงานเลขาธิการด้านการค้าต่างประเทศ (Secretariat of Foreign Trade: SECEX) กระทรวงการพัฒนาอุตสาหกรรม พาณิชย์ และการบริการ (Ministry of Development, Industry, Commerce and Services) สหพันธ์สาธารณรัฐบราซิล ลงวันที่ ๒๑ ตุลาคม ๒๕๖๗ และ ๒๒ ตุลาคม ๒๕๖๗ แจ้งผลการไต่สวนขั้นต้นและการบังคับใช้มาตรการชั่วคราว กรณีการทุ่มตลาดสินค้าเส้นใยสั้นสังเคราะห์ทำด้วยโพลิเอสเทอร์ ภายใต้พิกัดอัตราศุลกากร ๕๕๐๓.๒๐.๙๐ ที่มีแหล่งกำเนิดจากประเทศไทย จีน อินเดีย เวียดนาม และมาเลเซีย โดยเรียกเก็บอากรตอบโต้การทุ่มตลาดจากการนำเข้าสินค้าดังกล่าวที่มีแหล่งกำเนิดจากประเทศไทยในอัตรา ๒๒๓.๔๕ เหรียญสหรัฐต่อตัน เป็นระยะเวลา ๖ เดือน ตั้งแต่วันที่ ๒๑ ตุลาคม ๒๕๖๗ และจะมีการจัดการประชุมเพื่อรับฟังข้อคิดเห็นจากผู้มีส่วนได้เสียผ่านระบบอิเล็กทรอนิกส์ในวันที่ ๒๒ พฤศจิกายน ๒๕๖๗ รายละเอียดตามสิ่งที่ส่งมาด้วย จึงเรียนมาเพื่อทราบและแจ้งสมาชิกทราบโดยทั่วกัน

กรมการค้าต่างประเทศ
กระทรวงพาณิชย์
พฤศจิกายน ๒๕๖๗

กรมการค้าต่างประเทศ
DEPARTMENT OF FOREIGN TRADE

กองปกป้องและตอบโต้ทางการค้า
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รับเอกสารแล้ว
ชื่อผู้รับ กม. (นภัทรา)
วันที่ 6 พ.ย. 2567 / 11.32 น.
โทรศัพท์ ....

สิ่งที่ส่งมาด้วย

ประกาศผลการไต่สวนขั้นต้น
(ภาษาโปรตุเกส)

ประกาศผลการไต่สวนขั้นต้น
(ภาษาอังกฤษ)

ประกาศใช้มาตรการชั่วคราว
(ภาษาโปรตุเกส)

ประกาศใช้มาตรการชั่วคราว
(ภาษาอังกฤษ)

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CIRCULAR Nº 56, OF OCTOBER 15, 2024

THE SECRETARY OF FOREIGN TRADE, OF THE MINISTRY OF DEVELOPMENT, TRADE AND SERVICES, under the terms of the Agreement on Implementation of Art. VI of the General Agreement on Tariffs and Trade - GATT 1994, approved by Legislative Decree No. 30 of December 15, 1994 and promulgated by Decree No. 1,355 of December 30, 1994, in accordance with the provisions of § 5 of art. 65 of Decree No. 8,058 of July 26, 2013, and in view of what is stated in the Defense Proceedings

Commercial SEI nos 19972.102538/2023-93 (restricted) and 19972.102537/2023-49 (confidential) and Opinion no. 3275/2024/MDIC of October 7, 2024, prepared by the Department of Commercial Defense - DECOM of this Secretariat, and since the existence of dumping in exports to Brazil of polyester fibers, commonly classified in subitem 5503.20.90 of the Common Nomenclature of Mercosur - NCM, originating in China, India, Vietnam, Malaysia and Thailand and the significant link between the dumped exports and the damage to the domestic industry, decides:

1. To make public that a preliminary positive determination of dumping and damage to domestic industry resulting therefrom, in accordance with the Single Annex.

2. Extend to eighteen months, counted from the date of its initiation, the deadline for concluding the investigation into dumping practices, damage to the domestic industry and a causal relationship between these, in exports to Brazil of polyester fibers, commonly classified under subitem 5503.20.90 of the Common Nomenclature of Mercosur - NCM, originating in China, India, Vietnam, Malaysia and Thailand, initiated by means of Circular SECEX No. 11, of March 20, 2024, published in the Official Gazette of the Union - DOU of March 21, 2024, under the terms of arts. 5 and 72 of Decree No. 8,058, of July 26, 2013.

TATIANA PLEASURES

ANNEX

1. INVESTIGATION

1.1. Of the petition

1. On October 31, 2023, the Brazilian Association of Producers of Artificial and Synthetic Fibers ("Abrafas"), hereinafter also referred to as the petitioner, filed, through the Electronic Information System (SEI), a petition to initiate an original investigation into dumping in exports to Brazil of synthetic polyester fibers, hereinafter also simply referred to as "polyester fibers", when originating from China, Malaysia, Thailand, Vietnam and India, and damage to the domestic industry resulting from such practice.

2. On November 28, 2023, the petitioner was requested, based on § 2 of art. 41 of Decree No. 8,058 of July 26, 2013, hereinafter also referred to as the Brazilian Regulation, to provide additional information to that provided in the petition, through SEI letters No. 7617/2023/MDIC (confidential version) and 7618/2023/MDIC (restricted version). The petitioner timely submitted such information on December 8, 2023.

1.2. Notification to the governments of exporting countries

3. On March 15, 2024, in compliance with the provisions of art. 47 of Decree No. 8,058 of 2013, the governments of China, Malaysia, Thailand, Vietnam and India were notified, through SEI Official Letters No. 1715, 1716, 1717, 1719, 1720 and 1721/2024/MDIC, of the existence of a duly completed petition, filed with DECOM, with a view to initiating the dumping investigation referred to in this document.

process.

1.3 The petitioner's representativeness and the degree of support for the petition

4. The petitioner reported that it is the class entity that brings together companies that manufacture polyester fibers, and that the petition was filed on behalf of two national producers of the similar product under investigation: Ecofabril Indústria e Comércio Ltda. ("Ecofabril") and Indorama Ventures Fibras Brasil Ltda. ("Indorama").

5. Furthermore, the petitioner reported, in Appendix I to the petition, that, to the best of its knowledge, all other producers - Ober SA, Inylbra Indústria e Comércio Ltda., Etrúria - Indústria de Fibras e Fios Sintéticos Ltda. and Global Pet SA - would manufacture polyester fibers only for captive consumption. When questioned by DECOM about the source of such information, the petitioner clarified that [CONFIDENTIAL].

6. Seeking to confirm this information, DECOM sent SEI Official Letters No. 7565/2023/MDIC, 7588/2023/MDIC, 7589/2023/MDIC and 7590/2023/MDIC, all dated November 28, 2023, to companies mentioned by the petitioner in Appendix I to the petition: Ober SA, Inylbra Indústria e Comércio Ltda., Etrúria - Indústria de Fibras e Fios Sintéticos Ltda. and Global Pet SA, requesting information regarding the quantities of polyester fibers produced and sold in the Brazilian domestic market, as well as information regarding the identification of any national producers of this product.

7. Inylbra Indústria e Comércio Ltda., on a timely basis, on December 8, 2023, was the only company to provide its production data, confirming the statement that it produces exclusively for captive consumption. There were discrepancies in relation to the volumes reported by the domestic industry in response to the Supplementary Information Letter SEI No. 7617/2023/MDIC. DECOM considered the volumes provided directly by Inylbra. In addition, Inylbra also indicated the following list containing well-known national manufacturers of polyester fibers: Ecofabril Ind. e Com. SA, Ober S/A Ind Com, Global Pet Reciclagem S/A, Etruria Ind de Fibra e Fios Sint Ltda and Indorama

Ventures Fibers Brazil.

8. Despite minor discrepancies in the companies' names, the information provided by the petitioner regarding the domestic manufacturers was confirmed. It should be noted that an attempt was also made to confirm the information by means of searches carried out on the internet, on the websites of the domestic polyester fiber producers, without finding any discrepancies in relation to the information provided by the petitioner.

9. Furthermore, in compliance with the provisions of art. 37, §§1º and 2º, of Decree No. 8.058/2013, DECOM consulted, through SEI Official Letters No. 1501, 1502, 1503 and 1504/2024/MDIC, dated March 7, 2024, whether the companies characterized as other national producers would be interested in supporting or not the filed petition. The company Inylbra only asked questions about the content of the Official Letter, without indicating whether or not it supported the petition. Therefore, none of the companies responded to the Consultation in a timely manner.

10. Therefore, for the purposes of initiating the investigation, it was considered that the two national producers of the similar product under investigation on whose behalf the petition was filed - Ecofabril and Indorama - represented, in P5, 72.9% of the national production of the similar product. The table below

presents production by company and the respective representation of the domestic industry by period.

[RESTRICTED]							
Relationship between Imports from the Investigated Origins and National Production, in t							
	Indorama Ecofactory	Industry Domestic	Ober Etruria	Global Pet	Total Inylbra		ID/prod relationship national (%)
P1	[REST.]	[REST.] 68,691	[REST.] [REST.]	[REST.]	[REST.] 90,003	76.3%	
P2	[REST.]	[REST.] 54.146	[REST.] [REST.]	[REST.]	[REST.] 74,442	72.7%	
P3	[REST.]	[REST.] 69.133	[REST.] [REST.]	[REST.]	[REST.] 89,747	77.0%	
P4	[REST.]	[REST.] 72.071	[REST.] [REST.]	[REST.]	[REST.] 93,045	77.5%	
P5	[REST.]	[REST.] 57,828	[REST.] [REST.]	[REST.]	[REST.] 79,315	72.9%	

11. Therefore, the requirement for admissibility of the petition was considered to have been met under the terms defined in art. 37 of the Brazilian Regulation.

1.4 From the beginning of the investigation

12. Considering what was stated in SEI Opinion No. 834/2024/MDIC, dated March 20, 2024, having been verified the existence of sufficient evidence of dumping practices in exports of fibers of polyester from China, Malaysia, Thailand, Vietnam and India to Brazil, and damage to the industry domestic resulting from such practice, it was recommended that an investigation be initiated.

13. Accordingly, based on the aforementioned opinion, the investigation was initiated on 21 March 2024, through the publication in the Official Gazette of the Union (DOU) of Circular SECEX No. 11, of March 20, March 2024.

1.5 Notifications of initiation of investigation and requests for information from the parties interested

14. In compliance with the provisions of art. 45 of Decree No. 8,058 of 2013, the following were notified: regarding the initiation of the investigation, in addition to the petitioner, the governments of China, India, Malaysia, Thailand and Vietnam, the producers/exporters of the investigated origins and the importers identified through the official import data provided by the RFB, considering the analysis period as a parameter dumping (P5) and the other national producers identified, having been forwarded the electronic address where SECEX Circular No. 11, 2024, could be obtained.

15. Considering § 4 of the aforementioned article, it was also forwarded to the producers/exporters of the investigated origins and their respective governments the electronic address at which the full non-confidential text of the petition that gave rise to the investigation could be obtained.

16. Furthermore, as provided for in art. 50 of Decree No. 8,058 of 2013, the following were forwarded: to producers/exporters and importers, in the same notifications, the electronic addresses in which the respective questionnaires could be obtained, which had a return period of thirty days, counted from the date of notification, in accordance with Article 19 of Law No. 12,995 of 2014.

17. It is reported that, due to the high number of identified producers/exporters of the China, India, Thailand and Vietnam were selected to receive the questionnaires, from these origins, only producers whose export volume represented the largest reasonably large percentage investigable by DECOM, under the terms of art. 28 of the Brazilian Regulation. In this sense, the selected producers/exporters accounted for the largest reasonably large percentage investigable of the export volume of the exporting country. Thus, the following were selected: producers/exporters, based on the import data considered for the purposes of initiating the investigation:

- China: Guangdong Foshan Shunde Tonbon Chemical Fiber Co., Ltd. and Zhejiang Hengyi Petrochemicals Co., Ltd., responsible for [RESTRICTED]% of total exports from China to Brazil in P5;

- India: Reliance Industries Limited and Spice Textil, responsible for [RESTRICTED]% of total exports from India to Brazil in P5;

- Thailand: Indorama Polyester Industries Public Company Limited., Jiu Long Thai Co., Ltd. and Zhongthai Chemical Fiber Co., Ltd., responsible for [RESTRICTED]% of total exports from Thailand to Brazil in P5; and

- Vietnam: Nam Vang Ha Nam JSC, Vietnam New Century Polyester Fibre Co., Ltd. and Hai Thien Synthetic Fiber Limited Company., responsible for [RESTRICTED]% of total exports from Vietnam to Brazil in P5.

18. The other producers/exporters from China, India, Thailand and Vietnam, not selected, were informed about the existence of a selection, as well as the possibility of sending voluntary responses within the period of 30 (thirty) days, non-extendable, counted from the date of notification of initiation, in accordance with the caput of art. 50 of Decree No. 8,058 of 2013, and with art. 19 of Law No. 12,995 of June 18, 2014.

19. It should be noted that the governments and producers/exporters not selected from these countries were given the opportunity to express their views on the aforementioned selection.

20. In the case of Malaysia, only the producer/exporter Xin Da Spinning was identified. Technology SDN BHD, and for this reason, no selection was made.

21. It was observed, however, that the notification of initiation of this investigation to the importers listed below, sent through Circular Letter SEI No. 81/2024/MDIC, on March 22, 2024, was not sent to the electronic addresses of the interested parties maintained in the registration data of the Brazilian Federal Revenue Service (RFB), as intended in § 1 of art. 31 of SECEX Ordinance No.

162, of 2022: Abrantes & Sarmento Ltda., Acumuladores Moura SA, Atman Brasil Importer and Distributor of Components for Furniture Ltda., Carmex Disposables Industry Ltda., Clac, Águas Negras Spinning Ltda., Alpina Spinning Ltda., Fibertex Naotecidos Ltda., Import and Export Ltda. Mz Plumasul Ltda., Nova Fiação Industria Textil SA, Patex-Patamute Textil Ltda., Ronaldo Cezar Vilela., Rozac Trade Import and Export of Textile Products SA, Sabino Trading Ltda., Sultan Industry and Trade of Textile Artifacts Ltda., Tbm Textil - Industry and Trade SA, Text Comercial Ltda., The Lycra Company Industry and Trade Textile Ltda., Vequis Trade Import and Export Ltda.

22. Although the use of this registration data is not mandatory, it was decided to resend the notification, through Circular Letter SEI no. 104/2024/MDIC, and to restart the initial 30 (thirty-day) period for these recipients upon receipt of the aforementioned letter.

23. A similar situation occurred with the company Buriti Indústria e Comércio Ltda., which was notified about the restart of the deadline for submitting a response to the importer's questionnaire through SEI Official Letter No. 2141/2024/MDIC.

24. Several entities not initially identified by the investigating authority requested your recognition as an interested party in the investigation.

25. It was considered that the claims presented by the Union of Spinning, Weaving and Clothing Industries of Blumenau - Sintex (March 26, 2024), by the Brazilian Association of the Textile and Clothing Industry - Abit (April 1, 2024), by the Brazilian Association of Nonwovens and Technical Fabrics Industries - ABINT (April 9, 2024) and by the Brazilian Association of Suppliers of Textile Raw Materials - ABRATEX (April 10, 2024), based on art. 45, § 2º, II, of Decree

in 8,058 of 2013, were accompanied by sufficient elements to qualify them as representatives of the importers of the product subject to the investigation. Therefore, the approval of the requests was notified through SEI letters No. 2149/2024/MDIC (April 2, 2024), 2128/2024/MDIC (April 1, 2024), 2407/2024/MDIC (April 12, 2024) and 2459/2024/MDIC (April 15, 2024), respectively.

26. In turn, on April 10, 2024, the Union of Spinning and Weaving Industries in General of the State of Ceará - Sinditêxtil, the Brazilian Association of the Mattress Industry - ABICOL, Union of Weaving, Spinning, Thread, Dyeing, Printing and Finishing of Yarn and Fabrics Industries of Americana, Nova Odessa, Santa Bárbara D´Oeste and Sumaré (Sinditec), the Union of Industries of Clothing, Weaving and Spinning of Três Lagoas - MS - Sindivestil and Furniture Industry Union of Arapongas - SIMA, requested recognition as interested parties based on item V of § 2 of art. 45 of Decree 8,058, of 2013.

27. A detailed explanation was requested from these parties regarding their interest in the investigation in question and how their associates are affected by the dumping practice under investigation, through SEI letters Nos. 2531/2024/MDIC, 2534/2024/MDIC, 2537/2024/MDIC, 2539/2024/MDIC and 2540/2024/MDIC, all dated April 17, 2024. It should be noted that Sinditêxtil, Abicol, Sindivestil and Sima were considered to be entities representing the importers of the product subject to the investigation, while Sinditec was considered to be the representative of the domestic producers of the similar product.

28. After submitting a satisfactory response, the entities were notified, on May 6, 2024, about the approval of the requests through SEI letters nos. 2947/2024/MDIC, 2944/2024/MDIC, 2942/2024/MDIC, 2946/2024/MDIC and 2945/2024/MDIC.

29. The Union of Furniture Industries of Votuporanga - Sindmob, the Federation of Industries of the State of Paraná - FIEP, the Intermunicipal Union of Furniture Industries of the State of Mato Grosso do Sul - Sindimóvel, the Federation of Industries of the State of Mato Grosso do Sul - FIEMS, the Intermunicipal Union of Furniture Industries of Ubá - Intersind, the Union of Carpentry Industries, Wooden Furniture, Reed and Wicker Furniture and Brooms, Curtains and Upholstery of State of Pernambuco - Sindimóveis, the Furniture Industry Union of Mirassol (SIMM), The Association of Furniture and Wooden Artifacts Manufacturers of Paraíba (Amap) and the Union of Furniture Industries in the State of Ceará - Sindimóveis CE, on April 10, 2024, also requested their recognition as interested parties based on art. 45, § 2º, V, of Decree No. 8,058, of 2013.

30. Similarly, further details regarding its procedural interest were requested on April 17, 2024, through the following SEI letters, in this order: 2504/2024/MDIC, 2521/2024/MDIC, 2532/2024/MDIC, 2533/2024/MDIC, 2535/2024/MDIC, 2536/2024/MDIC, 2538/2024/MDIC, 2541/2024/MDIC and 2543/2024/MDIC.

31. The entities responded on April 29, 2024. However, it was considered that the interest in acting as "other interested parties" had not been adequately justified. Therefore, in view of the limited scope of a dumping investigation and the discretion conferred by the aforementioned regulatory provision, the applicants were notified of the rejection of the requests by means of SEI letters Nos. 2923/2024/MDIC, 2928/2024/MDIC and 2925/2024/MDIC, dated May 3, 2024, and SEI letters Nos. 2937/2024/MDIC, 2938/2024/MDIC, 2940/2024/MDIC, 2939/2024/MDIC, 2941/2024/MDIC and 2943/2024/MDIC, of May 6, 2024.

32. Finally, the Federation of Industries of the State of Santa Catarina - FIESC and the China Chamber of Commerce for Import and Export of Textiles - CCCT filed, on April 9 and 10, 2024, requests for recognition as interested parties in the investigation. FIESC did not indicate on which item of art. 45, § 2, of Decree No. 8,058, of 2013, its request was based. CCCT indicated that it was a representative of the producers/ exporters. Both were asked to present further details and

evidence of what was alleged, through SEI letters 2382/2024/MDIC, dated April 11, 2024, and 2454/2024/MDIC, dated April 15, 2024. However, until the cut-off date considered for the preparation of this document, the entities had not submitted a response to the letters, which is why the recognition sought did not occur.

33. In addition to the entities mentioned above, the Chinese producer/exporter Jiangyin Hailun Chemical Fiber Co. Ltd., not initially identified by the investigating authority, requested to be recognized as an interested party in the investigation by means of a protocol made on June 19, 2024. Given that the aforementioned company proved to have exported the product subject to the investigation during the dumping investigation period, it was considered an interested party, under the terms of item "III" of § 2 of art. 45 of Decree No. 8,058, of July 26, 2013. The company was informed about this by means of official letter SEI No. 4664/2024/MDIC, of July 10, 2024.

34. [RESTRICTED].

1.6 Receipt of requested information

1.6.1 From the petitioner

35. Abrafas presented the information in the petition to initiate this investigation and was asked to provide additional information through Official Letter SEI No. 7618/2023/MDIC. The response to the official letter was filed in a timely manner on December 8, 2023.

1.6.2 From other national producers

36. No response to the questionnaire was submitted by other national producers.

1.6.3 Importers

37. The companies Suominen Brasil Indústria e Comércio de Não-Tecidos Ltda., Fitesa Nãotecidos SA, Hedrons Têxtil Ltda., Lynel Indústria Têxtil Ltda., Costa Rica Malhas e Confecções Ltda., Rozac Comércio Importação e Exportação de Produtos Têxteis SA, Austex Indústria e Comércio Ltda. and TBM Têxtil Bezerra de Menezes S/A submitted timely responses to the importer's questionnaire, after a request for an extension of the deadline. All of them received an official letter requesting additional information and submitted a timely response, after the request for an extension of the deadline was requested and granted.

38. In turn, the companies Embravision Trading Comércio Importação e Exportação Ltda., Stamp Lite Ltda. and Superfios Têxtil Ltda., despite having requested and obtained an extension of the deadline, did not submit a response to the questionnaire.

39. The importers Flexport Importação e Exportação de Produtos Eletrônicos Ltda. and Cia. de Fiação e Tecidos Cedro e Cachoeira, although they also obtained an extension of the deadline, submitted their responses to the importer's questionnaire late on May 14 and June 5, 2024, respectively. The lateness and the consequent disregard of the responses were communicated through SEI letters nos. 3287/2024/MDIC and 4194/2024/MDIC.

40. MZ Plumasul Ltda. and Fibertex Naotecidos Ltda. timely submitted their response to the importer's questionnaire within the originally granted period. Additional information was requested from both parties, with MZ Plumasul filing a timely response and Fibertex abstaining from doing so. In any case, the two importers failed to regularize the qualifications of the legal representatives who submitted the response to the questionnaire within the 91-day period, counted from the start of the investigation, as provided for in § 6 of SECEX Circular No. 11 of 2024. In view of this, they were notified, through SEI letters Nos. 4580/2024/MDIC and 4585/2024/MDIC, that the responses to the questionnaire would be disregarded, pursuant to art. 4 of SECEX Ordinance No. 162 of January 6, 2022.

41. Finally, the company Processo Industrial Fabricação de Filtros e Mangas Ltda. submitted a response to the importer's questionnaire within the originally granted deadline. However, it did not submit a digitally signed power of attorney using a digital certification issued within the scope of the Brazilian Public Key Infrastructure - ICP-Brasil within the 91-day period referred to in § 6 of SECEX Circular No. 11 of 2024, in non-compliance with art. 17 of Law No. 12,995 of June 18, 2014.

1.6.4 From producers/exporters

42. As mentioned in item 1.5, the following producers/exporters were included in the selection referred to in art. 28 of Decree 8,058 of 2013, based on the volume of investigated imports considered for the purposes of initiating the investigation:

- China: Guangdong Foshan Shunde Tonbon Chemical Fiber Co., Ltd. and Zhejiang Hengyi Petrochemicals Co., Ltd., responsible for [RESTRICTED]% of total exports from China to Brazil in P5;

- India: Reliance Industries Limited and Spice Textil, responsible for [RESTRICTED]% of total exports from India to Brazil in P5;

- Thailand: Indorama Polyester Industries Public Company Limited., Jiu Long Thai Co., Ltd. and Zhongthai Chemical Fiber Co., Ltd., responsible for [RESTRICTED]% of total exports from Thailand to Brazil in P5; and

- Vietnam: Nam Vang Ha Nam JSC, Vietnam New Century Polyester Fibre Co., Ltd. and Hai Thien Synthetic Fiber Limited Company., responsible for [RESTRICTED]% of total exports from Vietnam to Brazil in P5

43. In the case of Malaysia, only the producer/exporter Xin Da Spinning was identified. Technology SDN BHD, and for this reason, no selection was made.

44. Of these, the companies in the Hengyi group (China), Reliance (India), Zhongthai (Thailand), New Century (Vietnam) and Xin Da (Malaysia) requested an extension of the deadline to respond to the producer/exporter questionnaire and submitted responses to the questionnaire within the extended deadline. Additional information was also requested, which, after requests for an extension of the deadline, was submitted in a timely manner, with the exception of the company New Century, whose deadline for responding to the request for additional information was exceptionally extended to October 11, 2024 due to force majeure.

1.7 Existence of a relationship or association between interested parties

45. According to information contained in the response to the questionnaire from the producer/exporter sent to Zhejiang Hengyi Petrochemical Co., Ltd., four other companies that are part of the Hengyi group were involved in the production/exports of the investigated product to Brazil. Therefore, the following companies comprised the information in the response to the questionnaire: Zhejiang Hengyi Petrochemical Co., Ltd. ("Hengyi Petrochemical"), Zhejiang Hengyi High-Tech Materials Co., Ltd. ("Hengyi High-Tech"), Shaoxing Keqiao Hengming Chemical Fiber Co., Ltd. ("Shaoxing Keqiao"), Fujian Yijin Chemical Fiber Co., Ltd. ("Fujian Yijin"), and Suqian Yida New Materials Co., Ltd. ("Suqian Yida").

46. In this document, companies will be referenced either individually by their own denominations, or collectively as "Hengyi group".

1.8 On-site inspections

1.8.1 On-site inspections in domestic industry

47. Based on § 3 of art. 52 of Decree No. 8,058 of 2013, an on-site verification was carried out at the facilities of Ecofabril, from June 10 to 14, 2024, and of Indorama, from July 8 to 12, 2024, with the aim of confirming the information provided in the petition and in the information

complementary.

48. The procedures set out in the verification scripts previously sent to the companies were followed and the information referred to above was validated, after the relevant adjustments were made, as indicated in the verification reports attached to the case file on September 12, 2024. The domestic industry indicators contained in this document already incorporate the results of the verification carried out.

49. The restricted and confidential versions of the on-site verification report are contained in the respective case files and supporting documents were received on a confidential basis.

1.8.2 On-the-spot inspections at producers/exporters

50. Considering the provisions set out in item 1.6.4 of this document, based on art. 175 of Decree No. 8,058 of 2013, DECOM notified the companies listed below of its intention to carry out an on-site verification, with the aim of confirming and obtaining further details about the information provided by the company in its responses to the questionnaires and requests for additional information:

a) Hengyi Group (Zhejiang Hengyi High-tech Materials Co., Ltd. and Shaoxing Keqiao Hengming Chemical Fiber Co., Ltd.): SEI Official Letter No. 4797/2024/MDIC, dated July 16, 2024;

b) Vietnam New Century Polyester Fibre Co., Ltd: SEI Official Letter No. 4807/2024/MDIC, dated July 17 of 2024;

c) Zhongthai Chemical Fiber Co., Ltd.: SEI Official Letter No. 4810/2024/MDIC, dated July 17, 2024;

d) Reliance Industries Limited: SEI Official Letter No. 4932/2024/MDIC, dated July 29, 2024; and

e) Xin Da Spinning Technology SDN BHD: SEI Official Letter No. 4933/2024/MDIC, dated July 29, 2024.

51. All companies agreed in a timely manner to carry out on-site verification in the periods indicated below:

a) Hengyi Group: August 19 to 30, 2024;

b) Vietnam New Century Polyester Fibre Co., Ltd: October 14-18, 2024;

c) Zhongthai Chemical Fiber Co., Ltd.: October 21-25, 2024;

d) Reliance Industries Limited: September 23 to 27, 2024; and

e) Xin Da Spinning Technology SDN BHD: September 30 to October 4, 2024.

52. The on-site inspections at the Hengyi Group and Reliance took place within the period considered for the preparation of this document, however, the respective on-site inspection reports were not attached to the case file.

53. The remaining procedures were scheduled for after the cut-off date considered. Therefore, the results of all these procedures will be addressed at the time of the Technical Note on Essential Facts, which will be made available according to the schedule detailed in item 1.11.

1.8.2.1 Comments on on-site verification in the domestic industry

54. On June 10, 2024, the Brazilian Association of Nonwovens and Technical Fabrics Industries (ABINT) presented questions to be clarified during the on-site inspection at Ecofabril regarding the conditions of the manufacturing plant, quality control and the destination markets for the polyester fibers produced by it.

55. The Association asked whether Ecofabril had made investments in its manufacturing plant to meet quality control demands regarding the products produced and made available to the market and how often inspections would be carried out at the manufacturing plant. Furthermore, the complainant asked whether there would be an external verification system contracted by Ecofabril to periodically check the conditions of its plant and whether there would also be pest control.

56. Regarding the production process, ABINT questioned whether all polyester fibers, regardless of the destination market, would undergo the same production process and whether the treatment given to the raw material (recycled PET bottles) would change depending on the destination market.

57. Regarding the storage of the fibers produced, the complainant asked whether all the fibers produced would be stored in the same way and in the same warehouse and whether this storage warehouse would be located in the same environment as the treatment of post-consumer products. In addition, the complainant asked whether the stored products would be covered with materials to prevent post-production contamination.

58. ABINT requested details regarding the quality control of the polyester fibers produced by Ecofabril and the contamination limits accepted by the company and whether these limits may vary according to the end customer.

59. Still on contamination, ABINT asked about the expected contamination rate in a single batch of fibers produced by Ecofabril and whether the company Ecofabril would monitor the levels of chemical contaminants in the PET bottles used as raw material and whether this eventual monitoring would be carried out by a technical area regulated by a government agency.

60. Finally, the Association inquired whether Ecofabril had any clients operating in the nonwovens segment focused on personal hygiene products and, if not, asked the company to justify the reason.

61. On July 10, 2024, ABINT presented questions along the same lines to be clarified during the on-site verification, this time in Indorama.

62. Regarding the issue of contamination, instead of inquiring about chemical contaminants, the Association asked whether Indorama would monitor levels of heavy metals in the polyester fibers produced and whether any such monitoring would be carried out by a technical area regulated by a government agency. In addition, it asked whether the product produced by Indorama would have any safety certification.

1.8.2.2 DECOM's comments on the demonstrations

63. In order to adequately address the comments made by ABINT regarding on-site verification in the domestic industry, it is necessary to first recall the objective and inherent characteristics of this type of procedure.

64. The Anti-Dumping Agreement, in its Article 6.7, although it specifically refers to checks conducted on producers/exporters, establishes as its objectives to check the information submitted or to obtain additional details:

6.7 In order to verify information provided or to obtain further details, the authorities may carry out investigations in the territory of other Members as required, provided they obtain the agreement of the firms concerned and notify the representatives of the government of the Member in question, and unless that Member objects to the investigation. The procedures described in Annex I shall apply to investigations carried out in the territory of other Members. Subject to the requirement to protect confidential information, the authorities shall make the results of any such investigations available, or shall provide disclosure thereof pursuant to paragraph 9, to the firms to which they belong and may make such results available to the applicants. (emphasis added)

65. The Dispute Settlement Body (DSB) of the World Trade Organization (WTO) aligns itself with the reading of a possible bipartite purpose of the on-site verification, as can be seen from the decision of the Panel in case DS156 - Guatemala - Cement II:

8.203 Although Annex I(7) provides that the "main purpose" of the verification visit is to verify information already provided, or to obtain further details in respect of that information, it also provides that an investigating authority may "prior to the visit . .. advise the firms concerned ... of any further information which needs to be provided". Since there would be little point in advising a firm of "further information ... to be provided" in advance of the verification visit if the investigating authority were precluded from examining that "further information" during the visit, we consider that the phrase " further information ... to be provided" refers to information to be provided during the course of the verification. Mexico's view that an investigating authority may only verify information submitted prior to the verification visit is not consistent with this interpretation of Annex I(7).

8.204 In response to a question from the Panel, Mexico argues that the phrase "any further information ... to be provided" refers to accounting information to be provided by the verified company during verification in order to substantiate the information previously supplied to the investigation authority.
We note, however, that the phrase does not read "any further accounting information ... to be provided". The term "information" is not qualified in any way by the express wording of Annex I(7), and there are no elements in the context which plead for such qualification.

8.205 Furthermore, we note that the last phrase of Annex I(7) refers to on-the-spot requests for further details to be provided in light of "information obtained". Thus, although it should be "standard practice" to advise firms of additional information to be provided in advance of the verification visit, this does not preclude an investigating authority from requesting "further details" during the course of the investigation, "in light of the information obtained". In our view, the reference to "information obtained" cannot mean the information obtained from the exporter in advance of the verification visit, since (consistent with "standard practice") requests regarding that information should be made prior to the visit, and not during the course of the investigation. Accordingly, the "information obtained" must refer to information obtained during the course of the verification visit, since it is only information obtained during the course of a verification visit which may prompt a request for further details during the course of the verification visit. The last phrase of Annex I(7) therefore confirms our understanding that an investigating authority may seek new information during the course of the verification visit.

66. As noted, in light of multilateral regulations, the on-site verification must be designed with the aim of checking the information previously submitted by the verified party or, even, obtaining additional details.

67. Decree No. 8,058 of 2013, in turn, in a stricter orientation, refers to the on-site verification in §§ 1º to 3º of its art. 52, after stating, in the caput, that "[the] DECOM will seek, in the course of the investigations, to verify the accuracy of the information provided by the interested parties". (our emphasis)

68. In any case, it should not be forgotten that this is a very limited timeframe, which encompasses, especially in the case of domestic industry, a significant volume of information to be checked. In fact, the aim is to validate data, mainly of an accounting nature, relating to five years of operation and touching on a myriad of aspects related to the company's economic and financial performance, such as sales volume, net revenue earned, profitability, employment, payroll, inventories, costs, among others.

69. Therefore, a balance is inevitably required between the volume of information to be obtained and verified and the time available for this purpose (normally five working days).

70. In line with this understanding, the OSC has already expressed its views - albeit in the specific context of information submitted by the party verified during the procedure - on the balance to be sought by the investigating authority during an on-site verification, as can be seen from the decision of the Appellate Body in the China - HP-SSST (Japan) case:

5.74. The requirement that investigating authorities "satisfy themselves as to the accuracy of the information supplied by interested parties" does not mean that they are under an obligation to accept and use all information that is submitted to them. Circumstances will vary, and investigating authorities have some degree of latitude in deciding whether to accept and use information submitted by interested parties during on-the-spot investigations or thereafter. That latitude is limited, however, by the investigating authority's obligation under Article 6.6 to ensure that the information on which its findings are based is accurate, and by the legitimate due process interests of the parties to an investigation. An investigating authority must balance these due process interests with the need to control and expedite the investigating process. This balance between the due process interests of the parties and controlling and expediting the investigating process applies throughout the investigation, including during on-the-spot investigations. (emphasis added. Footnotes omitted)

71. In light of the preliminary notions presented, an attempt was made, during the on-site inspections carried out at the domestic industry, to obtain as much clarification as possible that could help to better understand the operation of Ecofabril and Indorama, without neglecting, obviously, the aim of guaranteeing the accuracy of the information previously provided.

72. The following are excerpts from the on-site inspection report at Ecofabril, which address aspects raised regarding the quality control of its products, including storage methods, monitoring of contaminants and pest control:

41. The next step consists of grinding the [CONFIDENTIAL]. The material is ground in a mill resulting in the flake not yet completely clean. The company clarified at this point that between the bale entering the production process and its transformation into flake there is a loss of
[CONFIDENTIAL]% on average.

42. Next, the flake obtained enters the washing/decontamination stage. At this point, hot water, detergent, and caustic soda are used to purify the material and separate [CONFIDENTIAL] residues. The separation, as explained, occurs due to the difference in density.
The flake is then sent for drying and crystallization to detect the presence of metal and other contaminants. Finally, the company explained that the flake would be separated to remove any other types of polymers, such as PVC. The polymer crystallization and drying process is necessary to ensure that the yarn does not degrade and is able to pass correctly through the die.

43. At that time, the company stated that the first contamination assessment would take place. Quality control would be carried out in two laboratories. One of these laboratories is used to measure the contamination of the material by the presence of PVC through the use of an oven. In addition to this control, there would be a moisture analysis that occurs in two stages, one after washing and another when the flake is introduced into the extruder. This second stage would be carried out weekly.

44. However, when questioned about other contaminants, it was said that there would be no other monitoring of the "chemical contaminants" of [CONFIDENTIAL], given that it would be understood that washing the flake would be sufficient, with only the control of contamination of the flake by PVC remaining necessary.

45. Finally, the flakes are stored in silos or big bags, and are then used for feed the extrusion stage.

[...]

50. Some clarifications were obtained from the company representatives. Firstly, it was explained that the title is defined in the spinning and drawing stages. It was also clarified that the crimp rate - defined as the number of waves per cm - would be determined in the crimping stage. In addition, they informed that for each title there would be an optimum "crimp" range. As for tenacity, they defined it as the fiber's ability to resist the force and length of elongation until it is broken.

They explained that there is equipment, seen in the quality control laboratory, that measures how much force is applied to the fiber until it breaks. Furthermore, they stated that low tenacity fibers do not pass the spinning process and, therefore, would not be suitable for the textile sector.

51. They explained that there is a piece of equipment on the production line called a "calender" that increases the tenacity of the fibers. This step occurs after the drawing step and would only be present on their production line no. 5, which is discontinuous. The calender applies heat treatment which results in an increase in the tenacity of the fiber. Furthermore, they explained that in the production of a fiber that does not require this type of treatment, the product passes through the calender but does not receive heat treatment.

52. Regarding the ensizing, they clarified that there would be the one carried out by Ecofabril itself, necessary for the production process, carried out in the extrusion stage and in the drawing stage. In addition to these, there is the ensizing carried out in the finishing stage, carried out at the end of the process since it would not need to go through drying, and the silicone ensizing, which occurs before drying.

53. In addition to the aforementioned quality control carried out on the raw material, the company carries out another quality control, this time to analyze the fiber. In this procedure, the tenacity, elongation, title, crimp, length, ensimagem content, that is, the amount of ensimagem in relation to the weight of the fiber, color, and the presence of plasticized/malformed fibers are evaluated.

54. The finished product is stored at the end of the production process. The company clarified that it does not have different warehouses for storing different types of fibers. At Ecofabril, the fibers are stored in two warehouses, one in the production area and the other in logistics. The fibers are protected in the warehouse with raffia blankets, a polypropylene fabric.

55. Ecofabril also reported that there is pest control in its plant, with changing baits every fifteen days and general maintenance with specific applications every 30 days.

73. Regarding the products manufactured by the company, production process and markets served, the following was reported:

22. The company reported that it would operate mainly in three fiber-consuming segments: 1) textile production; 2) fibers for "stuffing" (used to make pillows, furniture, toys, among others); and 3) production of non-woven fabrics, the latter indicated as the main segment served by Ecofabril.

23. In addition to these segments, it also indicated that it produces polypropylene fiber with which it would serve the geosynthetic products segment (such as blankets used in landfills) and would serve the automotive industry, with the capacity to supply this industry with a palette composed of more than [CONFIDENTIAL] colors. However, it clarified that this segment would represent a small portion of its total revenue, corresponding to approximately [CONFIDENTIAL]

[CONFIDENTIAL]%.

24. On this occasion, the company was specifically questioned about the product it produces. Regarding this topic, the company began by explaining that it is capable of producing fibers with titles ranging from [CONFIDENTIAL] dtex and with a cut that can vary from [CONFIDENTIAL] mm. Furthermore, the company indicated that it produces the following types of fiber: [CONFIDENTIAL]. Regarding the fiber with a cross section [CONFIDENTIAL] "trilobal", used for carpet production, it stated that the market that would demand this type of fiber had decreased too much in Brazil.

[...]

26. The company then stated that the fiber content would be related to the industrial sector served. From this perspective, the textile segment would primarily use virgin fibers with content between 1.4 and 1.7 dtex. In turn, the segments that use fibers for filling would prefer fibers that have more volume with content of 3.3 dtex, using both virgin and recycled fibers. Finally, it highlighted that the nonwovens producing sector would prefer fibers with content of 7, 11 or 14 dtex.

27. Specifically regarding the textile segment, the Ecofabril representative stated that with virgin fiber it would be easier to achieve lower titles when compared to recycled fiber. The company representative even admitted that, even with recycled fiber, it would be possible to achieve lower titles for this segment, however, the associated costs would be higher. Regarding the subject, he reported that the company had invested in the acquisition of [CONFIDENTIAL] to serve the textile sector.

28. At this point, specifically regarding companies that manufacture wet wipes, the company representative stated that they had already supplied fibers to some of these manufacturers. However, the company's perception was that different standards would be required for the approval of new suppliers by these customers, which would lead these companies to choose to maintain relationships with their already approved suppliers.

29. Then, regarding further questions about the product, the company representative claimed that there would be no direct correlation between the type of fiber being virgin or recycled and the price charged. He added that the recycled fiber would depend on the behavior of the price of oil and the market for PET bottles for recycling.

30. He explained that he would not identify any difference between virgin fiber and recycled fiber in the segments that Ecofabril serves. In this regard, he only distinguished that virgin fiber would be more suitable for the production of thinner products and also for products that would require a higher degree of whiteness, given that, at times, recycled fiber would not be able to meet the technical requirements.

31. Continuing with his presentation, the company representative stated that during the COVID-19 pandemic, customers who imported the product from China had started to consume the product produced by the domestic industry, given the increase in freight costs during that period, as well as the closure of ports in that country at a certain point. Furthermore, he argued that there was also an increase in the demand for polyester fibers for the production of non-woven fabrics for masks during the pandemic. However, he stated that this demand had currently decreased.

32. Furthermore, the company representative stated that, of the segments it serves, those most affected would be those consumers of hollow fibers.

[...]

36. When asked about its production process, the company stated that there was no differentiation in its production process depending on the target market. The only differentiation would be based on the type of fiber to be produced and the suitability of the most appropriate production line to be used, in this case, the [CONFIDENTIAL] production line or the [CONFIDENTIAL] production line.

37. It then clarified that hollow fibres, for example, would be produced on the [CONFIDENTIAL] production line, given that the die on that line would be more suitable for the [CONFIDENTIAL] type hole required for the production of that type of fibre, in addition to having a higher speed which would contribute to its better formation. On the other hand, fibres intended for the production of non-woven fabrics could be produced on either of the two types of production lines existing in the factory.

74. Finally, with regard to the presence of heavy metals in the fibers produced by Indorama, says the following from the report of the verification carried out at its facilities:

25. Regarding fibers free of heavy metals, the company reported that, for its production, [CONFIDENTIAL]. The company, [CONFIDENTIAL].

75. Therefore, considering the intrinsic limitations of an on-site verification procedure, the investigating authority adopted a diligent stance in seeking in-depth knowledge of the particularities of production and the markets served by the domestic industry, which were, respecting the legitimate protection of confidential information, made available in the procedural records, maximizing the conditions for exercising the adversarial system and full defense by the other parties.

interested.

1.9 Request for hearing

76. Please note that interested parties have a period of five months to request hearing, counting from the beginning of the investigation, in accordance with § 1 of art. 55 of Decree No. 8,058 of 2013.

77. In this regard, a request for a hearing was filed in a timely manner on August 13, 2024 by Sintex together with a coalition of interested parties, hereinafter referred to as the Coalition, with the purpose of addressing issues related to the delimitation of the scope of the investigation and the definition of the CODIP, investigated imports and market segments served by Indorama and Ecofabril, damage and causal link.

78. Therefore, a hearing will be held by videoconference on November 22, 2024, at 9 am. via the Microsoft Teams app.

79. For procedural economy, all interested parties will be notified of the hearing. together with notifications of the publication of the preliminary determination referred to in this document.

80. The parties will be informed that they will have the regulatory deadlines to submit statements on arguments to be addressed at the hearing and to indicate representatives, in accordance with §§ 3 and 5 of art. 55 of the Brazilian Regulation.

1.10 Extension of the investigation

81. Considering the high volume of information presented within the scope of this investigation, especially due to the active participation of several interested parties, it is recommended that the deadline for completion of the aforementioned investigation be extended to up to 18 months, counted from its start, as provided for in art. 72 of Decree No. 8,058 of 2013.

1.11 Investigation deadlines

82. The table below shows the deadlines referred to in articles 59 to 63 of Decree 8,058 of 2013, as established by § 5 of art. 65 of the Brazilian Regulation.
It should be noted that these deadlines will serve as a parameter for the remainder of this investigation:

Legal provision	Deadlines	

Decree No. 8,058 of 2013		Expected dates
art.59	Closing of the evidentiary phase of the investigation	December 27, 2024
art. 60	Closing of the phase of manifestation regarding the data and information contained in the records	January 20, 2025
art. 61	Disclosure of the technical note containing the essential facts that are being analyzed and that will be considered in the final determination	February 12, 2025
art. 62	Closing of the deadline for the submission of final statements by interested parties and closing of the investigation phase of the process	March 6, 2025
art. 63	Issuance, by DECOM, of the final determination report	March 26, 2025

2. PRODUCT AND SIMILARITY

2.1 The product subject to the investigation

83. The product under investigation is synthetic polyester fibres, which include fibres of recycled or virgin origin. The product subject to the petition, in English, is defined as "polyester staple fibre" or PSF.

84. The products are composed of poly(ethylene) terephthalate polymer, known as polyester or virgin polymer, which can be obtained through two production routes: DMT (Dimethyl Terephthalate + MEG) or PTA (Pure Terephthalic Acid + MEG: Monoethylene Glycol). In the case of recycled products, the product is manufactured mainly from post-consumer bottles.

85. They can be produced as chopped fibres or continuous fibres, each suitable for different methods of yarn production. In general, DETEX or DEN is used as the unit of measurement and they can be presented in bale form. The transformation from denier (linear density corresponding to 9000 m/g) to dtex (linear density, corresponding to 10000 m/g) can be done by multiplying the quantity in denier by 1.11.

86. The polyester fibers subject to the investigation are not processed through the carding and combing processes, and are characterized as uncarded and uncombed. Regarding the meaning of "uncarded", the petitioner explained that it refers to fiber cut into bales, not yet subjected to the industrial process; in this case, carding. In more detail: it would mean that the fiber was not processed in the carding equipment, which is a piece of equipment that processes the fibers in a certain way by combing them, providing the opening and individualization of the fibers, with the subsequent formation of a fiber strand or cable, or a veil. On the other hand, the "uncombed" fiber characterizes the fiber cut into bales, not yet subjected to the industrial process; in this case, carding and combing. According to information provided by the petitioner, in other words, it means that the fiber was not processed in the combing equipment.

In this equipment, after carding the fibers, the sliver formed is processed, providing longitudinal orientation of the fibers, increasing resistance and reducing the thickness of the cable.

87. According to the petitioner, the product is widely used in the textile industry for the production of a variety of products, such as clothing in general, sheets, pillowcases, upholstery fabrics, carpets, ropes, tarpaulins, etc. Due to its strength, durability and ability to maintain shape, polyester fibers are also used in industrial applications, such as conveyor belts and geotextiles for soil stabilization.

88. The supply chain would include manufacturers, distributors and resellers. In the case of imported products, foreign manufacturing companies would sell their products to trading companies, which would resell them to spinning and weaving companies, or these would be direct importers.

89. Regarding the substitutability of recycled synthetic polyester fiber with virgin synthetic polyester fiber, the petitioner reported that recycled synthetic polyester fiber satisfactorily meets all the technical characteristics required by customers, without any demerit in relation to the characteristics presented by virgin synthetic polyester fiber.

90. Regarding price, it was clarified that, in general, recycled fiber has lower prices, but with a very small percentage difference, generally around 3% and 5%. However, depending mainly on the demand for recycled PET (which changes its prices), the international prices charged by the petrochemical industry and the exchange rate, which impacts the prices of the national petrochemical industry in reais, virgin fiber may have prices that are equal to and in some specific cases lower than the prices charged for recycled fibers.

91. In this regard, the petitioner clarified that, in addition to quality and prices, other criteria influence customers' purchasing decisions, such as customer service, technical support, stock availability and, mainly, some specific characteristic required for its use and that the customer is looking for. These characteristics could be related to the color of the fiber, type of imaging, cut and grade. The fiber with the characteristic that the customer is looking for could be made available by the supplier that works with virgin fiber and not by the one that works with recycled fiber, or vice versa.

92. Regarding the production process of the investigated sources, the petitioner reported that they are similar to those of the national industry: in the case of the production process that uses recycled fiber, PET bottles are pressed and organized into bales. The bottles in these bales are ground and subsequently washed (decontaminated). At the end of these two stages, PET resin flakes are obtained.

[CONFIDENTIAL].

93. Regarding such phases of the production process, the petitioner clarified that [CONFIDENTIAL].

94. In the case of the production process that uses virgin fiber, practically all of the polyester is produced by a continuous process, treated by the industry as "PC" (continuous polymerization process), from two production routes: DMT (Dimethyl Terephthalate + MEG) or PTA (Pure Terephthalic Acid + MEG: Monoethylene Glycol).

95. Abrafas highlighted that, to the best of its associates' knowledge, there are no other production routes for manufacturing polyester fibers other than recycled fiber or virgin fiber - in the latter case, via DMT (Dimethyl Terephthalate + MEG), which is currently uncommon, or PTA (Pure Terephthalic Acid + MEG). The petitioner highlighted that, in the early days of this industry, DMT (Dimethyl Terephthalate) and MEG (Monoethylene Glycol) were used; in addition, companies produced the polymer, mainly, in discontinuous, batch processes, called "PDP" (discontinuous polymerization process), typically in two reactors: esterification and autoclave.

96. PTA is a white powder, which is included in a mixer together with MEG, in a certain proportion between them - [CONFIDENTIAL].

97. During the liquid stage of polyester formation, other substances are used. [CONFIDENTIAL]. In the case of film grade polymer production, other additives are used to establish specific properties - such as resistivity, Diethylene Glycol content (% m/m) and color.

98. Polymerization is performed in [CONFIDENTIAL].

99. [CONFIDENTIAL].

100. In spinning, polymers are extruded through the spinneret and instantly solidified by the flow of air with controlled temperature, humidity and speed, previously defined, existing in each position. The filaments thus produced are grouped together to form a bundle, receiving the deposition of a protective emulsion, called ensimagem. [CONFIDENTIAL].

101. [CONFIDENTIAL].

102. In the next step, the cables from several pots are brought together and pulled by a machine - the stretching machine - close to the glass transition temperature of the polyester, so that they can be plastically deformed. Depending on the product, [CONFIDENTIAL].

103. The next step is to stabilize the mechanical properties, which is done by heat treating the filaments under tension, using heated cylinders - calenders - with surface temperatures between [CONFIDENTIAL].

104. The next step is one of the most important in preparing the polyester fiber for subsequent transformation steps. It involves deforming the filaments, generating "waves", called crimping. Subsequently, the crimped fiber is heat-treated and the existing moisture is eliminated, as well as equilibrium in a dryer. The blanket is then sent to a cutter, where the fibers are cut according to lengths previously agreed with the customer, depending on the subsequent transformation processes. The most typical are: [CONFIDENTIAL].

105. Finally, the cut fiber will be packaged in equipment known as a press, forming a bale of pre-defined weight, containing various information - in addition to the product identification - for later traceability. Finally, the bales are placed in a warehouse, from where they are sent to end customers.

106. According to the petitioner, polyester fibers are not subject to standards or technical regulations in Brazil.

107. It was concluded, for the purposes of this analysis, in accordance with art. 10 of Decree 8,058 of 2013, that the product subject to the investigation encompasses products that have similar physical characteristics, chemical composition and market characteristics.

2.1.1 Of the product manufactured by Hengyi Group

108. In its response to the producer/exporter questionnaire, the Hengyi Group reported producing virgin polyester fibers with a cross-section of [CONFIDENTIAL] with the following grades: [CONFIDENTIAL] dtex. Each of these grades presents differences in terms of cross-section, thickness and length of the fiber and the uses vary depending on the [CONFIDENTIAL]. Even within the same grade, the characteristics may still vary.

109. According to the company's report, the production process basically begins with the raw materials PTA and MEG, mixed to form the "melt", which goes through an extrusion stage to form long strands. The strands are cooled in the spinning process to harden into fibers, and the fiber is stretched in a hot chemical bath. When necessary, oils are applied to soften the fiber.

110. The company reported having production plants in the following units: [CONFIDENTIAL].

2.1.2 Of the product manufactured by Vietnam New Century Polyester Fibre Co., Ltd.

111. In its response to the producer/exporter questionnaire, VNC stated that it exclusively produces recycled polyester fibres on two production lines, one for conjugate fibres and one for non-conjugate fibres.

112. According to information contained in the company's electronic address indicated in the aforementioned response, VNC is capable of producing polyester fibers between 4 denier and 22 denier and with lengths of 32, 51, 64 or 76 mm.

113. VNC's production process begins with the evaluation of the raw material [CONFIDENTIAL] before use. The raw materials and other inputs then go through the [CONFIDENTIAL] stages. After [CONFIDENTIAL], the fibers are rolled and grouped into bales.

114. The next stage is [CONFIDENTIAL]. The fibers are then [CONFIDENTIAL], cut and dried and finally packaged.

2.1.3 Of the product manufactured by Xin Da Spinning Technology SDN BHD

115. In its response to the producer/exporter questionnaire, Xin Da Spinning Technology declared that it produces polyester fibres of [CONFIDENTIAL] cross-section of [CONFIDENTIAL] counts.
Denier. Each of these categories differs in terms of hollow cross-section, fiber fineness and length, number of crimps, crimp index, melt and defect fiber content, whiteness index, moisture content, elasticity, and specific resistance of the fiber to electricity. Even within the same category, characteristics may vary depending on the required fiber length and the application of silicone oil.

116. Xin Da produces only recycled fibers from used PET bottles. According to the company's report, the production process begins with cleaning and washing the PET bottles with hot water, followed by crushing the bottles to obtain flakes and separating them by color. The flakes are then dried and melted and extruded to form long strands. The strands are cooled in the spinning process to harden into fibers, and the fiber is stretched in a hot chemical bath, at which point it is considered a finished product. When necessary, silicone oil is applied to soften the fiber.

117. The company reported having a production plant, with a single production line, entirely dedicated to the production of polyester fibers.

2.1.4 Of the product manufactured by Zhongthai Chemical Fiber Co., Ltd.

118. In its response to the producer/exporter questionnaire, Zhongthai Chemical Fiber stated that it produces hollow cross-section polyester conjugated fibers with deniers such as 3, 7, 15 and 25 Denier. The producer/exporter cited some applications of the product, such as home textiles, car interiors, clothing, sofas, among others.

119. The fiber produced by Zhongthai Chemical Fiber is of recycled origin, using PET bottle flakes as raw material. The production process begins with the crushing of recycled PET bottle flakes, which are then washed with hot water at approximately 95° Celsius. After washing, the flakes are transported to a storage silo. From there, the flakes are transported via conveyor belts to a drum dryer for initial drying. Once partially dried, the flakes pass through pipes to a vacuum tank. After vacuum treatment, the flakes enter an extruder, where they are melted and extruded through a spinneret to form fibers of uniform thickness through the force of gravity. The fibers are then wound and bundled into storage barrels.

These bundles are subsequently pulled by a drawing machine to the length requested by the customer. Finally, the fibers are thermally fixed in an oven and packaged for
storage.

120. The company reported that it has a production plant, with two lines dedicated to
manufacture of polyester fibers.

2.1.5 Product manufactured by Reliance Industries Limited

121. In its response to the producer/exporter questionnaire, Reliance reported that it produces [CONFIDENTIAL] polyester fibres of [CONFIDENTIAL] grade. As to cross-section, Reliance reported that the fibres were [CONFIDENTIAL].

122. The production of polyester fibers includes: Formation of the polyester melt, which is then passed through extrusion, spinning of the draw, drawing of the draw, crimping of the draw, thermal stabilization of the draw, drying and cutting of the draw, processing of the cut fiber for baling.

123. It should be noted that the production process of the three types of polyester fibers manufactured by Reliance is practically the same. The main difference is that the polyester fiber is used for textile or spinning purposes; or it is used for filling as a substitute for cotton in pillows, quilts and comforters, with applications of the polyester fiber that are not textile or spinning; or they are short-cut fibers, for non-textile use, as used in cement mixtures, among other applications.

2.1.6 Information provided about the product under investigation

124. The responses to the importer's questionnaire allowed additional information to be collected about the product that is the subject of the investigation, explained below.

125. The responding importers declare that they belong to the [RESTRICTED] category, with the exception of company Rozac Import and Export Trade of Textile Products S/A, [RESTRICTED].

126. Furthermore, they pointed out the following applications of the polyester fibers subject to the investigation: manufacturing of disposable hygiene products for babies, nonwovens for personal hygiene applications and textile yarns.

127. The importer Fitesa reported importing [CONFIDENTIAL]. Furthermore, the company stated import [CONFIDENTIAL].

128. Suominen reported purchasing [CONFIDENTIAL] types of polyester fiber from the supplier [CONFIDENTIAL].

129. TBM claimed to import virgin synthetic fibers, solid, discontinuous, 100% polyester, not carded, not combed, nor otherwise transformed for spinning, untwisted, semi-opaque raw, packed in bales, title 1.34 dtex equivalent to 1.2 denier.

130. In its response to the questionnaire, filed on May 13, 2024, the company importing the product under investigation, Austex Indústria e Comércio Ltda., indicated that it would be a manufacturer of various non-woven fabrics, such as thermo-bonded blankets, needled felts and aerated felts.
He reported that he would serve the "automotive, filtration, mattresses, upholstered furniture, clothing, acoustics and technical parts" segments.

131. Regarding the product subject to the investigation, it was indicated that it would import the following types:

[CONFIDENTIAL]

132. In its response to the questionnaire, filed on May 13, 2024, the company importing the product under investigation, Costa Rica Malhas e Confecções Ltda., indicated that it is a manufacturer of knitwear and that polyester fiber would be its main raw material.

133. It stated that it would currently produce "more than 60 different products in its production line", such as the "Tubular PV Mesh", composed of 65% polyester and 35% viscose, the "Moletom Mesh", composed of 58% polyester and 42% cotton, in addition to the "Spun Polyester", a 100% polyester, synthetic mesh.

thermoplastic, with several applications. He also mentioned the "Polo Shirt Collar", knits for making collars for polo shirts, yarn 30.1, composed of 52% polyester 48% cotton and the "Cuff", knits for making cuffs, composed of 52% polyester and 48% cotton.

134. Regarding the transformation process of the product under investigation, he argued that there would be "several different production processes for each item". He thus brought, to illustrate, the production process of the product "84 Half Mesh 30/1 Polyester Spun Vórtex". He indicated that after receiving the containers of polyester fiber, he would proceed to check and store the fibers, separating them into batches in his stock. Subsequently, the fibers would be introduced into the production process, according to the stages

listed below:

Wiring: [CONFIDENTIAL].

Knitwear: [CONFIDENTIAL].

Dyeing: [CONFIDENTIAL].

135. The mesh rolls would then be sent to the Costa Rica Malhas distribution center in Cambé-PR. Distribution would occur, partly to the company's stores throughout Brazil and partly for use by the company's own manufacturing industry.

136. The importing company stated that it imports the product with the following characteristics for knitwear production: "discontinuous synthetic fiber, 100% polyester, virgin (not recycled), full, 1.2denier x 38mm, semi-opaque, unbleached, not carded, not combed, nor otherwise processed for spinning, packed in bales. Not bicomponents of different melting points."

137. In its response to the questionnaire, filed on May 13, 2024, supplemented with the additional information provided on June 21, 2024, the company importing the product subject to the investigation, Hedrons Têxtil Ltda. indicated that it operates in the manufacture of duvets, pillow cases and pillow filling. To this end, it indicated that it imports the following models of the product subject to the investigation: Polyester Fiber - Hollow, Conjugated, Siliconized, Recycled, White 7.0 Dtex 64mm; Polyester Fiber - Hollow, Conjugated, Recycled, White 7.0 Dtex 64mm; Polyester Fiber - Solid, Recycled, Siliconized, White, Micro-fiber 0.9 Dtex 38mm; Polyester Fiber - Hollow, Conjugated, Siliconized, Recycled, White - "A" 7.0 Dtex 64mm; Polyester Fiber - Hollow, Conjugated, Recycled, White - "A" 7.0 Dtex 64mm; and Polyester Fiber - Solid, Siliconized, White 1.2 Dtex x 32mm.

138. In response to the questionnaire and in additional information filed, respectively, on May 13 and July 8, 2024, the importing company Lynel Industria Textil Ltda. stated that it serves several segments: textiles, filtration, thermoacoustic insulation, furniture, mattresses, among others.

139. Regarding the product imported by the company, after simply transcribing the description of the NCM subitems, in terms of additional information, when requested, Lynel presented documents that would be technical files of exporters of the investigated origins. Still on the subject, it stated that [CONFIDENTIAL].

140. In response to the importer's questionnaire and in the supplementary information filed, respectively, on June 3 and July 15, 2024, Rozac, the only company responding to the importer's questionnaire that declared itself [RESTRICTED], stated that it would only distribute polyester fibers in the domestic market in the form in which the product is imported, without undergoing any transformation process and would basically supply the furniture sector. However, although the furniture sector constitutes the main segment served by it, it added that it would resell the imported fibers to customers in the bedding, filling and automotive sectors.

141. He clarified that each segment would have the following shares in its resales: sector furniture ([CONFIDENTIAL]%), bed/duvet sector ([CONFIDENTIAL]%), pillow/filling sector stuffed animals ([CONFIDENTIAL]%) and non-woven/automotive sector ([CONFIDENTIAL]%).

142. With regard to the product imported by the company, when requested to raise the confidentiality of the product it imports, the company refused in the following terms: "[A] Rozac does not would like to disclose the detailed description of the fibers it imports to its competitors and therefore, kindly requests that the confidentiality of this information be maintained."

143. Rozac did not point out the existence of a difference in quality between the imported product and the produced by the domestic industry, limiting itself to simply stating that the national industry does not would produce in sufficient quantity to meet domestic demand.

2.2 Classification and tariff treatment

144. Synthetic polyester fibers are normally classified under subitem 5503.20.90 of Common Nomenclature of Mercosur (NCM) (according to the 2022 version of the Nomenclature).

145. The descriptions of the tariff item mentioned above belonging to NCM/SH are presented, into which the polyester fibers subject to investigation are classified:

NCM	Description
XI	Textile materials and their works
55	Synthetic or artificial, discontinuous fibers.
5503	Synthetic staple fibres, not carded, combed or otherwise processed mode for wiring.
5503.20 Of polyesters	
5503.20.90	Synthetic or artificial staple fibres - Synthetic staple fibres, not carded, not combed or otherwise processed for spinning - Of polyesters - Other

146. CAMEX Resolution No. 125 of 2016, which came into force on January 1, 2017, established the Import Tax rate for this tariff subitem at 16%, having been reduced, in as a result of GECEX Resolution No. 269/2021 to 14.4%, as of November 12, 2021. The GECEX Resolution No. 272/2021 maintained this reduction until December 31, 2022. GECEX Resolution No. 318/2022 revoked GECEX Resolution No. 269/2021, but the 14.4% reduction remained in force for force of GECEX Resolution No. 272/2022. GECEX Resolution No. 353/2022 reduced the rate to 12.8%, in June 2022, on a temporary and exceptional basis, until December 31, 2023. After that, the GECEX Resolution No. 391/2022 changed the rate to 14.4%, although the reduction to 12.8% was in effect until December 31, 2023. It should be noted that, subsequently, through CAMEX Resolution No. 606, of June 14, 2024, the rate returned to the 16% level. It is worth noting that the return of the rate to 16% occurred after the end of P5.

147. Regarding subitem 5503.20.90 of the NCM, the following preferences were identified: tariffs:

Tariff preferences - NCM 5503.20.90		
Beneficiary Country	Agreement	Preference
Uruguay	ACE 02	100%
Argentina, Paraguay and Uruguay	ACE 18	100%
Peru	ACE 58	100%
Colombia and Ecuador	ACE 59	100%
Venezuela	ACE 69	100%

Colombia	ACE 72	100%
Egypt	Mercosur - Egypt FTA 80%	
Israel	Mercosur - Israel 100% FTA	
Chile	AAP.CE 35	100%
Bolivia	AAP.CE 36	100%
Bolivia and Paraguay	APTR 04	48%
Cuba, Chile, Colombia, Uruguay, Venezuela and Panama APTR 04		28%
Ecuador	APTR 04	40%
Argentina and Mexico	APTR 04	20%
Mexico	APTR 04	20%
Peru	APTR 04	14%
Mexico	ACE 53	25%

2.3 Of the product manufactured in Brazil

148. The product manufactured in Brazil, as described in item 2.1, are synthetic fibers of polyester, which includes fibers of recycled or virgin origin.

149. Regarding the similar product produced in Brazil of recycled origin, as per indicated by the petitioner, the company Ecofabril produces synthetic polyester fiber mainly from post-consumer bottle. When questioned in the supplementary information letter SEI No. 7617/2023/MDIC if the company would produce exclusively from recycled sources, Abrafas clarified that Ecofabril would produce fibers from recycled raw materials; however, it could manufacture fibers also from virgin polymer, working with granulated polyester polymer, which could be melted through the extrusion process in the same way that the company works with the PET flakes. From extrusion onwards, all steps would be the same, whether with virgin polymer or recycled. The petitioner stated that, [CONFIDENTIAL].

150. The product is used in blankets for making duvets, filling pillows, acoustic thermal insulation, molded parts base, automotive carpets, base for plastic laminates used in the furniture and footwear industries, geotextiles used in paving of roads, drainage systems, implementation of sanitary landfills, among other applications in civil construction, manufacture of yarns for weaving, among others. Its characteristic is its point of merger of [CONFIDENTIAL].

151. Regarding the recycled product, the main characteristics are [CONFIDENTIAL] with different cut lengths and color tones, which are sold in bales. The petitioner clarified that the polyester fiber profile represents its cross section. The profile [CONFIDENTIAL].

152. As for the production process of the recycled product, it starts with the bottles of PET, which are purchased from [CONFIDENTIAL]. The bottles in these bales are ground and subsequently washed (decontaminated).

153. At the end of these two stages, PET resin flakes are obtained. [CONFIDENTIAL].

154. As regards the similar product produced in Brazil of virgin origin, the company Indorama reported that polyester fibers are made from poly(ethylene) terephthalate polymer, known as polyester, which is a resin obtained from the reaction of terephthalic acid (PTA) and monoethylene glycol (MEG) (main raw materials); in addition to these, antimony trioxide (agent) is used catalyst), titanium dioxide (mattifying agent) and synthetic oils to ensure protection during the processing (ensimage or spinfinish).

155. The company stated that polyester fibers consist primarily of polyester polymer. The chemical composition includes carbon, hydrogen and oxygen, with the general formula [CONFIDENTIAL]. This molecule is used in different transformation chains, generating products that are leaders in their segments, including: textile sector - continuous filaments and chopped fibers; industrial sector - industrial yarns, naval ropes, non-woven fabrics; packaging sector - rigid and flexible; and injection sector - technical parts.

156. According to Indorama, the polyester fibers used to produce yarns can vary in models, depending on the manufacturing process and the specific needs of customers.
They can be produced as chopped fibers or continuous fibers, each suitable for different yarn production methods. [CONFIDENTIAL].

157. The company highlighted that polyester fibers can vary in size, but are generally thin, measuring micrometers in thickness, making them suitable for the production of fine, lightweight yarns. [CONFIDENTIAL].

158. Also according to Indorama, polyester fibers are widely used in the textile industry for the production of a variety of products, such as clothing in general, sheets, pillowcases, upholstery fabrics, carpets, ropes, tarpaulins, etc. Due to their strength, durability and ability to maintain their shape, polyester fibers are also used in industrial applications, such as conveyor belts and geotextiles for soil stabilization.

159. The product is distributed through a supply chain that includes manufacturers, distributors, and retailers. Manufacturers sell the fibers to spinning and weaving companies, which in turn produce the final products for distribution to retail stores or directly to industrial consumers. Distributors and retailers purchase the polyester fibers from manufacturing companies and resell the materials to end customers (spinning and weaving companies).

[CONFIDENTIAL].

160. The company highlighted that, in addition to their physical properties, polyester fibers are known for their resistance to stains, mold and moisture. They are easy to maintain, do not wrinkle easily and have good abrasion resistance. They can be reused and recyclable, which is an important feature for consumers and companies concerned about sustainability.

environmental.

161. Regarding the production process of virgin fiber, as per item 2.1, practically all polyester is produced by a continuous process, treated by the industry as "PC" (continuous polymerization process), from two production routes: DMT (Dimethyl Terephthalate + MEG) or PTA (Pure Terephthalic Acid + MEG: Monoethylene Glycol), the latter being the one currently used by the national industry and, to the petitioner's knowledge, by exporting companies.

162. PTA is a white powder, which is included in a mixer together with MEG, in a
a certain proportion between them - [CONFIDENTIAL].

163. During the liquid stage of polyester formation, other substances are used.
[CONFIDENTIAL]. In the case of film grade polymer production, other additives are used to establish specific properties - such as resistivity, Diethylene Glycol content (% m/m) and color.

164. Polymerization is performed in [CONFIDENTIAL].

165. [CONFIDENTIAL].

166. In spinning, polymers are extruded through the spinneret and instantly solidified by the flow of air with controlled temperature, humidity and speed, previously defined, existing in each position. The filaments thus produced are grouped together to form a bundle, receiving the deposition

of a protective emulsion, called ensimagem. [CONFIDENTIAL].

167. [CONFIDENTIAL].

168. In the next step, the cables from several pots are brought together and pulled by a machine - the stretching machine - close to the glass transition temperature of the polyester, so that it can be plastically deformed. Depending on the product, [CONFIDENTIAL].

169. The next step is to stabilize the mechanical properties, which is done by heat treating the filaments under tension, using heated cylinders - calenders - with surface temperatures between [CONFIDENTIAL].

170. The next step is one of the most important in preparing the polyester fiber for subsequent transformation steps. It involves deforming the filaments, generating 'waves', called crimping. Subsequently, the crimped fiber is heat-treated and the existing moisture is eliminated, as well as equilibrium in a dryer. The blanket is then sent to a cutter, where the fibers are cut according to lengths previously agreed with the customer, depending on subsequent transformation processes. The most typical: [CONFIDENTIAL].

171. Finally, the cut fiber will be packaged in equipment known as a press, forming a bale of pre-defined weight, containing various information - in addition to the product identification - for later traceability. Finally, the bales are placed in a warehouse, from where they are
sent to end customers.

172. According to the petitioner, the product under investigation and the similar domestic product have the same raw materials, physical characteristics, uses and applications and other characteristics, and are therefore identical. It claims that it is a commodity widely used in the global market, all coming from the same production route - PTA + MEG -, with similar physical and chemical characteristics and packaging.

173. However, it should be noted that, as regards polyester fibres of recycled origin, in accordance with
with the petitioner, [CONFIDENTIAL].

174. Regarding this point, Abrafas clarified, in response to the Information Letter
complementary SEI nº 7617/2023/MDIC, which [CONFIDENTIAL].

175. Regarding the substitutability of recycled polyester synthetic fiber by virgin polyester synthetic fiber, as mentioned in item 2.1, the petitioner initially reported that recycled polyester synthetic fiber would satisfactorily meet all the technical characteristics required by customers, without any demerit in relation to the characteristics presented by virgin polyester synthetic fiber, and that the fiber with the characteristic that the customer is looking for could be made available by the supplier that works with virgin fiber and not by the one that works with recycled fiber, or vice versa.

176. During the on-site verification procedures in the domestic industry, further details were sought in this regard. According to information obtained mainly from Ecofabril, although both fibers can adequately serve various markets, virgin fiber would be more suitable for the production of thinner products and for products that would require a higher degree of whiteness, given that, at times, recycled fiber would not be able to meet the technical requirements.

177. Despite this difference, it is observed that some foreign suppliers also use exclusively recycled fibers. In fact, as reported in the responses to the producer/exporter questionnaire, among the responding companies, [CONFIDENTIAL] exclusively manufactures polyester fibers from recycled material. [CONFIDENTIAL], in turn, would work with both virgin and recycled fibers.

178. Thus, although it may be inferred, preliminarily, that certain market segments are better served by virgin fibers, it must first be borne in mind that both the product subject to the investigation and the similar domestic product encompass both types of fibers.
Furthermore, despite the differences in the production process, there is significant intersection between the market segments supplied by one or another type of fiber.

179. The petitioner informed that polyester fibers are not subject to standards or technical regulations in Brazil.

2.3.1 Regarding the manifestations regarding the product manufactured in Brazil

180. In its response to the questionnaire, filed on May 13, 2024, supplemented with the information provided on June 21, 2024, the company importing the product subject to the investigation, Hedrons Têxtil LTDA., alleged, regarding the formation of the CODIP, that:

CODIPS do not adequately represent fiber quality differences.

The cross section should not include the conjugate characteristic, it should be a separate specification, and the fiber may or may not be conjugate.

181. Furthermore, the fibers would be classified as with silicone and without silicone, another classification which would interfere with the cost of the material.

182. When specifically asked to provide evidence regarding the statement that the presence of silicone in the fiber "interferes with the cost of the material", the company simply stated that "Silicone fiber is more expensive than fiber without silicone, from USD 0.01 to USD 0.02 per kilogram".

183. On May 22, 2024, the Blumenau Spinning, Weaving and Clothing Industry Union (Sintex) presented a statement in which it indicated that there was a need for greater clarity regarding the market segments served by each company that makes up the domestic industry. Sintex questioned whether Ecofabril and Indorama had common customers and, if so, whether these customers would purchase the same types of fibers from both companies. The Union also questioned whether Ecofabril would be able to guarantee dye affinity in its recycled fibers for sale to spinning mills that serve textile companies that manufacture knitwear and flat fabrics (since the use of recycled fibers would cause difficulties in dyeing the fabrics made with them).

184. Regarding CODIP, Sintex indicated the existence of imprecision in the definition of the "cross-section" characteristic of the product identification code (CODIP). This is because the "conjugated" characteristic would not refer to a type of cross-section, but to the product's finish. This mistake would lead to doubts, since the parties would not know how to define, for example, the import of a conjugated hollow fiber, whether they should report code C2 or C3.

185. On June 10, 2024, in response to SEI Official Letter No. 3683/2024/MDIC, ABRAFAS provided clarifications and additional information related to the product identification code (CODIP).

186. In this regard, with regard to category 3 of the CODIP, the petitioner described that the cross-section demonstrates the profile of the fiber, which may be hollow or full. The hollow fiber may be normal or conjugated.

187. The fiber classified as conjugated has a hollow profile, and its manufacturing process is different, since it promotes an omega crimping or crimping, which results in a fiber with greater resilience and volume. The conjugated fiber has a superior performance in the final product compared to the normal hollow fiber.

188. The inclusion of the conjugated fiber within the cross-section is due to it being a high consumption fiber and has a higher cost compared to normal hollow fiber.

189. Following its response, ABRAFAS presented illustrative figures of the fibers simple and combined hollows, differentiating them visually.

190. Regarding the possibility of the same synthetic fiber having its cross-section classified simultaneously as hollow and conjugated, the petitioner clarified that the conjugated fiber will necessarily be hollow. Furthermore, ABRAFAS added that the hollower the fiber, the greater its volume and its resilience.

191. Regarding the identification of other possible combinations between the full, hollow and conjugated characteristics of the fiber cross-section, ABRAFAS reported that a fiber can be full or hollow. If hollow, it can be simple hollow or conjugated hollow.

192. Regarding silicone fibers and the reason why such characteristic was not suggested as a criterion that makes up the CODIP, since the addition of silicone would impact the quality and cost of the product, the petitioner informed that such characteristic would be adjusted, in the form of a fifth characteristic of the CODIP. In addition, ABRAFAS presented an estimate of the impact of the inclusion of silicone on the cost and price of the product, claiming that based on market information from its associates, the addition of silicone would generate an increase in cost of approximately R$ 0.80/kg.

193. Regarding the composition of the CODIP, given that there were discrepancies between the characteristics presented in the petition and those presented in response to SEI Official Letter No. 7617/2023/MDIC, ABRAFAS indicated that the CODIP be composed as follows:

- 1st and 2nd digits - raw material used: A1: virgin fiber; A2: recycled fiber;

- 3rd and 4th digits - fiber title: B1: from 1.1 to 1.7 dtex; B2: from 1.8 to 3.0 dtex; B3: from 3.1 to 7 dtex; B4: from 7.1 to 15 dtex; B5: above 15 dtex;

- 5th and 6th digits - cross section: C1: full; C2: hollow; C3: conjugated;

- 7th and 8th digits - color: D1: raw (semi-opaque, white); D2: red;

- 9th and 10th digits - finish: E1: silicone; E2: others

194. In a statement filed with the records on July 22, 2024, ABRAFAS took a position on the allegations filed by SINTEX, ABINT and the "Coalition".

195. Initially, the petitioner contested the confidential nature of the information presented by the aforementioned parties, claiming that data on the types of products, uses, applications and characteristics were hidden by these parties, by pointing out that the domestic industry would not produce certain products.

196. Thus, ABRAFAS pointed out that such information would not be confidential, as it would not be capable of generating any competitive advantages for competitors, in addition to being basic information for the domestic industry to be able to prepare its response and indicate whether or not it would in fact be possible for them to be produced nationally. According to ABRAFAS, the information would not be confidential, so that part of the data filed by SINTEX, ABINT and the Coalition would be publicly available, requesting, in view of this, that the confidential nature be disregarded, based on §§ 8º and 9º of art. 51 of Decree No. 8.058, of 2013, so that the petitioner's right to defense would be enabled.

197. Regarding the fact that the product subject to the investigation and the products manufactured by the domestic industry do not compete with each other, and the allegations that they should not be part of the scope of the same investigation, ABRAFAS stated that: "when starting an investigation, the product subject to the investigation is defined as the

imported product capable of causing damage to the national industry. Subsequently, the similar national product must be identified for comparison purposes."

198. He then mentioned art. 9 of Decree No. 8,058 of 2013 and presented an excerpt from GECEX Resolution No. 431 of 2022, referring to the investigation into the existence of subsidies on exports to Brazil of aluminum laminates originating from China, in which it was emphasized that the concept of similarity encompasses not only the identical product, but also that with similar characteristics. Furthermore, as indicated in this Resolution, "no regulation, international or national, requires that the definition of the product subject to the investigation take into account the range of production of the domestic industry, especially since the product subject to the investigation defines what the imported product is".

199. Next, ABRAFAS recalled the definition of the product subject to this investigation, as indicated in Circular No. 11 of 2024, and noted that in addition to the evident similarity between the similar national product and the product subject to the investigation, the definition of the latter would not be limited by the range of similar national products.

200. The petitioner submitted as an annex studies on the feasibility of increasing production capacity, as well as expanding the production of different types of products, demonstrating the interest of the domestic industry in maintaining investments, although the scenario of unfair competition would not allow such investments to come to fruition.

201. Regarding the statement by SINTEX, ABINT and the "Coalition" regarding the definition of the CODIP by the petitioner, and that the lack of definition of the codes would make the application of provisional law unfeasible, ABRAFAS argued that "the CODIPs are a suggestion drawn up by the interested parties in order to better characterize their products", and that "it is assumed that the protesting parties did not realize that the definition of the CODIPs results from a joint and cooperative construction involving all interested parties, since the market may have individualized perceptions about the product". (Emphasis added according to the statement).

202. In this regard, the petitioner highlighted that SECEX Ordinance No. 30 of 2018 allows parties not qualified in the process to express their views on product models.

203. Once the CODIPs suggestions have been made by interested parties, throughout the investigation phase of the process, the definition of codes would be determined by DECOM, based on all the information provided about the product subject to the investigation and the domestic similar product.

204. Below, he transcribed an excerpt from GECEX Resolution No. 431, of 2022, referring to the investigation on the existence of subsidies on exports of rolled aluminum products originating in China:

Regarding the requests for closure of the investigation given the claim that the broad scope does not allow for an objective establishment of the causal link, this SDCOM disagrees. A detailed CODIP was used, at the request of the interested parties, which could reflect the main characteristics of the products, in accordance with the principle of fair comparison, allowing the investigating authority to carry out an objective analysis as close to reality as possible.

[...] issues related to the breadth of the scope do not have the power to affect the fair comparison between the products analyzed, especially considering the CODIP adjusted by statements from various interested parties within the scope of the dumping investigation. (Emphasis added according to statement).

205. In view of this, the petitioner emphasized that in the present case: i) the investigation phase would still be open, and there would be no need to discuss the need for a fully defined CODIP; and ii) there would not even have been cooperation from the protesters regarding the best definition of the CODIPs, since

would have merely availed themselves of the attack on domestic industry.

206. ABRAFAS concluded its argument by claiming that the attempt to discredit the definition of CODIPs suggested by the domestic industry would not proceed for two reasons: i) questionnaires are sent with an initial CODIP classification, which does not mean that other characteristics that better classify the product cannot be suggested, as guided by SECEX Ordinance No. 171 of 2022; and that ii) among the information provided by the interested parties throughout the investigation phase are the descriptions of the products, correlated to the CODPROD and the CODIP. This would mean that when the CODIP is defined by the investigating authority, it could internally carry out a fair comparison between the product subject to the investigation and the similar national product, based on the characteristics of the products that have already been reported.

207. According to ABRAFAS, in view of the allegations, it would be up to the investigating authority to analyze all the data provided throughout the process and define what would be the best definition of the CODIPs.

208. In the final part of its statement dated July 22, 2024, ABRAFAS countered that, as for the questions raised by the interested parties in relation to the domestic industry, several of the answers would be confidential, but would have been verified by the investigating authority during the on-site inspections. ABRAFAS clarified that, in general, the domestic industry would carry out all health compliance and quality control procedures for the production and delivery of its products. In addition, it would have produced several of the products in question and served different market segments.

209. The petitioner emphasized, once again, that there would be no differentiation in production, storage, or delivery in relation to different customers. The products would follow the needs demanded by customers, in addition to any regulatory guidelines.

2.3.2 DECOM's comments on the demonstrations

210. Regarding the definition of the product identification code (CODIP), especially its characteristic "C", as per the response to SEI Official Letter No. 3683/2024/MDIC, filed by ABRAFAS on June 10, 2024, it was understood that the characteristic "conjugated" applies specifically to hollow fibers, which, in addition to this configuration, may also not be conjugated.

211. However, fibers with a "full" cross-section are not classified as "conjugated"
any hypothesis.

212. In the defined CODIP, based on a suggestion from the domestic industry, three possibilities were presented for characteristic C, namely: C1 (full), C2 (hollow) and C3 (conjugated).

213. As for fibers with a full cross-section, there appears to be no doubt arising from the CODIP definition, since, as they cannot be conjugated or hollow, there would be no other classification option other than code C1.

214. On the other hand, ambiguity could eventually be argued, since, in principle,
a conjugated hollow fiber could be classified under either the C2 or C3 code.

215. Despite this, the definition of a code specifically for conjugated fibers gives such uniqueness to code C3 that a logical interpretation makes it exclusive of the applicability of code C2 for hollow conjugated fibers.

216. In fact, when dealing with two codes (C2 and C3) necessarily intended for the classification of hollow fibers, the first not having greater details and the second being expressly described as "conjugated", it is illogical and even contradictory to categorize conjugated hollow fibers under code C2.

217. Furthermore, the hypothetical ambiguity does not appear to have been reflected in the data provided by the interested parties, according to information available up to the present procedural moment, since the producers/exporters that manufacture both types of hollow fibers (normal and conjugated) differentiated between these categories in the reported CODIPs.

218. Thus, it can be inferred that the apparent inaccuracy pointed out can be overcome through a simple exegetical effort, and does not constitute an obstacle to reaching an appropriate conclusion regarding the existence of dumping, damage and causal link, especially considering that the data provided in the responses to the questionnaires sent do not appear to reflect a mistaken understanding in this regard.

219. Regarding the impact of adding silicone to the fiber, as already stated, its relevance was not proven by the company Hedrons, and it is therefore inadmissible to make the suggested adjustment to the structure of the CODIP.

220. Regarding possible excess confidentiality in the documents submitted by the parties, an attempt will be made to deepen the analysis based on the allegations presented, in order to guarantee the adequate exercise of the adversarial system and full defense by the interested parties.

221. Regarding the alleged impropriety of the product under investigation comprising both virgin and recycled fibers, it is important to bring to light the Panel's findings in the US - Softwood Lumber case.
V:

7.153 Article 2.6 therefore defines the basis on which the product to be compared to the "product under consideration" is to be determined, that is, a product which is either identical to the product under consideration, or in the absence of such a product, another product which has characteristics closely resembling those of the product under consideration. As the definition of "like product" implies a comparison with another product, it seems clear to us that the starting point can only be the "other product", being the apparently dumped product. Therefore, once the product under consideration is defined, the "like product" to the product under consideration has to be determined on the basis of Article 2.6.
However, in our analysis of the AD Agreement, we could not find any guidance on the way in which the "product under consideration" should be determined. (emphasis added)

222. The decision issued makes it clear that there are no parameters in multilateral legislation regarding the definition of the product subject to the investigation.

223. Even so, according to the information collected to date, virgin and recycled fibers compete with each other in various market segments and both are supplied by the domestic industry and by the sources investigated. Therefore, there is no reason to consider any obstacle to including both types in the scope of the investigation.

2.4 Of similarity

224. Section 1 of Article 9 of Decree 8,058 of 2013 establishes a list of objective criteria based on which similarity must be assessed. Section 2 of the same article establishes that such criteria do not constitute an exhaustive list and that none of them, individually or together, will necessarily be capable of providing a decisive indication.

225. Thus, according to information obtained in the petition, the product subject to the investigation and the product produced in Brazil:

(i) are produced from the same raw materials, mainly poly(ethylene) terephthalate polymer, which can be obtained from the DMT and MEG or PTA and MEG routes, in the case of virgin fibers, and from post-consumer bottles, in the case of recycled fibers;

(ii) they have the same physical and chemical characteristics, being presented in the form of synthetic staple fibers, not carded and not combed, being composed mainly, in the case of virgin fibers, of poly(ethylene) terephthalate polymer, known as polyester, which can be obtained through two production routes: DMT (Dimethyl Terephthalate + MEG) or PTA (Plastic Acid).

Pure Terephthalic + MEG - Monoethylene glycol);

(iii) are not subject to technical standards or regulations;

(iv) are produced using a similar manufacturing process;

(v) have the same uses and applications; and

(vi) they have a high degree of substitutability, since they are the same product, with competition based mainly on the price factor, payment conditions and technical assistance.
Furthermore, they were considered competitors, as they both target the same industrial and commercial segments.

226. Regarding distribution channels, the petitioner stated that the supply chain includes manufacturers, distributors and resellers. In the case of Indorama, the manufacturers sell the fibers for spinning and weaving companies, which in turn produce the final products for distribution to retail stores or directly to industrial consumers. Distributors and resellers purchase the polyester fibers from producing companies and resell the materials to end customers (spinning and weaving companies). In the case of Ecofabril, [CONFIDENTIAL].

227. Through the import data provided by the RFB, it was also possible to verify that the product subject to the investigation is purchased by resellers and users in Brazil, with the first customer category representing [CONFIDENTIAL]% of the volume imported from P1 to P5 and the second, [CONFIDENTIAL]%.

2.4.1 Statements about similarity

228. In the response to the importer's questionnaire filed on May 13, 2024, Fitesa claimed that the fibers produced by the domestic industry would not meet the requirements for exemption from heavy metals such as antimony (the acceptable level of antimony would be less than 5mg/kg).

229. On the same date, Suominen filed a response to the importer's questionnaire in which reported that [CONFIDENTIAL]. The importer clarified [CONFIDENTIAL].

230. The importer added that [CONFIDENTIAL].

231. However, Suominen stated that [CONFIDENTIAL].

232. According to the importer, [CONFIDENTIAL]. Furthermore, the protester added that [CONFIDENTIAL].

233. Suominen reported [CONFIDENTIAL]. The importer highlighted that [CONFIDENTIAL].

234. Suominen further clarified that [CONFIDENTIAL].

235. The importer added that [CONFIDENTIAL].

236. Suominen emphasized [CONFIDENTIAL]. The party also pointed out that [CONFIDENTIAL].

237. The importer TBM reported, in the response to the questionnaire filed on May 13, 2024, that the imported product would have superior performance to the national product, in relation to the efficiency of the machinery, mainly in Conventional and Open-end spinning machines. The party highlighted that when using national fiber, in most cases, it is necessary to reduce the expected speed, due to the increase in ruptures (yarn breaks) due to the quality of the fiber.

national, presenting problems such as: static, thick points, thin points and weak points, increasing process waste and reducing production resulting in higher manufacturing costs.

238. In this scenario, according to the importer, the national product would generate a greater operational burden to meet the expected production due to the low yield, further increasing the production cost. of the wire.

239. In its response to the questionnaire, filed on May 13, 2024, the company importing the product under investigation, Austex Indústria e Comércio Ltda., when commenting on the existence of differences and the reasons that led the company to import the product under investigation and not to purchase the product manufactured in Brazil, argued that several types of fibers would not be produced by "domestic manufacturers". It also highlighted that products that require high tenacity (technical felts, for footwear, etc.) would have to be produced with virgin fibers.

240. Regarding the types of products that would not be manufactured by Brazilian companies, pointed out the following variants:

(...) virgin conjugated hollow fibers virgin conjugated hollow fibers (which have much higher resilience than recycled fibers);

(...) microfibers (fibers with a title lower than 0.99 dtex). (...) essential in the manufacture of blankets high performance acoustic absorption.

solid fibers in black color, there are only in white color.

(...) fibers with a flame retardant finish, essential in the manufacture of various components in the automotive industry, as well as for acoustic absorption panels used in theaters, cinemas, etc

241. Furthermore, he stated that in the case of recycled conjugated hollow fibers, which would be manufactured in Brazil, drawing attention to the fact that these have "lower resilience performance than imported fibers", there would be no offer of certain titles and cited as an illustration "title 15D, which is essential for filtration products, upholstered furniture, mattresses and duvets".

242. In addition to these facts, Austex also stated that national and imported fibers would be supplied in bales and sold by kg. However, it pointed out that an "additional charge for moisture, around 1.5%", would be charged on national fibers, whereas this charge would not occur on imported fibers.

243. In its response to the questionnaire, filed on May 13, 2024, Costa Rica Malhas e Confecções Ltda. explained its understanding that the imported product would be of superior quality to the product produced in Brazil. It explained that it would not purchase the product manufactured in Brazil due to "barring issues", which would be a defect only noticeable in the finishing of the product at the dyeing stage.
When asked to present evidence to support this claim, such as laboratory tests or technical reports, among others, the company included, in its response to the additional information, presented on June 19 and 21, 2024, quality reports of tests carried out "internally with the imported fibers. In this sense, the company stated that the aforementioned reports would attest that

(...) the fibers imported by Costa Rica Malhas are "high quality products, robustly meeting the parameters defined by national and international standards" and which "have demonstrated high production efficiency, which directly impacts both production capacity and the quality of the final products".

244. In its response to the questionnaire, filed on May 13, 2024, supplemented with the additional information provided on June 21, 2024, the company Hedrons pointed out that the fibers it uses in its manufacturing process are 100% imported, with import operations carried out by it directly or acquired through resellers in the Brazilian market.

The fact that only imported fibers were purchased would be directly linked to a "significant difference in quality between the imported and domestic material, specifically in the resilience of the fibers". He also stated that they would not be able to "supply hollow fiber here in Brazil", and that there would be no "production in Brazil of fine fibers, such as 0.9 Dtex 38mm and 1.2 Dtex x 32mm" (emphasis in the original).

245. Regarding the allegation of a significant difference in quality between imported and domestic products with regard to the resilience of the fibers and that the supply of fibers from the domestic industry is "without the necessary quality", Hedrons, illustrating the fact with a response from SENAI via electronic message dated May 29, 2024, alleged that the laboratories it had contacted had informed it that they did not perform these tests with synthetic fibers.

246. Thus, the company presented a report of tests carried out internally at the company, which compared "the fiber acquired from Ecofabril with the fiber imported from the Thai company Winthetex, both used in the production of pillows". According to the internal tests, the company concluded that

Pillows made from domestic fiber have a lower height and volume than pillows made from imported fiber, and achieved resilience below 80%, while pillows made from imported fiber achieved resilience of around 90%, after bagging and pressing tests

247. Continuing, in order to explain in detail what differentiates imported fibers from those produced by the domestic industry, in particular those for which the company claims there is no domestic production, namely fine fibers (such as 0.9 Dtex 38mm and 1.2 Dtex 32mm) and hollow fibers, the company stated that fine and short fibers would give the final products very specific characteristics that would not be achieved with the use of thick and long fibers. These fine fibers would allow, after carding, the manufacture of high-quality final products, especially with regard to lightness, touch and malleability.

248. The company also presented a comparative table between fine, short fibers and long fiber of 7 dtex:

Fiber 7.0 Dtex 64mm	Fiber 0.9 Dtex 38mm or 1.2 Dtex 32mm
Title of 7.0 Dtex Means 7 grams in 10,000m of continuous filament; The weight linked to the length results in the fiber title, that is, the fiber diameter in the Dtex unit of measurement.	Title of 0.9 Dtex or 1.2 Dtex Means 0.9 grams or 1.2 grams in 10,000m of continuous filament; The fine title will bring a very high characteristic of touch, drape and softness.
The difference in title is quite significant, (7.0 - 0.9 = 6.1) in the 80% title reduction range;	
Length 64mm In this example, the fiber measures 64mm The length characteristic is measured with the fiber stretched, that is, measuring its entire length from one end to the other;	Length 32 or 38mm In this example, the fiber measures 32 or 38mm;
The difference in length is quite significant, (64 - 32 = 32) around 50% reduction in length; The length provides greater quality in the distribution between the fibers, making the pillows super malleable and with a very pleasant touch. In addition, the short fibers provide smaller balls with more regular rounded shape.	

249. Regarding the request that it present a detailed explanation, supported by evidence, of the reasons why it would not be possible to use fibers manufactured by the domestic industry to replace imported ones, Hedrons again stated that "there is no national production of fine and short fibers, such as 0.9 Dtex and 38 mm or 1.2 Dtex and 32 mm fibers" and presented as evidence "[CONFIDENTIAL]".

250. In response to the questionnaire and in additional information filed, respectively, on May 13 and July 8, 2024, the importing company Lynel claimed that, in relation to the imported product, the national product would present low quality in terms of resilience, volume, color - stating that the national product would be yellowish - and would produce high levels of static energy in the processing operation, something that would directly interfere with the productivity and quality of the final products.

251. Furthermore, the company pointed out that the national supplier would also not present "reliability in terms of qualitative uniformity between different batches", which would end up generating "inconsistency in our production line, both in terms of the final quality of the products and in operational problems with the equipment".

252. Regarding the issue of the differentiation in quality of the national product compared to the imported product, the company was required to present evidence that corroborated the claims of inferior quality of the product manufactured in Brazil. In response, the company Lynel stated that:

Our products do not require laboratory control with official reports. Our quality control is based on the knowledge of our employees and customers, and the evaluation criteria are very simple and do not require official records. Therefore, during the handling and operation of the products themselves, we evaluate the quality requirements that meet our requirements.

253. According to Lynel, this fact, combined with the lack of punctuality and the inability to produce, led the company to work "only with external suppliers". In terms of additional information, when confronted with the apparent contradiction between the statements that "the fiber titles that Lynel uses are produced only by Ecofabril" and that "Lynel works only with external suppliers", the company argued:

Ecofabril is the only national company that produces the types of fibers used by Lynel, however, [CONFIDENTIAL], Lynel currently only purchases the imported product.

Lynel recalls, however, that it was domestic supply problems that led the company to import polyester fibers, and not their cost. These factors determined Lynel's need to import such raw materials.

254. In a statement filed on July 8, 2024, Sintex and the Coalition highlighted that the domestic industry would not produce different types of fibers and that, therefore, antidumping measures should not be applied to products that are not manufactured domestically, whose imports would not affect the domestic industry and would constitute acquisitions complementary to the domestic supply.

255. In this context, they cited the decision set out in Circular SECEX No. 2, of 2022, which closed the investigation of dumping in exports of rolled aluminium without application of measure:

It should be noted that the alleged unavailability/impossibility of supplying certain product subtypes by the domestic industry, especially due to the wide variety of aluminum laminates that are part of the scope, also becomes a relevant factor for the analysis of other factors. It should be noted that the broad scope, considering the product subtypes, does not produced by the domestic industry, may have influenced the analysis of the effect of the investigated imports on the price of the similar national product. The increase in imports is also reiterated, albeit at inflated prices.

(...)

Thus, given the lack of sufficient evidence in this proceeding that imports from the investigated origin at dumped prices had a significant effect on the price of the domestic industry, thus undermining the objective conclusion that the domestic industry was harmed by the investigated imports, it becomes unfeasible to conclude that there is a causal link referred to in Article 3.5 of the Anti-Dumping Agreement and Article 32 of Decree No. 8,058 of 2013 between the harm suffered by the domestic industry and the investigated imports.

256. The Union and the group of companies mentioned above stated that the polyester fibers produced in Brazil would not meet the requirements for exemption from heavy metals for the production of disposable hygiene products for babies; the acoustic performance standards for buildings applicable to construction companies and the standards for the manufacture of thermal and acoustic insulation products.

257. Furthermore, the protesters discussed the discrepancies between the information provided by ABRAFAS regarding the formation and characteristics of the CODIP and the resulting inadequacy of the CODIP, which would call into question the fair comparison in the calculation of the dumping margin and undercutting.

258. According to the protesters, the companies that make up the domestic industry would produce noticeably different polyester fibers and, therefore, would not serve the same market segments.

259. While Indorama would produce fine fibers from virgin fibers (from 1.1 to 3.0 dtex) used for manufacturing clothing, Ecofabril's production would be focused on coarse fibers used in the manufacture of blankets and fillings, whose raw material would be composed of recycled fibers that, regardless of the title, would not be recommended for the production of yarns intended for the clothing sector because they are of lower quality.

260. To corroborate their understanding, the protesters cited the ongoing safeguards investigation in the USA that would be restricted to fine fibers, below 3.3 dtex, corroborating the thesis that these fibers would not compete with coarse fibers, with dtex above 3.3.

261. Sintex and the Coalition stated that there would be doubts about the existence of production by Ecofabril of 1.4 dtex polyester fiber, a fact that should be verified throughout the present investigation.

262. In view of the above, the protesters concluded that Indorama and Ecofabril would produce different fibers for different market segments and which therefore would not compete with each other.

263. Therefore, the analysis of the causal link within the scope of this investigation should determine the types of fibers imported and the respective evolution of imports and how such imports would be affecting Indorama or Ecofabril.

264. The Union and the group of companies mentioned above stated that the fibers from Indorama and Ecofabril were not similar, given the differences in the following aspects: (i) fiber titration; (ii) raw materials used (virgin or recycled fibers); (iii) production process; (iv) chemical composition; (v) physical characteristics; (vi) uses and applications. Furthermore, the products were not substitutable, with rare exceptions.

265. The protesters stated that similar domestic products should meet the same requirements set out in Article 9 of Decree No. 8,058 of 2013, as is the case with the product under investigation.

266. In a statement filed on August 13, 2024, Sintex and the Coalition provided additional information regarding the alleged lack of similarity between similar domestic polyester fibers and those subject to the investigation.

267. In this document, the importer Superfios Têxtil Ltda. claimed that there would be no supply of colored recycled fibers with adequate tenacity produced in Brazil, which would motivate the need to import this type of fiber to complement the portfolio of products offered by the company.

268. Furthermore, they included in the document allegations from two companies, [CONFIDENTIAL], regarding the lack of national production of hollow virgin conjugated fibers above 7 dtex and virgin fibers from 7 dtex.

269. The company [CONFIDENTIAL] stated that it purchases raw materials from Ecofabril to produce mattresses, upholstery and filters for which there would not be the same technical requirements for the manufacture of [CONFIDENTIAL] used in civil construction.

270. For the aforementioned applications in the construction sector, the company stated that it only used virgin polyester fibers from 7 dtex, therefore depending on imports.

271. On September 20, 2024, ABINT stated that polyester fibers for use in the manufacture of nonwovens for personal hygiene (wet wipes and diapers) used by companies in the nonwovens sector should be excluded from this investigation due to the lack of similarity with the similar domestic product.

272. ABINT reported that transformers of polyester fibers into hygiene products personnel [CONFIDENTIAL] and good manufacturing practices process that would include [CONFIDENTIAL].

273. The complainant explained that its associates would face several contamination problems with products supplied by the domestic industry. In ABINT's understanding, the contamination problem of the similar domestic product would be due to the production process used by the petitioners in this case, which would use old and outdated machinery, which would generate a greater risk of contamination of the final product. Among the contaminations already recorded, the complainant highlighted the high incidence of insects, residues that could not be identified and even the record of incidence of heavy metals, according to evidence presented in the responses to the importers' questionnaires.

274. The Association indicated that the Resolution of the Collegiate Board of Anvisa RDC No. 630, of March 10, 2022, established parameters for microbiological control of personal hygiene products by internalizing the GCM Mercosul Resolution No. 51/1998, which established the maximum levels of contamination by certain microorganisms in products for children's use, for the eye area and that come into contact with mucous membranes, products that would be part of the portfolio of ABINT associates.

275. ABINT added that in addition to this regulation, there would be international certifications whose compliance would be required by global customers for supply contracts to be signed.

276. The protester stated that no domestic producer of polyester fibers would have certification of non-contamination.

277. The Association pointed out that recent DECOM precedents used applicability as a means of excluding a product from the scope of the investigation. ABINT cited, as an example, the investigation of stainless steel welded pipes, in which the pipes used to manufacture washbasins and faucets were excluded because they were outside the functions mentioned by the petitioner.

278. Despite the use of different languages, such as functions and purposes of the product, according to ABINT it would be evident that the applicability of the product would have motivated its exclusion from the scope of the investigation.

279. Therefore, the Association argued that, considering the specific application of polyester fibers in the production of nonwovens for personal hygiene and the high degree of differentiation in the production process compared to the inputs used by the textile industry, it would be necessary for polyester fibers for the production of nonwovens aimed at the aforementioned segment to be excluded from the scope of the investigation considering that the product of the domestic industry would not meet the similarity requirement, in line with the decisions issued by DECOM in recent cases.

2.4.2 From DECOM's comments on similarity

280. Regarding the similarity between the product subject to the investigation and manufactured in Brazil, reference is again made to the Panel's decision in the US - Softwood Lumber V case:

7.152 In our view, this means that the "like product", for purposes of the dumping determination, is the product which is destined for consumption in the exporting country. The "like product" is therefore to be compared with the apparently dumped product, which is generally referred to in the AD Agreement as the "product under consideration". In the case of the injury determination (and the determination of domestic industry support for the application), the word "like product" refers to the product being produced by the domestic industry apparently being injured by the dumped product. In both instances it is clear that the starting point can only be the product apparently being dumped and that the product to be compared to it for purposes of the dumping determination, and the product the producers of which are apparently being injured by the dumped product, is the "like product" for purposes of the dumping and injury determinations, respectively.

7.153 Article 2.6 therefore defines the basis on which the product to be compared to the "product under consideration" is to be determined, that is, a product which is either identical to the product under consideration, or in the absence of such a product, another product which has characteristics closely resembling those of the product under consideration. As the definition of "like product" implies a comparison with another product, it seems clear to us that the starting point can only be the "other product", being the apparently dumped product. Therefore, once the product under consideration is defined, the "like product" to the product under consideration has to be determined on the basis of Article 2.6.

However, in our analysis of the AD Agreement, we could not find any guidance on the way in which the "product under consideration" should be determined. (footnotes omitted)

281. The above decision places as a key point for the identification of the similar domestic product the definition of the product that is the object of the investigation, being delimited in function of this.

282. Furthermore, as seen, the Anti-Dumping Agreement does not establish criteria for defining the product subject to investigation.

283. In the present investigation, the product subject to the investigation was defined as synthetic polyester fibers, regardless of the target market and the origin of the fiber (virgin or recycled). This is, therefore, the parameter that should guide the identification of the similar domestic product, for the purposes of analyzing damage and causal link.

284. It should be noted that, as the domestic industry is composed of more than one company, there is no requirement, either in multilateral or domestic legislation, that all companies produce the same models of similar domestic products or serve the same market segments.

285. Therefore, at least for the purposes of analyzing similarity, arguments to the effect that that the fibers manufactured by Indorama and Ecofabril would not be similar to each other.

286. This becomes especially true when considering that the product subject to the research also encompasses virgin and recycled fibers and is aimed at various market segments.

287. Another point worth noting is that the domestic industry is not required to be capable of manufacturing all existing models of the product under investigation. It should be recalled, moreover, that the objective of an anti-dumping measure is not to eliminate imports subject to it from the importing market, but merely to neutralize the harmful effects of the dumping practice, reestablishing fair conditions of sale.

competition.

288. Regarding the allegations about differences in quality between the product subject to the investigation and the similar domestic product, it should be noted that, although the factors indicated by the parties may eventually affect the importer's preference for the imported or domestic product, this does not disqualify the similarity, as per the analysis in item 2.4.

289. More specifically, with regard to non-woven products used in the manufacture of hygiene products, in addition to not being the only segment supplied by polyester fibers, it is clear that companies operating in the sector are listed both as importers of the product under investigation and as customers of the domestic industry, such as the company [CONFIDENTIAL].

290. Regarding the alleged lack of certification of domestic products regarding the absence of contaminants, it was not demonstrated that this was an imposing requirement, and such an allegation did not lend itself to discrediting the similarity.

291. Finally, regarding the preparation of the CODIP, see item 2.3.2.

292. In any case, the arguments presented by the parties will be analyzed until the end of the procedural investigation, in order to assess whether or not it is appropriate to adapt the scope of any definitive anti-dumping measure.

2.5 Conclusion regarding the product and similarity

293. Taking into account the detailed description contained in item 2.1 of this document, it is concluded that, for the purposes of preliminary determination, the product subject to the investigation is synthetic polyester fibres, which include fibres of recycled or virgin origin, when originating from China, Malaysia, Thailand, Vietnam and India.

294. Furthermore, it was found that both the product under investigation and the similar domestic product include virgin and recycled fibers, which does not constitute a factor that disqualifies the similarity.

295. Thus, considering § 2 of art. 9 of Decree 8,058, which establishes that the similarity criteria do not constitute an exhaustive list and that none of them, individually or together, will necessarily be able to provide a decisive indication, as well as the caput of art. 9 of the same Decree, which defines that the term "similar product" will be understood as the identical product, equal in all aspects to the product that is the object of the investigation petition or, in its absence, another product that,

although not exactly the same in all aspects, it presents characteristics very similar to those of the product subject to the investigation petition, it was concluded, for the purposes of preliminary determination, that the product manufactured in Brazil is similar to the product subject to the investigation.

3. DOMESTIC INDUSTRY

296. Art. 34 of Decree No. 8,058 of 2013 defines domestic industry as the totality of producers of the domestic like product. In cases where it is not possible to bring together all these producers, the term "domestic industry" shall be defined as the group of producers whose joint production constitutes a significant proportion of the total national production of the domestic like product.

297. As mentioned in item 1.3 of this document, the petition was filed on behalf of the domestic producers of the similar product Indorama and Ecofabril. According to information in the petition, the other domestic producers - Ober SA, Inylbra Indústria e Comércio Ltda., Etrúria - Indústria de Fibras e Fios Sintéticos Ltda. and Global Pet SA - would manufacture polyester fibers only for captive consumption. DECOM consulted these companies requesting information regarding the quantities produced and sold in the Brazilian domestic market of polyester fibers, as well as information regarding the identification of possible domestic producers of this product. Only Inylbra Indústria e Comércio Ltda. provided its production data and confirmed the information that it produces exclusively for captive consumption. In addition, the company provided a list of known domestic producers of polyester fibers, confirming the information regarding domestic manufacturers presented by the petitioner.

298. Thus, for preliminary determination purposes, the domestic industry was defined as the polyester fiber production lines of Indorama and Ecofabril, responsible for [RESTRICTED]% of the Brazilian national production of the similar product in the period between July 2022 and June 2023 (P5).

4. DUMPING

299. According to art. 7 of Decree 8,058 of 2013, the introduction of a good into the Brazilian market, including under drawback terms, at an export price lower than the normal value, is considered a dumping practice.

300. In this analysis, the period from July 2022 to June 2023 was used to verify the existence of evidence of dumping practices in exports to Brazil of polyester fibers originating from China, Malaysia, Thailand, Vietnam and India.

301. It should be noted that, for the purposes of initiating the investigation, all information presented by the petitioner to demonstrate the existence of dumping in exports from the investigated origins to Brazil was checked by the investigating authority. Any discrepancies in the data or proposed methodology are highlighted in the relevant topics, together with the solution adopted.

4.1 Dumping for the purpose of initiating an investigation

4.1.1 From China

4.1.1.1 China's normal value for the purpose of initiating an investigation

302. According to item "iii" of Art. 5.2 of the Anti-Dumping Agreement, incorporated into the Brazilian legal system by means of Decree No. 1,355, of December 30, 1994, the petition must contain information on the prices at which the similar product is sold when intended for consumption in the domestic market of the country of origin or export or, when applicable, information on the prices at which the product is sold by the country of origin or export to a third country or on the constructed price of the product.

303. For the purposes of initiating the investigation, it was decided to construct the normal value on the basis of the data provided by the petitioner. The normal value was constructed from a reasonable value of the production costs, plus an amount for general, administrative and sales expenses, as well as an amount for profit.

304. The petitioner [CONFIDENTIAL], later clarifying, in response to the Letter of additional information SEI nº 7617/2023/MDIC, which [CONFIDENTIAL].

305. Thus, based on the manufacturing cost structure of the similar product provided by [CONFIDENTIAL] for polyester fibers, the normal value was constructed considering the following items:

a) raw materials;

b) utilities;

c) direct labor;

d) other costs;

e) general and administrative expenses; and

f) profit margin.

306. It should be noted that the evidence provided of costing coefficients, presented as annexes to the petition, will be checked during the on-site verification with the domestic industry, in order to attest to the accuracy of the information provided by the petitioner.

4.1.1.1.1 Raw materials

307. Polyester fibers have as their main raw materials monoethylene glycol (MEG) and pure terephthalic acid (PTA), the first being commonly classified in the Common Nomenclature of Mercosur (NCM) under subitem 2905.31.00 and the second under 2917.36.00.

308. According to the petitioner, these two raw materials [CONFIDENTIAL]. For the purposes of pricing these components, Abrafas used the quotations as published by IHS - Chemical Market Analytics. The common reference for all the origins in question is the Northeast Asia spot market. It should be noted that the publication presents PTA and MEG prices for the following regions, according to data presented by the petitioner: Asia, North America and Northeast Asia.

309. However, Chemical Market Analytics' information is not public. Therefore, by contract, the company presented the confidential summary of monthly quotations (P5) for both raw materials, as per the table below.

[CONFIDENTIAL]		
Monthly	MEG: USD/ton (CFR NE Asia)	PTA: USD/ton (CFR NE Asia)
Jul/22	[CONFIDENTIAL]	[CONFIDENTIAL]
Aug/22	[CONFIDENTIAL]	[CONFIDENTIAL]
Sep/22	[CONFIDENTIAL]	[CONFIDENTIAL]
Oct/22	[CONFIDENTIAL]	[CONFIDENTIAL]
Nov/22	[CONFIDENTIAL]	[CONFIDENTIAL]
Dec/22	[CONFIDENTIAL]	[CONFIDENTIAL]
Jan/23	[CONFIDENTIAL]	[CONFIDENTIAL]
Feb/23	[CONFIDENTIAL]	[CONFIDENTIAL]
Mar/23	[CONFIDENTIAL]	[CONFIDENTIAL]

Apr/23	[CONFIDENTIAL]	[CONFIDENTIAL]
May/23	[CONFIDENTIAL]	[CONFIDENTIAL]
Jun/23	[CONFIDENTIAL]	[CONFIDENTIAL]
Average	[CONFIDENTIAL]	[CONFIDENTIAL]

310. Since the product price is already on a CFR basis, the petitioner claimed that only necessary to add any import tax. When questioned by DECOM through of the Supplementary Information Office SEI No. 7617/2023/MDIC why it was included in the quotation of raw materials on a CFR basis to China the percentage relating to import tax, taking into account since the price of raw materials was determined in Northeast Asia, the petitioner clarified that, considering that the Incoterm CFR includes cost and freight to the port of destination, the costs of internalization of the product, such as payment of import tax and other expenses to remove the product from customs location are the buyer's. As Abrafas assumed that the companies in these origins (which are distinct) would have to purchase the product from an independent buyer, it was assumed that each one of them would import based on the quotes presented. Therefore, the CFR price basis does not would include the costs of hospitalizing the product, which is why a minimum value was added relative to the possible import tax.

311. The value of import tariffs was used to calculate the cost of MEG and PTA. for each origin, obtained from TradeMap, via the MacMap platform. To do this, TradeMap was searched import data of SH 2905.31 and SH 2917.36 for each investigated origin and was subsequently accessed the MacMap platform by clicking on "Tariff data". The platform presented the tariff data for import to the investigated origins according to the table below:

MFN import	MEG	PTA
China	5.50%	6.50%
Vietnam	0.00%	0.00%
Malaysia	0.00%	0.00%
Thailand	0.00%	0.00%
India	5.00%	5.00%

312. For both raw materials, the technical coefficient was obtained [CONFIDENTIAL].

313. Therefore, from the multiplication of the prices of raw materials, already considering the respective import taxes, by the technical coefficients obtained from the data of [CONFIDENTIAL], we arrive at the cost of the headings "MEG" and "PTA" for each of the investigated origins, as per tables below.

[CONFIDENTIAL]			
MEG Cost / Origin	Value (US$/t)* (THE)	Coefficient (t/t) (B)	Cost (US$/t) A*B
China	[CONF.]	[CONF.]	[CONF.]
Vietnam	[CONF.]	[CONF.]	[CONF.]
Thailand	[CONF.]	[CONF.]	[CONF.]
Malaysia	[CONF.]	[CONF.]	[CONF.]
India	[CONF.]	[CONF.]	[CONF.]

[CONFIDENTIAL]			
PTA Cost / Origin	Value (US$/t)*	Coefficient (t/t)	Cost (US$/t)

	(THE)	(B)	A*B
China	[CONF.]	[CONF.]	[CONF.]
Vietnam	[CONF.]	[CONF.]	[CONF.]
Thailand	[CONF.]	[CONF.]	[CONF.]
Malaysia	[CONF.]	[CONF.]	[CONF.]
India	[CONF.]	[CONF.]	[CONF.]

4.1.1.1.2 Of the workforce

314. The technical coefficient for labor was obtained by the petitioner from the [CONFIDENTIAL]. Employee numbers were taken from Appendix XIV, while production, from the cost appendices. This coefficient was [CONFIDENTIAL]. The table below summarizes the calculations:

[CONFIDENTIAL]

315. It should be noted that, after the response to the Supplementary Information Letter No. 7617/2023/MDIC, in appendix II (normal value) there was a new calculation for the technical coefficient of workforce, which considered [CONFIDENTIAL]. No justifications were found for such change, so that, for the purposes of this analysis, the coefficient of [CONFIDENTIAL] was considered, as previously presented.

316. To estimate the monthly value of labor in China, the petitioner used the amount corresponding to the "wages in manufacturing" indicator assigned to the country by the website https://tradingeconomics.com. According to the source, the annual salary (2022) in Chinese industry was in the order of CNY 97,528.00. Given that there was no information for the months of 2023, it assumed the same value for P5 as a whole. Thus, dividing the annual salary by 12, the monthly salary of CNY 8,127.33. Based on the average exchange rate of P5 renminbi x dollar, published by the Central Bank of Brazil (6,733) -, the monthly salary for production-related labor in China was US$ 1,206.96.

317. Based on the technical coefficient and the monthly salary of the workforce, the cost of labor work for manufacturing polyester fibers in China was calculated at [CONFIDENTIAL].

4.1.1.1.3 Other costs

318. For the other components of the constructed normal value, the petitioner relied on the cost structure of [CONFIDENTIAL]. Thus, the relationship between each item reported for the its production cost, as per appendix XVIII to the petition - except [CONFIDENTIAL] and labor - and the sum of main raw materials ([CONFIDENTIAL]). The table below shows the results obtained.

[CONFIDENTIAL]

319. These percentages were applied to the costs of PTA and MEG for the manufacture of a ton of polyester fibers in China, estimated as described in item 4.1.1.1. The results are presented below.

[CONFIDENTIAL]			
China			
	Price (US$/t)	Technical Coefficient	Cost (US$/t)
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]

[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
Manufacturing cost -		-	1,239.30

4.1.1.1.4 Expenses and profit margin

320. For the purposes of calculating commercial, administrative and financial expenses for both China As for Vietnam, Abrafas used the consolidated financial statement of Far Eastern New Century Corporation (https://www.fenc.com/index.aspx?lang=en). Far Eastern was used because it operates in the chemical fiber segment, particularly polyester, and being one of the world leaders in production of the product.

321. The petitioner highlighted that, as can be seen from its organizational structure, presented in the annex art_48e to the petition, Far Eastern has a specific polyester division and that covers the product subject of the investigation. Furthermore, according to the appendix, 60% of Far Eastern's production is directed to export.

322. Although Far Eastern New Century is headquartered in Chinese Taipei, the petitioner highlighted that it has several related parties operating (and producing polyester fibers) in Asia, including in the countries investigated. Thus, the petitioner highlights: Far Eastern Polytex (Vietnam), subsidiary company: https://www.fenc.vn/en/ (on the company's website, it can be seen that there is production of fibers polyester in that country); and Far Eastern Industries (Shanghai) Ltd (Polyester Business), a subsidiary company.

323. In the group's consolidated financial statements it is also possible to identify, in item "Subsidiaries included in the consolidated financial statements" companies Far Eastern Industries (Shanghai) Ltd. and Far Eastern Polytex (Vietnam) Ltd. According to the same item, the nature of the activities of The first would be related to "Chemical fiber production" and the second, to "Chemical fiber and textile production".

324. The summary of the company's results was obtained from its own financial report. In At the time of filing the petition, the 2023 data was not available, so the petitioner used the result of the year 2022 to prepare its calculations. However, at the time of preparation of this document, the data relating to P5 were already available. Therefore, the DECOM calculated the percentages relating to total operating expenses and operating profit updated to P5, as per the table below.

Far Eastern's P5 financial indicators in thousand NTD (New Taiwan Dollars)		
Heading	Values	Proportion in Relation to Operating Costs
Operating revenues	56,119,500	-
Operating costs	1,362,889	-
Gross profit	44,756,611	-
Total operating expenses	3,961,287	16.1%
Operating profit	1,525,379	5.5%

325. These percentages were applied to the manufacturing cost for the manufacture of a ton of polyester fibers in China, estimated as described in item 4.1.1.3. The results are presented below.

Manufacturing cost -		1,239.30
Operating expenses 16.1% 199.13		
Profit	5.5% 67.58	

4.1.1.1.5 Constructed normal value

326. Considering all the aforementioned methodology, the normal value constructed for the purposes of present analysis reached the amount of US$ 1,506.01/t (one thousand five hundred and six US dollars and one cent per ton), in delivered condition, according to the table below:

NORMAL CONSTRUCTED VALUE - CHINA [CONFIDENTIAL]				
Headings		Price US$	Technical Coefficient several/t	Unit cost of the product US$/t
(A) Raw Material 1	[CONF.]	[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 2 [CONF.]		[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 3 [CONF.]			[CONF.]	[CONF.]
(A) Raw Material 4 [CONF.]			[CONF.]	[CONF.]
(A) Raw Material 5 [CONF.]			[CONF.]	[CONF.]
(A) Raw Material 6 [CONF.]			[CONF.]	[CONF.]
(B) Direct Labor		1,206.94	[CONF.]	[CONF.]
(C) Other costs 1	Depreciation		[CONF.]	[CONF.]
(C) Other costs 2 Maintenance			[CONF.]	[CONF.]
(C) Other costs 3 Other CFs			[CONF.]	[CONF.]
(D) Production Cost (A+B+C)				1,239.30
(E) General and Administrative Expenses			16.1%	199.13
(F) Business Expenses				
(G) Financial Expenses				-
(H) Total Cost (D+E+F+G)				1,438.43
(I)Profit			5.5%	67.58
(J) Price delivered (H+I)				1,506.01

4.1.1.2 China's export price

327. The export price, if the producer is the exporter of the product that is the subject of the investigation, is the amount received, or to be received, for the product exported to Brazil, net of taxes, discounts or reductions actually granted and directly related to sales of the product investigated.

328. For the purposes of determining the export price of polyester fibers from China to Brazil, the respective exports destined for the Brazilian market carried out in the period were considered analysis of signs of dumping, that is, between July 2022 and June 2023.

329. Information regarding export prices was determined based on the detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue Service of Brazil (RFB), from the Ministry of Finance, under FOB conditions, excluding imports of products

identified as not being the product subject to the investigation.

Export Price - China [RESTRICTED]		
FOB Value (US$)	Volume (t)	FOB Export Price (US$/t)
[REST.]	[REST.]	1,038.37

330. Thus, dividing the total FOB value of imports of the product subject to the investigation, during the period of analysis of evidence of dumping, by the respective imported volume, in tons, the export price from China was determined to be US$ 1,038.37/t (one thousand and thirty-eight US dollars and thirty-seven cents per ton), on an FOB basis.

4.1.1.3 China's dumping margin

331. The absolute dumping margin is defined as the difference between the normal value and the export price, and the relative dumping margin is the ratio between the absolute dumping margin and the export price.

332. For the purposes of initiating the investigation, it was considered appropriate to compare the normal value in the delivered condition with the FOB export price, since both include the internal freight costs in the market of origin, being freight to customers, in the case of the normal value, and freight to the port, in the case of the export price.

333. The absolute and relative dumping margins determined for China are shown below.

Dumping Margin			
Normal Value (US$/t) (a)	Export Price (US$/t) (b)	Dumping Margin Absolute (c) = (a) - (b)	Relative Dumping Margin (%) (d) = (c)/(b)
1,506.01	1,038.37	467.64	45.0%

334. Thus, for the purposes of initiating this investigation, it was found that China's dumping margin reached US$467.64/t (four hundred and sixty-seven US dollars and sixty-four cents per tonne).

4.1.2 From Vietnam

4.1.2.1. Vietnam's normal value for the purpose of initiating investigation

335. Based on the manufacturing cost structure of the similar product provided by [CONFIDENTIAL] for polyester fibers, the normal value was constructed considering the following items:

a) raw materials;

b) utilities;

c) direct labor;

d) other costs;

e) general and administrative expenses; and

f) profit margin.

336. It should be noted that the evidence provided of costing coefficients, presented as annexes to the petition, will be checked during the on-site verification with the domestic industry, in order to attest to the accuracy of the information provided by the petitioner.

4.1.2.1.1 Raw materials

337. As explained in item 4.1.1.1, the price of the main raw materials (PTA and MEG) was determined, for all investigated origins, from the publication Chemical Market Analytics, taking into account, specifically, the price disclosed for Northeast Asia, which reached US$ [CONFIDENTIAL]/t, in the case of MEG, and US$ [CONFIDENTIAL]/t, in the case of PTA, both under CFR conditions.

338. Since the import tax for these items in Vietnam amounts to 0.00% (according to data provided by the petitioner and verified by the investigating authority through the World Trade Organization's electronic portal), the final prices considered for the raw materials were those indicated in the previous paragraph.

4.1.2.1.2 Technical coefficients

339. The technical coefficients were obtained [CONFIDENTIAL], as per section 4.1.1.1 of this Opinion. These technical coefficients corresponded to [CONFIDENTIAL] per ton of polyester fiber produced.

340. The following table shows the cost of PTA and MEG for the manufacture of one ton of polyester fiber in Vietnam, according to the methodology described.

[CONFIDENTIAL]			
Vietnam			
	Price (US$/t)	Technical Coefficient	Cost (US$/t)
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]

4.1.2.1.3 Labor

341. As presented in item 4.1.1.2, the technical coefficient was obtained by the petitioner from [CONFIDENTIAL]. The employee numbers were taken from appendix XIV, while the production data were taken from the cost appendices. This coefficient was [CONFIDENTIAL]. The table below summarizes the calculations:

[CONFIDENTIAL]

342. In order to estimate the monthly value of labor in Vietnam, the petitioner used the website https://tradingeconomics.com, specifically considering the indicator "wages in manufacturing". According to the petitioner, the monthly wage in P5 in the industry in Vietnam would have been in the order of VND 7,700,000.00. DECOM reviewed the calculations and considered the average of the four constant prices in P5 (July 2022 to June 2023) on the trading economics website (VND 7,660,000, VND 7,700,000, VND 7,900,000 and VND 7,815,000), arriving at the value of VND 7,768,750. Another adjustment made was in relation to the exchange rate, with the use of the selling parity, instead of the purchasing parity. Based on the average Vietnamese Dong x dollar exchange rate at sales parity, published by the Central Bank of Brazil (VND 23,712.31), the monthly value for labor was US$ 327.63.

343. Based on the technical coefficient and the monthly value of labor, the value of the labor item work for Vietnam was calculated in [CONFIDENTIAL]. The following table shows the calculation made.

[CONFIDENTIAL]	
Vietnam	
Monthly salary (local currency)	7,768,750.00
Exchange	23,712.31
Monthly Salary (US$)	327.63

Technical coefficient	[CONF.]
Cost (US$/t)	[CONF.]

4.1.2.1.4 Other costs

344. For the other manufacturing cost items, the calculation methodology was similar to presented in section 4.1.1.3 of this Opinion. Thus, the relationship between each item reported for its production cost, as per appendix XVIII to the petition - except [CONFIDENTIAL] and labor - and the sum of main raw materials ([CONFIDENTIAL]).

345. These percentages were applied to the costs of PTA and MEG for the manufacture of a tonne of polyester fibres in Vietnam, estimated as described in item 4.2.1.1. The results are presented below.

[CONFIDENTIAL]			
Vietnam			
	Price (US$/t)	Technical Cost Coefficient	(US$/t)
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
Workforce	327.63	[CONF.]	[CONF.]
[CONF.]	-	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
Manufacturing cost -		-	1,123.83

4.1.2.1.5 Expenses and profit margin

346. For the purposes of calculating commercial, administrative and financial expenses for both China as for Vietnam, Abrafas used the consolidated financial statement of Far Eastern New Century Corporation (https://www.fenc.com/index.aspx?lang=en), as per motivation and methodology set out in item 4.1.1.4.

347. The percentages obtained from the company's financial statements (also presented in item 4.1.1.4) were multiplied by the manufacturing cost of polyester fibers in the Vietnam, corresponding to the sum of the values calculated in items 4.2.1.1, 4.2.1.2 and 4.2.1.3 of this document.

348. The following table shows the calculations performed and the results achieved.

Manufacturing cost -		1,123.83
Operating expenses	16.1%	180.57
Profit	5.5%	61.28

4.1.2.1.6 Constructed normal value

349. Considering all the aforementioned methodology, the normal value constructed for the purposes of present analysis, for Vietnam, reached the amount of US$ 1,365.69/t (one thousand three hundred and sixty-five US dollars and sixty-nine cents per ton), in delivered condition, according to the table below:

NORMAL CONSTRUCTED VALUE - Vietnam [CONFIDENTIAL]				
Headings		Price US$	Technical Coefficient several/t	Unit cost of the product US$/t
(A) Raw Material 1	[CONF.]	[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 2 [CONF.]		[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 3 [CONF.]			[CONF.]	[CONF.]
(A) Raw Material 4 [CONF.]			[CONF.]	[CONF.]
(A) Raw Material 5 [CONF.]			[CONF.]	[CONF.]
(A) Raw Material 6 [CONF.]			[CONF.]	[CONF.]
(B) Direct Labor		327.63	[CONF.]	[CONF.]
(C) Other costs 1	Depreciation		[CONF.]	[CONF.]
(C) Other costs 2	Maintenance		[CONF.]	[CONF.]
(C) Other costs 3	Other CFs		[CONF.]	[CONF.]
(D) Production Cost (A+B+C)				1,123.82
(E) General and Administrative Expenses			16.1%	180.57
(F) Business Expenses				
(G) Financial Expenses				-
(H) Total Cost (D+E+F+G)				1,304.41
(I)Profit			5.5%	61.28
(J) Price delivered (H+I)				1,365.69

4.1.2.2 Vietnam's export price

350. For the purposes of determining the export price of polyester fibers from Vietnam to Brazil, the respective exports destined for the Brazilian market carried out in the period were considered analysis of signs of dumping, that is, between July 2022 and June 2023.

351. Information regarding export prices was determined based on the detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue Service of Brazil (RFB), from the Ministry of Finance, under FOB conditions, excluding imports of products identified as not being the product subject to the investigation.

Export Price - Vietnam [RESTRICTED]		
FOB Value (US$)	Volume (t)	FOB Export Price (US$/t)
[REST.]	[REST.]	980.44

352. Thus, dividing the total FOB value of imports of the product subject to the investigation, during the period of analysis of evidence of dumping, for the respective imported volume, in tons, the export price from Vietnam was found to be US$980.44/t (nine hundred and eighty dollars US dollars and forty-four cents per ton), on FOB terms.

4.1.2.3 Vietnam's dumping margin

353. The absolute dumping margin is defined as the difference between the normal value and the price export, and the relative dumping margin is the ratio between the dumping margin absolute and the export price.

354. For the purposes of initiating the investigation, it was considered appropriate to compare the normal value in the delivered condition with the FOB export price, since both include the internal freight costs in the market of origin, being freight to customers, in the case of the normal value, and freight to the port, in the case of the export price.

355. The absolute and relative dumping margins determined for the Vietnam.

Dumping Margin			
Normal Value (US$/t) (a)	Export Price (US$/t) (b)	Dumping Margin Absolute (c) = (a) - (b)	Relative Dumping Margin (%) (d) = (c)/(b)
1,365.69	980.44	385.25	39.3%

356. Thus, for the purposes of initiating this investigation, it was found that Vietnam's dumping margin reached US$385.25/t (three hundred and eighty-five US dollars and twenty-five cents per ton).

4.1.3 From Thailand

4.1.3.1 Thailand's normal value for the purpose of initiating an investigation

357. Based on the manufacturing cost structure of the similar product provided by [CONFIDENTIAL] for polyester fibers, the normal value was constructed considering the following items:

a) raw materials;

b) utilities;

c) direct labor;

d) other costs;

e) general and administrative expenses; and

f) profit margin.

358. It should be noted that the evidence provided of costing coefficients, presented as annexes to the petition, will be checked during the on-site verification with the domestic industry, in order to attest to the accuracy of the information provided by the petitioner.

4.1.3.1.1 Raw materials

359. As explained in item 4.1.1.1, the price of the main raw materials (PTA and MEG) was determined, for all investigated origins, from the publication Chemical Market Analytics, taking into account, specifically, the price disclosed for Northeast Asia, which reached US$ [CONFIDENTIAL]/t, in the case of MEG, and US$ [CONFIDENTIAL]/t, in the case of PTA, both under CFR conditions.

360. Since the import tax for these items in Thailand amounts to 0.00% (according to data provided by the petitioner and verified by the investigating authority, through the electronic portal of the World Trade Organization), the final prices considered for the raw materials were those indicated in the previous paragraph.

361. The technical coefficients were obtained [CONFIDENTIAL], as per section 4.1.1.1 of this Opinion. These technical coefficients corresponded to [CONFIDENTIAL] per ton of polyester fiber produced.

362. The following table shows the cost of PTA and MEG for the manufacture of one ton of polyester fiber in Thailand, according to the methodology described.

[CONFIDENTIAL]

4.1.3.1.2 Of the workforce

363. As presented in item 4.1.1.2, the technical coefficient was obtained by the petitioner from from [CONFIDENTIAL]. Employee numbers were taken from Appendix XIV, while production data from the cost appendices. This coefficient was [CONFIDENTIAL]. The table below summarizes the calculations:

[CONFIDENTIAL]

364. To estimate the monthly value of labor in Thailand, the petitioner used the website electronic https://tradingeconomics.com, specifically considering the indicator "wages in manufacturing". According to the petitioner, the monthly salary in P5 in the industry in Thailand would have been order of THB 14,541.07. DECOM reviewed the calculations and considered the average of the four constant prices in P5 (July 2022 to June 2023) on the trading economics website (THB 14,207.80, THB 14,541.07, THB 14,293.16 and THB 14,613.04), reaching an average of THB 14,413.77. Another adjustment made was in relation to the exchange rate, using the selling parity instead of the buying parity. Based on the average of the Thailand bath x dollar quote at the selling parity, released by the Central Bank of Brazil (THB 35.29478) -, the monthly value for labor was US$ 408.38.

365. Based on the technical coefficient and the monthly value of labor, the value of the labor item work for Thailand was calculated in [CONFIDENTIAL]. The following table shows the calculation made.

[CONFIDENTIAL]	
Thailand	
Monthly salary (local currency)	14,413.77
Exchange	35.29478
Monthly Salary (US$)	408.38
Technical coefficient	[CONF.]
Cost (US$/t)	[CONF.]

4.1.3.1.3 Other costs

366. For the other manufacturing cost items, the calculation methodology was similar to presented in section 4.1.1.3 of this Opinion. Thus, the relationship between each item reported for its production cost, as per appendix XVIII to the petition - except [CONFIDENTIAL] and labor - and the sum of main raw materials ([CONFIDENTIAL]).

367. These percentages were applied to the costs of PTA and MEG for the manufacture of a tonne of polyester fibres in Thailand, estimated as described in item 4.3.1.1. The results are presented below.

[CONFIDENTIAL]			
Thailand			
	Price (US$/t)	Technical Coefficient	Cost (US$/t)
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
Workforce	408.38	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]

[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
Manufacturing cost -		-	1,128.06

4.1.3.1.4 Expenses and profit margin

368. For the purposes of calculating commercial, administrative and financial expenses for Thailand, Abrafas used the consolidated financial statement of Indorama Ventures Public Company Limited (https://www.indoramaventures.com/en/home). The petitioner selected Indorama Ventures, headquartered and factory in Thailand, claiming to be one of the world's leading manufacturers of polyester fibers.

369. As verified on its website, the company reports that it manufactures polyester fibers:

Our fibers portfolio consists of polyester fibers and yarns, polyolefin fibers, bicomponent fibers, and fibers for automotive textiles, which consists of nylon 6.6, composite fibers, rayon and aramid. These products are grouped into five categories: Home, Apparel, Hygiene and Medical, Automotive, and industrial/technical. (our emphasis)

370. It was also possible to identify at least one unit on the company's website productive in Thailand that manufactures polyester fibers, located in Nakhon Pathom.

371. The summary of the company's results was obtained from its own financial report. (attachment art_48g, presented by the petitioner). Likewise, the petitioner used the result of the year 2022. Furthermore, an adjustment was made to the profit heading, to consider the "profit before tax", instead of the "profit from operating activities", which had been used by the petitioner. As for expenses/revenues operational, revenues were also included in the calculation, since the calculation proposed by the petitioner contemplated only financial expenses. Finally, the percentages were calculated in relation to the "cost of sales of goods". The specific data are reproduced in the table below:

Indorama Ventures financial indicators in 2022, in thousand Baht		
Heading	Values	Relationship
Revenue from sales of products (note 27)	656,266,448 -	
Cost of goods sold (note 29)	544,321,267 -	
Operating expenses (distribution expenses, administrative expenses subtracted from financial result) (note 30)	71,964,436.0 13.2%	
Profit margin	40,103,890 7.4%	

4.1.3.1.5 Constructed normal value

372. Considering all the aforementioned methodology, the normal value constructed for the purposes of present analysis, for Thailand, reached the amount of US$ 1,360.31/t (one thousand three hundred and sixty US dollars and thirty-one cents per ton), in delivered condition, according to the table below:

STANDARD CONSTRUCTED VALUE - Thailand [CONFIDENTIAL]				
Headings		Price US$	Technical Coefficient several/t	Unit cost of the product US$/t

(A) Raw Material 1 [CONF.]	[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 2 [CONF.]	[CONF.]	[CONF.]	[CONF.]
'(A) Raw Material 3 [CONF.]		[CONF.]	[CONF.]
(A) Raw Material 4 [CONF.]		[CONF.]	[CONF.]
(A) Raw Material 5 [CONF.]		[CONF.]	[CONF.]
(A) Raw Material 6 [CONF.]		[CONF.]	[CONF.]
(B) Direct Labor	408.38	[CONF.]	[CONF.]
(C) Other costs 1 Depreciation		[CONF.]	[CONF.]
(C) Other costs 2 Maintenance		[CONF.]	[CONF.]
(C) Other costs 3 Other CFs		[CONF.]	[CONF.]
(D) Production Cost (A+B+C)			1,128.06
(E) Operating Expenses		13.2%	149.14
(F) Total Cost (D+E)			1,277.20
(I)Profit		7.4%	83.11
(J) Price delivered (H+I)			1,360.31

4.1.3.2 Export price from Thailand

373. For the purpose of determining the export price of polyester fibres from Thailand to the Brazil, the respective exports destined for the Brazilian market carried out in the period of analysis of evidence of dumping, that is, between July 2022 and June 2023.

374. Information regarding export prices was determined based on the detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue Service of Brazil (RFB), from the Ministry of Finance, under FOB conditions, excluding imports of products identified as not being the product subject to the investigation.

Export Price - Thailand [RESTRICTED]		
FOB Value (US$)	Volume (t)	FOB Export Price (US$/t)
[REST.]	[REST.]	1,071.67

375. Thus, dividing the total FOB value of imports of the product subject to the investigation, during the period of analysis of evidence of dumping, for the respective imported volume, in tons, the export price from Thailand was found to be US$1,071.67/t (one thousand and seventy-one dollars US dollars and sixty-seven cents per ton), on FOB terms.

4.1.3.3. Thailand's dumping margin

376. The absolute dumping margin is defined as the difference between the normal value and the price export, and the relative dumping margin is the ratio between the dumping margin absolute and the export price.

377. For the purposes of initiating the investigation, it was considered appropriate to compare the normal value in the delivered condition with the FOB export price, since both include the shipping costs internal freight in the market of origin, being freight to customers, in the case of normal value, and freight to the port, in the case of the export price.

378. The absolute and relative dumping margins determined for the Thailand.

Dumping Margin

Normal Value (US$/t) (a)	Export Price (US$/t) (b)	Dumping Margin Absolute (c) = (a) - (b)	Relative Dumping Margin (%) (d) = (c)/(b)
1,360.31	1,071.67	288.64	26.9%

379. Thus, for the purposes of initiating this investigation, it was found that Thailand's dumping margin reached US$288.64/t (two hundred and eighty-eight US dollars and sixty-four cents per tonne).

4.1.4 From Malaysia

4.1.4.1 Malaysian normal value for the purpose of initiating investigation

380. Based on the manufacturing cost structure of the similar product provided by [CONFIDENTIAL] for polyester fibers, the normal value was constructed considering the following items:

a) raw materials;

b) utilities;

c) direct labor;

d) other costs;

e) general and administrative expenses; and

f) profit margin.

381. It should be noted that the evidence provided of costing coefficients, presented as annexes to the petition, will be checked during the on-site verification with the domestic industry, in order to attest to the accuracy of the information provided by the petitioner.

4.1.4.1.1 Raw materials

382. As explained in item 4.1.1.1, the price of the main raw materials (PTA and MEG) was determined, for all investigated origins, from the publication Chemical Market Analytics, taking into account, specifically, the price disclosed for Northeast Asia, which reached US$ [CONFIDENTIAL]/t, in the case of MEG, and US$ [CONFIDENTIAL]/t, in the case of PTA, both under CFR conditions.

383. Since the import tax for these items in Malaysia amounts to 0.00% (according to data provided by the petitioner and verified by the investigating authority, through the electronic portal of the World Trade Organization), the final prices considered for the raw materials were those indicated in the previous paragraph.

384. The technical coefficients were obtained [CONFIDENTIAL], as per section 4.1.1.1 of this Opinion. These technical coefficients corresponded to [CONFIDENTIAL] per ton of polyester fiber produced.

385. The following table shows the cost of PTA and MEG for the manufacture of one ton of polyester fiber in Malaysia, as per the methodology described.

[CONFIDENTIAL]			
Malaysia			
	Price (US$/t) Technical Cost Coefficient (US$/t)		
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]

4.1.4.1.2 Of the workforce

386. As presented in item 4.1.1.2, the technical coefficient was obtained by the petitioner from from [CONFIDENTIAL]. Employee numbers were taken from Appendix XIV, while production data from the cost appendices. This coefficient was [CONFIDENTIAL]. The table below summarizes the calculations:

[CONFIDENTIAL]

387. To estimate the monthly value of labor in Malaysia, the petitioner used the website electronic https://tradingeconomics.com, specifically considering the indicator "wages in manufacturing". According to the petitioner, the monthly salary in P5 in the industry in Malaysia would have been order of MYR 3,422.5. DECOM reviewed the calculations and considered the average for all months of P5 (July 2022 to June 2023) on the trading economics website, reaching an average of MYR 3,441.17. Other The adjustment made was in relation to the exchange rate, using the sales parity, instead of the purchase. Based on the average Malaysian Ringgit x Dollar exchange rate at the selling parity, published by Central Bank of Brazil (MYR 4,494068) -, the monthly value of US$ 765.71 was reached as a labor work.

388. Based on the technical coefficient and the monthly value of labor, the value of the labor item work for Malaysia was calculated in [CONFIDENTIAL]. The following table shows the calculation made.

[CONFIDENTIAL]	
Malaysia	
Monthly salary (local currency) 3,441.17	
Exchange	4.494068
Monthly Salary (US$)	765.71
Technical coefficient	[CONF.]
Cost (US$/t)	[CONF.]

4.1.4.1.3 Other costs

389. For the other manufacturing cost items, the calculation methodology was similar to presented in section 4.1.1.3 of this Opinion. Thus, the relationship between each item reported for its production cost, as per appendix XVIII to the petition - except [CONFIDENTIAL] and labor - and the sum of main raw materials ([CONFIDENTIAL]).

390. These percentages were applied to the costs of PTA and MEG for the manufacture of a tonne of polyester fibres in Malaysia, estimated as described in item 4.4.1.1. The results are presented below.

[CONFIDENTIAL]			
Malaysia			
	Price (US$/t) Technical Cost Coefficient (US$/t)		
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
Workforce	765.71	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]
[CONF.]	[CONF.]	[CONF.]	[CONF.]

[CONF.]	[CONF.]	[CONF.]	[CONF.]
Manufacturing cost -		-	1,146.77

4.1.4.1.4 Expenses and profit margin

391. For the purposes of calculating commercial, administrative and financial expenses for Malaysia, the Abrafas used the consolidated financial statement of Recron Malaysia Sdn. Bhd. (https://www.recronmalaysia.com/). The petitioner reported that, according to its website, Recron is one of the largest Asian producers of polyester and textiles, with fibers in its portfolio of products (https://www.recronmalaysia.com/fiber-yarns.html).

392. The summary of the company's results was obtained from its own financial report. (attachment art_48f, presented by the petitioner). Despite the petitioner not having informed the site corresponding electronic for the extraction of the financial report, it was possible to find it publicly available at the following address: https://www.ril.com/investors/subsidiaries-associates/financial-statements-of-subsidiaries/financial-statements-of-subsidiaries-2022-23. Likewise form, considering that, at the time the petition was filed, the 2023 data was not available, the petitioner used the result for the year 2022. An adjustment was made to the calculation, taking into account given that, despite the response given by the petitioner to the Supplementary Information Letter SEI No. 7617/2023/MDIC regarding the heading "cost of materials consumed", DECOM considered it to be unclear the correspondence between such heading and the concept of cost of product sold. Thus, the percentages were calculated on revenue from sales of products and employees in constructing the normal value for by means of the "internal calculation" calculation methodology. The specific data are reproduced in the table below:

Recron Malaysia Financial Indicators in 2022, in millions of MYR		
Heading	Values	Relationship
Revenue from product sales	3,950.10	-
Sales and distribution expenses	429.59	10.9%
Profit	275.03	7.0%

4.1.4.1.5 Constructed normal value

393. Considering all the aforementioned methodology, the normal value constructed for the purposes of present analysis, for Malaysia, reached the amount of US$ 1,395.74/t (one thousand three hundred and ninety-five US dollars and seventy-four cents per ton), in delivered condition, according to the table below:

STANDARD CONSTRUCTED VALUE - Malaysia [CONFIDENTIAL]				
Headings		Price US$	Technical Coefficient several/t	Unit cost of the product US$/t
(A) Raw Material 1	[CONF.]	[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 2	[CONF.]	[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 3	[CONF.]		[CONF.]	[CONF.]
(A) Raw Material 4	[CONF.]		[CONF.]	[CONF.]
(A) Raw Material 5	[CONF.]		[CONF.]	[CONF.]
(A) Raw Material 6	[CONF.]		[CONF.]	[CONF.]
(B) Direct Labor		765.71	[CONF.]	[CONF.]
(C) Other costs 1	Depreciation		[CONF.]	[CONF.]

(C) Other costs 2	Maintenance		[CONF.]	[CONF.]
(C) Other costs 3	Other CFs		[CONF.]	[CONF.]
(D) Production Cost (A+B+C)				1,146.77
(E) Operating Expenses* (*inside calculation)			10.9%	151.79
(F) Total Cost (D+E)				1,298.56
(I)Profit* (*calculation "from the inside")			7.0%	97.18
(J) Price delivered (H+I)				1,395.74

4.1.4.2 Malaysian export price

394. For the purpose of determining the export price of polyester fibres from Malaysia to the Brazil, the respective exports destined for the Brazilian market carried out in the period of analysis of evidence of dumping, that is, between July 2022 and June 2023.

395. Information regarding export prices was determined based on the detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue Service of Brazil (RFB), from the Ministry of Finance, under FOB conditions, excluding imports of products identified as not being the product subject to the investigation.

Export Price - Thailand [RESTRICTED]		
FOB Value (US$)	Volume (t)	FOB Export Price (US$/t)
[REST.]	[REST.]	936.32

396. Thus, dividing the total FOB value of imports of the product subject to the investigation, during the period of analysis of evidence of dumping, for the respective imported volume, in tons, the Malaysian export price was found to be US$936.32/t (nine hundred and thirty-six US dollars and thirty-two cents per ton), on FOB terms.

4.1.4.3 Malaysia's dumping margin

397. The absolute dumping margin is defined as the difference between the normal value and the price export, and the relative dumping margin is the ratio between the dumping margin absolute and the export price.

398. For the purposes of initiating the investigation, it was considered appropriate to compare the normal value in the delivered condition with the FOB export price, since both include the shipping costs internal freight in the market of origin, being freight to customers, in the case of normal value, and freight to the port, in the case of the export price.

399. The absolute and relative dumping margins determined for the Malaysia.

Dumping Margin			
Normal Value (US$/t) (a)	Export Price (US$/t) (b)	Dumping Margin Absolute (c) = (a) - (b)	Relative Dumping Margin (%) (d) = (c)/(b)
1,395.74	936.32	459.43	49.1%

400. Therefore, for the purposes of initiating this investigation, it was found that the dumping margin from Malaysia reached US$459.43/t (four hundred and fifty-nine US dollars and forty-three cents per ton).

4.1.5 From India

4.1.5.1 Indian normal value for the purpose of initiating investigation

401. Based on the manufacturing cost structure of the similar product provided by [CONFIDENTIAL] for polyester fibers, the normal value was constructed considering the following items:

a) raw materials;

b) utilities;

c) direct labor;

d) other costs;

e) general and administrative expenses; and

f) profit margin.

402. It should be noted that the evidence provided of costing coefficients, presented as annexes to the petition, will be checked during the on-site verification with the domestic industry, in order to attest to the accuracy of the information provided by the petitioner.

4.1.5.1.1 Raw materials

403. As explained in item 4.1.1.1, the price of the main raw materials (PTA and MEG) was determined, for all investigated origins, from the publication Chemical Market Analytics, taking into account, specifically, the price disclosed for Northeast Asia, which reached US$ [CONFIDENTIAL]/t, in the case of MEG, and US$ [CONFIDENTIAL]/t, in the case of PTA, both under CFR conditions.

404. The petitioner reported that the import duty in India would be equivalent to 5%, based on data collected from Trade Map, via the MacMap platform. The information could be confirmed on the "Indian Trade Portal", made available by the Department of Commerce, Ministry of Commerce and Industry of India.

405. Thus, this percentage was added to the values determined for MEG and PTA made available by the CMA, reaching prices of US$ [CONFIDENTIAL]/t for MEG and US$ [CONFIDENTIAL]/t for PTA.

406. The technical coefficients were obtained [CONFIDENTIAL], as per section 4.1.1.1 of this Opinion. These technical coefficients corresponded to [CONFIDENTIAL] per ton of polyester fiber produced.

407. The following table shows the cost of PTA and MEG for the manufacture of one tonne of polyester fibre in India, according to the methodology described.

[CONFIDENTIAL]			
India			
	Price (US$/t)	Technical Coefficient	Cost (US$/t)
MEG	[CONF.]	[CONF.]	[CONF.]
PTA	[CONF.]	[CONF.]	[CONF.]

4.1.5.1.2 Of the workforce

408. As set out in item 4.1.1.2, the technical coefficient was obtained by the petitioner from [CONFIDENTIAL]. The employee numbers were taken from Appendix XIV, while the production data were taken from the cost appendices. This coefficient was [CONFIDENTIAL]. The table below summarizes the calculations:

[CONFIDENTIAL]

409. In order to estimate the monthly value of labor in India, the petitioner used the wage-minimum rate in force during the dumping analysis period in the state of Gujarat, where the textile facilities of Reliance Industries, one of India's leading producers of polyester yarns, are located, as stated in the petition. The petitioner clarified that this information is available on the company's website, as per https://www.ril.com/OurCompany/Manufacturing.aspx.

410. According to the petitioner, the minimum wage policy currently in force in India provides for biannual reviews; the data is compiled by the Government of Gujarat and made publicly available. The petitioner, however, provided the unofficial data source as Paycheck.in. In an internet search, DECOM did not find any official sources of the Indian government on the data relating to the labor force.
work.

411. Information relating to the Paycheck.in. website, taken from the website https://paycheck.in/salary/minimumwages/archive/20220701/16912-gujarat/17104-pre-weaving-textile-processing-industries are divided into 'Zone I' and 'Zone II' which are related to the geographical area of Gujarat. Further, the wage is segregated into three bands based on the qualification of the employee (unskilled, semi skilled, skilled). The minimum wages in Gujarat have been extracted for the segment 'Pre-weaving & Textile Processing Industries'.

412. ABRAFAS adopted the average of all six salary options (total per day) disclosed for the months of July/2022 to June/2023 (INR 365.3). Furthermore, the monthly value was obtained by multiplying the daily value by 26, the regular number of working days in that country (INR 9497.8). As for the regular number of working days, DECOM verified, on the ILO website (https://ilostat.ilo.org/resources/concepts-and-definitions/description-wages-and-working-time-statistics/), a methodology for calculating the monthly minimum wage that considers the daily salary multiplied by 6 days and 4.33 weeks, which is approximately similar to the working days presented by the petitioner. Furthermore, the number of days was the same as that previously used in the investigation of textured polyester yarn (SEI Opinion No. 11277/2022/ME).

413. DECOM compared the extracted information with the unofficial data source Labour Law Reporter (https://labourlawreporter.com/minimum-wages-gujarat/), and the wages in effect as of 04/01/2022 corresponded to those presented by the petitioner. Considering that the Paycheck.in data source had also been previously used, in the investigation of textured polyester yarn (SEI Opinion No. 11277/2022/ME), DECOM considered the use of such source appropriate in the present investigation.

414. DECOM adjusted the calculation to consider the weighted average between the two periods found within P5 (from the indicated source, two minimum wage levels were extracted throughout P5 - from July to September 2022 and from October 2022 to June 2023). The weighted average, considering the two zones and three qualification categories, was the equivalent of INR 366.47 per day, or INR 9,528.13 per month.

415. Another adjustment was made in relation to the exchange rate, using the selling parity instead of the buying parity. Based on the average Indian Rupee x Dollar exchange rate at the selling parity, published by the Central Bank of Brazil (INR 81.57), the monthly value was US$ 116.81.
labor title.

416. When asked why the source for extracting data on minimum wages in India was different from the source used for the other sources, the petitioner explained that data on minimum wages in India are not available on the Trading website.

Economics, source of minimum wage data from other sources. The data was found to be non-existent of India in the "Indicators", "Wages in Manufacturing", "World" tab, not being able to find India among the available countries.

417. Thus, based on the technical coefficient and the monthly value of labor, the value of the item labor for India was calculated at [CONFIDENTIAL].

4.1.5.1.3 Other costs

418. For the other manufacturing cost items, the calculation methodology was similar to presented in section 4.1.1.3 of this Opinion. Thus, the relationship between each item reported for its production cost, as per appendix XVIII to the petition - except [CONFIDENTIAL] and labor - and the sum of main raw materials ([CONFIDENTIAL]).

419. These percentages were applied to the costs of PTA and MEG for the manufacture of a tonne of polyester fibres in India, estimated as described in item 4.5.1.1. The results are presented below.

India			
	Price (US$/t)	Coefficient Tech.	Cost (US$/t)
MEG	[CONF.]	[CONF.]	[CONF.]
PTA	[CONF.]	[CONF.]	[CONF.]
Workforce	116.81	[CONF.]	[CONF.]
Other Raw Materials and Inputs (enzymes, chemicals, packaging)	[CONF.]	[CONF.]	[CONF.]
Utilities (electricity)	[CONF.]	[CONF.]	[CONF.]
Utilities (natural gas)	[CONF.]	[CONF.]	[CONF.]
Other variable costs	[CONF.]	[CONF.]	[CONF.]
Depreciation	[CONF.]	[CONF.]	[CONF.]
Other fixed costs (maintenance)	[CONF.]	[CONF.]	[CONF.]
Other fixed costs	[CONF.]	[CONF.]	[CONF.]
Manufacturing cost	-	-	1,168.13

4.1.5.1.4 Expenses and profit margin

420. For the purpose of calculating commercial, administrative and financial expenses for India, the Abrafas used the consolidated financial statement of Reliance Industries Company (https://www.ril.com/InvestorRelations/FinancialReporting.aspx). The petitioner informed that Reliance would be the largest Indian producer, and one of the largest in the world, of polyester fibers.

421. As verified by DECOM on the company's website (https://www.ril.com/businesses/petrochemicals/polyesters):

We are the largest producer of polyester fiber and yarn in the world, with a capacity of 2.5 million tonnes per annum. Having invested significant amounts on R&D in the polyester sector, our Reliance Technology Centre, Reliance Testing Center and Reliance Fiber Application Center constantly develop and introduce innovative products for the textile industry. (emphasis added).

422. The summary of the company's results was obtained from its own financial report. (attachment art_48h, submitted by the petitioner). In this case, the report covers the fiscal year ended in March 2023, that is, it covers the period from April 2022 to March 2023. An adjustment was made to the calculation, considering that, similarly to the calculation carried out for Malaysia, despite the response

given by the petitioner to the Supplementary Information Office SEI No. 7617/2023/MDIC regarding the heading "cost of materials consumed", DECOM considered that the correspondence between such heading and the concept of cost of goods sold. Thus, the percentages were calculated on the revenue with sales of products and employees in the construction of normal value through methodology of calculation "internal calculation". Furthermore, according to note 30 to the company's DRE, the amount referring to "other expenses" includes manufacturing costs and VAT on sales, which should be disregarded, since the components of the manufacturing cost have already been considered in past items and there is no charge for VAT on export transactions. It was also found that the petitioner did not consider the expenses financial, which were included ex officio in the calculation. The specific data are reproduced in the table below:

Reliance Financial Indicators (Year Ended 31/03/2023) in crore		
Heading	Values	Relationship
Revenue from product sales	856.770	-
Operating expenses (distribution and storage expenses, other expenses with sales, establishment expenses, financial expenses)	98,161	11.5%
Operating profit	94,022	11.0%

4.1.5.1.5 Constructed normal value

423. Considering all the aforementioned methodology, the normal value constructed for the purposes of present analysis, for India, reached the amount of US$ 1,505.92/t (one thousand five hundred and five dollars US dollars and ninety-two cents per ton), in delivered condition, according to the table below:

STANDARD CONSTRUCTED VALUE - India [CONFIDENTIAL]				
Headings		Price [CONF.]	Technical Coefficient [CONF.]	Unit cost of the product [CONF.]
(A) Raw Material 1	[CONF.]	[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 2	[CONF.]	[CONF.]	[CONF.]	[CONF.]
(A) Raw Material 3	[CONF.]		[CONF.]	[CONF.]
(A) Raw Material 4	[CONF.]		[CONF.]	[CONF.]
(A) Raw Material 5	[CONF.]		[CONF.]	[CONF.]
(A) Raw Material 6	[CONF.]		[CONF.]	[CONF.]
(B) Direct Labor		116.81	[CONF.]	[CONF.]
(C) Other costs 1	Depreciation		[CONF.]	[CONF.]
(C) Other costs 2	Maintenance		[CONF.]	[CONF.]
(C) Other costs 3	Other CFs		[CONF.]	[CONF.]
(D) Production Cost (A+B+C)				1,168.13
(E) Operating Expenses* (internal calculation)			11.5%	172.53
(F) Total Cost (D+E)				1,340.66
(G)Profit* (internal calculation)			11.0%	165.26
(J) Price delivered (F+G)				1,505.92

4.1.5.2 Export price from India

424. For the purposes of determining the export price of polyester fibers from India to Brazil, the respective exports destined for the Brazilian market carried out in the period were considered analysis of signs of dumping, that is, between July 2022 and June 2023.

425. Information regarding export prices was determined based on the detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue Service of Brazil (RFB), from the Ministry of Finance, under FOB conditions, excluding imports of products identified as not being the product subject to the investigation.

Export Price - Thailand [RESTRICTED]		
FOB Value (US$)	Volume (t)	FOB Export Price (US$/t)
[REST.]	[REST.]	1,298.99

426. Thus, dividing the total FOB value of the imports of the product subject to the investigation, during the period of analysis of evidence of dumping, for the respective imported volume, in tons, the export price from India was found to be US$ 1,298.99/t (one thousand two hundred and ninety-eight US dollars and ninety-nine cents per ton), on FOB terms.

4.1.5.3 India's dumping margin

427. The absolute dumping margin is defined as the difference between the normal value and the price export, and the relative dumping margin is the ratio between the dumping margin absolute and the export price.

428. For the purposes of initiating the investigation, it was considered appropriate to compare the normal value in the delivered condition with the FOB export price, since both include the shipping costs internal freight in the market of origin, being freight to customers, in the case of normal value, and freight to the port, in the case of the export price.

429. The absolute and relative dumping margins determined for India are shown below.

Dumping Margin			
Normal Value (US$/t) (a)	Export Price (US$/t) (b)	Dumping Margin Absolute (c) = (a) - (b)	Relative Dumping Margin (%) (d) = (c)/(b)
1,505.92	1,298.99	206.93	15.9%

430. Therefore, for the purposes of initiating this investigation, it was found that the dumping margin from India reached US$206.93/t (two hundred and six US dollars and ninety-three cents per tonne).

4.2 Adjustments in relation to the dumping margin at the start of the investigation

431. During the on-site verification at the domestic industry, the coefficients were verified MEG and PTA consumption technicians informed in the petition. Considering the verified data, there was change in the technical coefficients of PTA and MEG, as per the tables below:

Technical coefficient PTA (in t/t)			
Reported in petition	Verified	Difference	%
[CONF.]	[CONF.]	[CONF.]	0.027

Technical coefficient MEG (in t/t)			
Reported in petition	Verified	Difference	%
[CONF.]	[CONF.]	[CONF.]	-16.3

432. Additionally, there was a change in the technical labor coefficient, in view of the corrections to production data and number of employees resulting from on-site verification, as per table below:

Technical coefficient of labor (in employees/t)			
Reported	Verified	Difference	%
[CONF.]	[CONF.]	[CONF.]	33.3

433. The impacts on the constructed normal value and consequently on the dumping margins calculated at the beginning of the investigation are as follows:

Normal Value (in US$/t)			
Origin	Start of investigation	Fixed	Difference
China	1,506.01	1,479.52	-26.49
India	1,505.92	1,453.61	-52.31
Malaysia	1,395.74	1,362.58	-33.17
Thailand	1,360.31	1,319.95	-40.36
Vietnam	1,365.69	1,323.30	-42.38

Dumping margin (in US$/t)			
Origin	Start of investigation	Fixed	Difference
China	467.64	441.15	-26.49
India	206.93	154.62	-52.31
Malaysia	459.43	426.26	-33.17
Thailand	288.64	248.28	-40.36
Vietnam	385.25	342.86	-42.38

Dumping margin (%)			
Origin	Start of investigation	Corrected	Difference (pp)
China	45.0%	42.5%	- 0.03
India	15.9%	11.9%	- 0.04
Malaysia	49.1%	45.5%	- 0.04
Thailand	26.9%	23.2%	- 0.04
Vietnam	39.3%	35.0%	- 0.04

4.3 Dumping for the purposes of the preliminary determination

4.3.1 From China

4.3.1.1 From Hengyi Group producers/exporters

434. Regarding the calculation of the dumping margin of the Hengyi Group, it should be noted that notwithstanding the on-site verification of the company's data having been carried out before the date considered for purposes of preliminary determination, the outcome of the procedure was not considered for purposes of preliminary determination, since the on-site verification report had not yet been completed.

435. The methodology used to obtain the normal value, the price of export and the respective dumping margin of the Hengyi Group companies.

4.3.1.1.1 Of the normal value

436. The normal value was determined on the basis of data provided by the companies Zhejiang Hengyi High-Tech Materials Co., Ltd., Shaoxing Keqiao Hengming Chemical Fiber Co., Ltd., Fujian Yijin Chemical Fiber Co., Ltd. and Suqian Yida New Materials Co., Ltd., in response to the producer/exporter questionnaire and in response to the supplementary information letter, relating to the prices actually charged in the sales of the like product, in normal commercial operations, intended for consumption in the domestic market of China, in the period from July 2022 to June 2023, in accordance with the provisions of art. 8 of Decree No. 8,058 of 2013, or the constructed value, in accordance with the provisions of art. 13 combined with art. 14, II, of Decree No. 8,058 of 2013.

437. As regards customer categories, according to information provided by Shaoxing Keqiao in its response to the questionnaire, during the investigation period, the company's sales in the Chinese domestic market were destined for [CONFIDENTIAL], whether or not these companies were related to Shaoxing Keqiao.

438. For the purposes of calculating the normal value in ex-factory condition, Shaoxing Keqiao reported the following expenses to be deducted from the gross value of its sales destined for the Chinese domestic market: financial cost, inventory maintenance cost and indirect sales expenses. The company clarified that the gross value reported does not include taxes.

439. For the purposes of preliminary determination, the amounts relating to indirect sales expenses and inventory maintenance costs were considered as reported. The financial cost presented by Shaoxing Keqiao was not considered, given that [CONFIDENTIAL].

440. After determining the ex-factory prices of each of the sales transactions destined for the Chinese domestic market, an attempt was made, for the purposes of determining the normal value, to identify transactions that do not correspond to normal commercial transactions, in accordance with § 7 of art. 14 of Decree No. 8,058 of 2013.

441. The aim was then to determine whether the company's sales in the domestic market were made at prices lower than the unit production cost of the similar product at the time of sale, as established in § 1 of art. 14 of Decree No. 8,058 of 2013. To this end, a comparison was made between the value of each sale ex-factory, net of all expenses, and the total manufacturing cost determined for the month of sale.

442. It should be noted that the production cost was determined using data reported by the company in the cost appendix of the producer/exporter questionnaire response. In this sense, the total cost, net of selling expenses, consisted of the sum of the manufacturing cost plus the amounts relating to general and administrative expenses and financial expenses/income incurred by the company.

443. It should also be noted in this regard that to determine the total production cost used in the below-cost sales test, the monthly values corresponding to the production cost, by CODIP, as reported by the company, were considered. By applying the methodologies described, it was possible to assign the total production cost per operation to all sales operations.

444. In this context, after comparing the ex-factory sales value and the monthly production cost, it was found that, of the total polyester fiber transactions carried out by Shaoxing Keqiao on the Chinese market, over the 12 months that make up the investigation period, [CONFIDENTIAL]% ([CONFIDENTIAL] t) were carried out at prices below the monthly unit cost at the time of sale (taking into account the unit production costs of the similar product, fixed and variable - as well as general and administrative expenses and financial expenses/income).

445. The sales volume below the unit cost represented a proportion greater than 20% of the volume sold in the transactions considered for determining the normal value, which, according to item II of § 3 of art. 14 of Decree No. 8,058 of 2013, characterizes it as a substantial quantity. In this sense, it was necessary to perform the test provided for in art. 14, § 4, of Decree No. 8,058 of 2013, which aims to compare the ex-factory price with the average production cost throughout the dumping investigation period.

446. After comparing the ex-factory sales value and the average production cost of P5, it was found that, of the total polyester fiber transactions carried out by Shaoxing Keqiao in the Chinese market, [CONFIDENTIAL]% ([CONFIDENTIAL] t) were carried out at prices below the average unit cost of P5 at the time of sale (taking into account the unit production costs of the similar product, fixed and variable - as well as general and administrative expenses and financial expenses/income).

447. The price between related and unrelated parties was then assessed. Article 14, § 6, of Decree No. 8,058 of 2013 determines that transactions between associated or related parties will be considered normal commercial transactions if the weighted average selling price of the interested party to its associated or related party is not higher or lower than a maximum of three percent of the weighted average selling price of the interested party to all parties that do not have such links between them. To this end, a difference corresponding to [CONFIDENTIAL]% was determined between the prices charged to the related party and the prices charged to the unrelated party, thus characterizing them as normal commercial transactions.

448. Finally, the sufficiency analysis was carried out to determine whether sales in the domestic market under normal commercial conditions represented a sufficient quantity to determine the normal value. To this end, the volume segmented by CODIP was considered to be similar to sales to Brazil, for the same category of customer. The sales volume in the domestic market was greater than 5% of the volume exported to Brazil for the corresponding CODIP, that is, in a quantity sufficient to determine the normal value, pursuant to § 1 of art. 12 of Decree No. 8,058 of 2013.

449. The company presented sales data for the Chinese market in local currency (RMB). Accordingly, the amounts were converted to US dollars according to the exchange rate corresponding to the date of sale, in compliance with the conditions established in art. 23 of Decree No. 8,058 of 2013.

450. It should be noted that, although indirect selling expenses were deducted for the purposes of the below-cost sales test, they were not deducted for the purposes of ensuring a fair comparison with the export price. Furthermore, sales transactions reported as [CONFIDENTIAL], as reported by the company, and returns were not taken into account in the calculation of normal value.

451. As for the sales of the companies Hengyi High-Tech, Fujian Yijin and Suqian Yida, all sales transactions in the Chinese domestic market consisted of [CONFIDENTIAL]. Therefore, the calculation of the normal value for these companies of the Hengyi Group was based on the constructed normal value, corresponding to each CODIP corresponding to those exported to Brazil, and increased by amounts relating to the profit margin, as provided for in art. 14, II, of Decree No. 8,058 of 2013.

452. To calculate the Hengyi Group's profit margin, the EBITDA/Sales percentage was used, in the amount of [CONFIDENTIAL], corresponding to the basic chemicals sector in China.
To use this margin, the total production cost was adjusted, deducting depreciation and financial expenses/income, and the result was divided by (1 - EBITDA margin/Sales).

453. It should be noted that the Hengyi Group, in response to the producer/exporter questionnaire, reported the acquisition of production factors from related parties. However, for the purposes of the preliminary determination, the values reported by the Hengyi Group in the production cost were maintained. For the purposes of the final determination, the analysis will be further developed, taking into account the result of the on-site verification carried out at the company.

454. In view of the above, the normal value of each production company of the Hengyi Group was weighted, on an ex-factory basis, considering CODIP and customer category similar to sales to Brazil.
Thus, the corresponding normal value of Hengyi Group reached US$1,006.11/t (one thousand and six US dollars and eleven cents per ton).

4.3.1.1.2 Export price

455. The export price of Hengyi Group was determined based on data provided by the companies Zhejiang Hengyi Petrochemicals Co., Ltd., Zhejiang Hengyi High-Tech Materials Co., Ltd., Shaoxing Keqiao Hengming Chemical Fiber Co., Ltd., Fujian Yijin Chemical Fiber Co., Ltd. and Suqian Yida New Materials Co., Ltd., in response to the producer/exporter questionnaire, relating to the actual sales prices of the product subject to the investigation to Brazil, in accordance with art. 20 Decree No. 8,058 of 2013, which defines that in the event that the producer and the exporter are associated or related parties, the export price will be reconstructed based on the price actually received, or the price to be received, by the exporter, for the product exported to Brazil.

456. From the values obtained by the manufacturing companies Hengyi High-Tech, Shaoxing Keqiao, Fujian Yijin and Suqian Yida with the exports of the investigated product to the Brazilian market, amounts were deducted relating to: internal freight plant - warehouse; cargo handling and brokerage; international freight; commissions; other direct sales expenses; and inventory maintenance costs.

457. For the purposes of preliminary determination, analogously to the calculation of normal value, the cost financial presented by Shaoxing Keqiao was not considered, given that [CONFIDENTIAL].

458. Amounts relating to sales, general and administrative expenses of the company [CONFIDENTIAL] were also deducted, at a percentage of [CONFIDENTIAL] % of the gross value, obtained from the average of the consolidated results for the years 2021 and 2022 presented by the company.
In addition to these expenses, amounts were deducted as profit margin, using the average profit margin based on publicly available information in the financial statements of Chinese trading companies in the chemical products market for the following companies:

Shanghai Material Trading Co. Ltd. (Available at: https://www.wsj.com/market-data/quotes/CN/XSHG/600822/financials/annual/incomestatement);

Jiangsu Corp. Holly (Available in: https://www.wsj.com/market-data/quotes/CN/XSHG/600128/financials/annual/income-statement); and

Grand Industrial Holding Co. Ltd. (Available at: https://www.wsj.com/market-data/quotes/CN/XSHE/000626/financials/annual/incostatement). It should be noted that only public data relating to the chemical sector could be found for the years 2022 and 2021. In order to expand the sample used to calculate the average, information from financial statements for the years 2023 and 2022, presented within the scope of the ongoing investigation to determine the existence of dumping in exports from China and the USA to Brazil of polyether polyols by two Chinese trading companies operating in the chemical products sector, namely Wanhua Chemical (Nigbo) Trading Co., Ltd. and Nanjing Hongbaoli Pu Sales Co., Ltd., was used. Thus, for the purposes of deducting the profit margin in order to remove the effect of trading from the export price, the percentage of [RESTRICTED] %, referring to the average of the profit margins of the five trading companies, was used.

aforementioned companies. This is the same percentage used as a reference for the profit margin of a trading company in the investigation into the practice of dumping in exports from China to Brazil of phthalic anhydride, the subject of SEI Proceedings No. 19972.102524/2023-70 restricted and
19972.102525/2023-14 confidential.

459. After the above considerations, the total export value was determined, ex-factory, for Hengyi Group's exports to Brazil. No indirect sales expenses were deducted in order to ensure a fair comparison with the normal value.

460. Considering the above, the weighted average export price of the Hengyi Group, ex-factory, considering CODIP and customer category, reached US$ 938.24/t (nine hundred and thirty-eight US dollars and twenty-four cents per ton).

4.3.1.1.3 Dumping margin

461. The absolute dumping margin is defined as the difference between the normal value and the export price, and the relative dumping margin is the ratio of the absolute dumping margin to the export price.

462. It should be noted that the comparison between the normal value and the export price of the Hengyi Group took into account the CODIP and the customer category in which the polyester fibers sold by the group's companies are classified.

463. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Hengyi			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
1,006.11	938.24	67.88	7.2%

4.3.1.2 From producer/exporter Guangdong Foshan Shunde Tonbon Chemical Fiber Co., Ltd.

464. Considering that the producer/exporter Guangdong Foshan Shunde Tonbon Chemical Fiber Co., Ltd., although included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, did not submit a response to the questionnaire sent, its dumping margin, for the purposes of the preliminary determination, was determined, in light of art. 50, § 3, of Decree No. 8,058 of 2013, based on the best information available, which consisted of the dumping margin calculated for China at the initiation of the investigation, incorporating the adjustments detailed in item 4.2.

465. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Guangdong Foshan			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
1,479.52	1,038.37	441.15	42.5%

4.3.2 From Vietnam

4.3.2.1 From the producer/exporter Vietnam New Century Polyester Fibre Co., Ltd.

466. The methodology used to obtain the normal value, export price and respective dumping margin of the producer/exporter Vietnam New Century Polyester Fibre Co., Ltd. ("VNC") is set out below.

4.3.2.1.1 Of the normal value

467. The normal value of VNC was determined based on data provided by the company in response to the producer/ exporter questionnaire regarding the actual sales prices of the similar product practiced in the US domestic market, in accordance with the provisions of Article 8 of Decree No. 8,058 of 2013. Therefore, the "normal value" is considered to be the price of the similar product, in normal commercial operations, intended for consumption in the domestic market of the exporting country.

468. It should be noted that the deadline for submitting the response to the request for additional information to the questionnaire and carrying out the on-site verification are scheduled to occur after the cut-off date adopted for preparing this document. Therefore, for the purposes of the preliminary determination, the information considered is limited to that provided by the company in the context of the response to the producer/exporter questionnaire.

469. In order to determine the normal ex-factory value, the following items were deducted from the gross value of its sales destined for the domestic market of Vietnam: financial cost, internal freight of the production/storage unit for the customer, bank charges, inventory maintenance costs and indirect sales expenses. The company clarified that the gross amount reported does not include taxes.

470. The company stated that to calculate the unit financial cost of sales operations in the domestic market it would have used [CONFIDENTIAL] in accordance with the following formula:

Financial cost = (payment date - shipment date) * gross price * interest rate/365

471. VNC estimated the cost of maintaining unit stock using the following formula:

Inventory holding cost = unit manufacturing cost * average inventory turnover (in days) * (interest rate/365)

472. For preliminary determination purposes, the amounts relating to financial costs, internal freight from the production/ storage unit to the customer, bank charges, inventory maintenance costs, in addition to indirect sales expenses, were considered as reported.

473. VNC clarified that, despite being included in the production cost, the costs incurred with packaging were not reported in Appendix V (Domestic Market Sales), because the company did not claim this adjustment.

474. Furthermore, it is worth highlighting that the company reported all data relating to sales of the similar product in the domestic market in local currency, which were therefore converted to US dollars at the Central Bank exchange rate on the date of the invoice to which they refer, pursuant to art. 23 of the Brazilian Regulation.

475. Thus, after determining the prices in the ex-factory condition, in cash, of each of the sales transactions destined for the Vietnamese domestic market, an attempt was made, for the purposes of determining the normal value, to identify transactions that did not correspond to normal commercial transactions, in accordance with §§ 1º and 7º of Art. 14 of Decree 8.058, of 2013.

476. In this context, initially, the aim was to determine whether the company's sales were made at prices lower than the unit production cost of the similar product, at the time of sale, as established in § 1 of Art. 14 of Decree No. 8,058 of 2013. To this end, a comparison was made between the value of each sale in the ex-factory condition, net of all expenses, and the total manufacturing cost determined for the month of sale.

477. It should be noted that the production cost was determined using data reported by the company in the cost appendix of the response to the producer/exporter questionnaire. In this sense, the total cost consisted of the sum of the manufacturing cost plus the amounts relating to general expenses and

administrative and financial expenses/income incurred by the company. VCN did not report any amounts under other operating expenses/income.

478. Considering the entire dumping investigation period, it was found that [CONFIDENTIAL] t of the like product were sold on the Vietnamese domestic market at prices below the monthly unit cost. This volume represented [CONFIDENTIAL]% of the total sales volume net of returns, [CONFIDENTIAL] t.

479. Thus, the sales volume below the unit cost represented a proportion greater than 20% of the volume sold in the transactions considered for determining the normal value, which, according to item II of § 3 of Art. 14 of Decree No. 8,058 of 2013, characterizes it as a substantial quantity.

480. Next, in view of Article 14, § 4, of the Brazilian Regulation, the unit ex-factory price was also compared with VNC's average production cost, by type of product, throughout the dumping investigation period, in the case of sales at a price below their monthly cost. From this exercise, [CONFIDENTIAL] t of polyester fibers were identified that were sold at an ex-factory price below their monthly cost, but that had their costs recovered within the period of analysis of continued dumping.

481. Thus, it was ultimately identified that [CONFIDENTIAL] t of similar product were sold at prices lower than their average monthly or annual cost, equivalent to [CONFIDENTIAL]% of total sales of the similar product in the domestic market of Vietnam during the period under analysis. Therefore, these sales could not be considered normal commercial transactions and were therefore disregarded in the calculation.
of the normal value of VNC.

482. The aim was then to assess whether sales in the domestic market were made in sufficient quantities using the product type-customer category binomial, as determined by § 1 of Art. 12 of Decree No. 8,058 of 2013.

483. It is worth noting that VNC exported to Brazil [CONFIDENTIAL]. Considering the binomial product type and customer category VNC exported [CONFIDENTIAL] binomials ([CONFIDENTIAL].

484. Considering normal sales, VNC sold in the domestic market only [CONFIDENTIAL] of the binomials exported to Brazil, namely: [CONFIDENTIAL].

485. Thus, when evaluating the sales volume in the domestic market of these binomials, it was concluded that there were sufficient sales for the respective normal value to be determined from the price charged only for [CONFIDENTIAL] of them ([CONFIDENTIAL) for which the ex-factory normal value was then determined from the data reported by the company in the Appendix on domestic sales and production costs, as detailed above. It should be recalled that, although indirect sales expenses were deducted for the purposes of the below-cost sales test, they were not deducted for the purposes of ensuring a fair comparison with the export price.

486. In relation to the other [CONFIDENTIAL] binomials for which there were no sales ([CONFIDENTIAL]) or there were no sales in sufficient quantities ([CONFIDENTIAL]) in the domestic market, it was necessary to reconstruct the normal value based on item II, art. 14 of Decree No. 8,058, of
2013. It is worth noting that VNC did not report exports to third countries, making it impossible to determine the normal value based on the export price of the similar product to an appropriate third country (alternative provided for in item I of art. 14 of the same legal provision).

487. The normal value for these [CONFIDENTIAL] binomials was estimated based on the reported production cost, which already considered the amount for general and administrative expenses and financial income/expenses, plus profit margin.

488. The profit margin, in turn, was calculated as a percentage of the difference between the value sold in the domestic market relating to the total of normal operations, in the ex-factory condition, and the total production cost incurred in P5, equivalent to [CONFIDENTIAL] %.

489. This percentage was then applied as a profit margin to the production cost of the referred binomials, obtaining the constructed normal value.

490. Finally, the normal value determined for each binomial was weighted by the respective volume. exported to Brazil.

491. In view of the above, the normal value of VNC, ex-factory, reached US$ 897.27/t. (eight hundred and ninety-seven US dollars and twenty-seven cents per ton).

4.3.2.1.2 Export price

492. VNC's export price was determined based on data provided by the company in response to the producer/exporter questionnaire, relating to the actual sales prices of the product subject to the investigation to Brazil, in accordance with art. 18 of Decree No. 8,058 of 2013, which defines the export price as the price received, or as the export price to be received, for the product exported to Brazil, net of taxes, discounts or reductions effectively granted and directly related to the sales of the product subject to the investigation.

493. From the values obtained by VNC with the exports of the investigated product to Brazil, amounts were deducted relating to: (i) financial cost; (ii) internal freight from the plant/warehouse to the end customer; (iii) expenses reported as cargo handling and brokerage, commission (ii) international freight; (iv) other direct sales expenses; and (v) inventory maintenance cost.

494. For the purposes of preliminary determination, the amounts relating to expenses were considered as reported.

495. In cases of [CONFIDENTIAL], which generated [CONFIDENTIAL].

496. Furthermore, in cases where there was payment [CONFIDENTIAL], VNC considered in its calculation the payment term related to [CONFIDENTIAL]. Since [CONFIDENTIAL] was not informed.

497. The total export value was determined, ex-factory, for VNC's exports to Brazil. No indirect sales expenses were deducted to ensure a fair comparison with the normal value.

498. Considering the above, the weighted average export price of VNC, ex-factory, reached US$ 931.80/t (nine hundred and thirty-one US dollars and eighty cents per ton).

4.3.2.1.3 Dumping margin

499. The absolute dumping margin is defined as the difference between the normal value and the export price, and the relative dumping margin is the ratio of the absolute dumping margin to the export price.

500. It should be noted that the comparison between the normal value and the export price of VNC took into account the CODIP and the customer category of the polyester fiber sales operations of enterprise.

501. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - VNC			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
897.27	931.80	-34.53	-3.7

4.3.2.2 From the producer/exporter Nam Vang Ha Nam JSC

502. Considering that the producer/exporter Nam Vang Ha Nam JSC, although included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, did not submit a response to the questionnaire sent, its dumping margin, for the purposes of the preliminary determination, was determined, in light of art. 50, § 3, of Decree No. 8,058 of 2013, based on the best information available, which consisted of the dumping margin calculated for Vietnam at the time of the initiation of the investigation, incorporating the adjustments detailed in item 4.2.

503. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Nam Vang			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
1,323.30	980.44	342.86	35.0%

4.3.2.3 From the producer/exporter Hai Thien Synthetic Fiber Limited Company

504. Considering that the producer/exporter Hai Thien Synthetic Fiber Limited Company, although included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, did not submit a response to the questionnaire sent, its dumping margin, for the purposes of preliminary determination, was determined, in light of art. 50, § 3, of Decree No. 8,058 of 2013, based on the best information available, which consisted of the dumping margin calculated for Vietnam at the initiation of the investigation, incorporating the adjustments detailed in item 4.2.

505. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Hai Thien			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
1,323.30	980.44	342.86	35.0%

4.3.3 From Malaysia

4.3.3.1 From the producer/exporter Xin Da Spinning Technology SDN BHD

506. The methodology used to obtain the normal value, export price and respective dumping margin of the producer/exporter Xin Da Spinning Technology SDN BHD ("Xin Da") is set out below.

4.3.3.1.1 Of the normal value

507. The normal value was determined based on the data provided by Xin Da, in response to the producer/exporter questionnaire and in response to the supplementary information letter, relating to the prices actually charged in the sales of the like product, in normal commercial operations, intended for consumption in the domestic market of Malaysia, in the period from July 2022 to June 2023, in accordance with the provisions of art. 8 of Decree No. 8,058 of 2013.

508. As regards customer categories, according to information provided by Xin Da in its response to the questionnaire, during the investigation period, the company's sales on the Malaysian domestic market were to [CONFIDENTIAL] and [CONFIDENTIAL] customers.

509. For the purpose of calculating the normal value on an ex-factory basis, Xin Da reported the following expenses to be deducted from the gross value of its sales to the Malaysian domestic market: quantity discount, other discounts, finance cost, internal unit freight from the production or storage unit to the customer, commissions, inventory holding cost and indirect sales expenses. The company clarified that the gross value reported does not include taxes.

510. For the purposes of preliminary determination, the amounts relating to quantity discounts, other discounts, internal unit freight from the production or storage unit to the customer, commissions and indirect sales expenses were considered as reported. The financial cost and inventory maintenance cost presented by Xin Da were recalculated, since it was not possible to confirm the amounts reported by the company.

511. The financial cost was recalculated using the mathematical formula:

financial cost = gross sales value × payment term × daily interest rate

512. Thus, in the cases of [CONFIDENTIAL], the same formula was used, calculating the period between the date of payment and the date of shipment. In these cases, in view of the
[CONFIDENTIAL].

513. Regarding the cost of maintaining inventory, the number of days that the merchandise remained in inventory (average inventory turnover) was calculated by the ratio between the average inventory volume (AVM) of P5 and the daily sales volume (DVV). In turn, to obtain the AVM, the simple average in inventory over the 12 (twelve) months of P5 was used. For the DVV, the company's total sales in P5 (taking into account sales to the domestic market, to Brazil and to third countries) was divided by 365, equivalent to the number of days in a year, which resulted in [CONFIDENTIAL] days in inventory. Based on this result, the Department multiplied the interest rate reported by the company and the unit manufacturing cost determined for the month of sale, by CODIP.

514. After determining the ex-factory prices of each of the sales transactions destined for the Malaysian domestic market, an attempt was made, for the purposes of determining the normal value, to identify transactions that do not correspond to normal commercial transactions, in accordance with §§ 1º to 4º and 7º of art. 14 of Decree nº 8.058, of 2013.

515. The aim was then to determine whether the company's sales in the domestic market were made at prices lower than the unit production cost of the similar product at the time of sale, as established in § 1 of art. 14 of Decree No. 8,058 of 2013. To this end, a comparison was made between the value of each sale ex-factory, net of all expenses, and the total manufacturing cost determined for the month of sale.

516. It should be noted that the production cost was determined using data reported by the company in the cost appendix of the producer/exporter questionnaire response. In this sense, the total cost, net of selling expenses, consisted of the sum of the manufacturing cost plus the amounts relating to general and administrative expenses and financial expenses/income incurred by the company.

517. It should also be noted in this regard that to determine the total production cost used in the below-cost sales test, the monthly values corresponding to the production cost, by CODIP, as reported by the company, were considered. By applying the methodologies described, it was possible to assign the total production cost per operation to all sales operations.

518. In this context, after comparing the ex-factory sales value and the monthly production cost, it was found that, of the total polyester fiber transactions carried out by Xin Da on the Malaysian market, over the 12 months comprising the investigation period, [CONFIDENTIAL] % ([CONFIDENTIAL] t) were carried out at prices below the monthly unit cost at the time of sale (taking into account the unit production costs of the similar product, fixed and variable - as well as general and administrative expenses and financial expenses/income).

519. The sales volume below the unit cost represented a proportion of less than 20% of the volume sold in the transactions considered for determining the normal value, which, according to item II of § 3 of art. 14 of Decree No. 8,058 of 2013, characterizes it as a non-substantial quantity.

In this sense, it was not necessary to carry out the test provided for in art. 14, § 4, of Decree No. 8,058, of 2013, which aims to compare the ex-factory price with the average production cost throughout the dumping investigation period.

520. The price between related and unrelated parties was then assessed. Article 14, § 6, of Decree No. 8,058 of 2013 determines that transactions between associated or related parties will be considered normal commercial operations if the weighted average selling price of the interested party to its associated or related party is not higher or lower than a maximum of three percent of the weighted average selling price of the interested party to all parties that do not have such links between them. However, the company did not report any sales in the domestic market to related parties.

521. Finally, the sufficiency analysis was carried out to determine whether sales in the domestic market represented a sufficient quantity to determine the normal value. To this end, the volume segmented by CODIP and by customer category was considered to be similar to sales to Brazil. The sales volume in the domestic market was greater than 5% of the volume exported to Brazil for all CODIPs/customer categories, i.e., in a quantity sufficient to determine the normal value, pursuant to § 1 of art. 12 of Decree No. 8,058 of 2013.

522. The company presented sales data for the Malaysian market in local currency (MYR). Accordingly, the amounts were converted to US dollars, according to the parity on the day of each sale, as published by the Central Bank of Brazil, in compliance with the conditions established in art. 23 of Decree No. 8,058 of 2013.

523. It should be noted that, although indirect sales expenses were deducted for the purposes of the below-cost sales test, they were not deducted for the purposes of ensuring a fair comparison with the export price.

524. In view of the above, the normal value of Xin Da, ex-factory, considering CODIP and a customer category similar to sales to Brazil, reached US$ 964.52/t (nine hundred and sixty-four US dollars and fifty-two cents per ton).

4.3.3.1.2 Export price

525. Xin Da's export price was determined based on data provided by the company in response to the producer/exporter questionnaire, relating to the actual sales prices of the product subject to the investigation to Brazil, in accordance with art. 18 of Decree No. 8,058 of 2013, which defines the export price as the price received, or as the export price to be received, for the product exported to Brazil, net of taxes, discounts or reductions effectively granted and directly related to the sales of the product subject to the investigation.

526. The amounts obtained by Xin Da from exports of the investigated product to the Brazilian market were deducted from the following amounts: quantity discount, financial cost, internal unit freight from the production or storage unit to the customer, brokerage and handling, international freight, international insurance, commissions, other direct sales expenses, indirect sales expenses and inventory maintenance costs.

527. For the purposes of preliminary determination, the amounts relating to quantity discounts, internal unit freight from the production or storage unit to the customer, brokerage and handling, international freight, international insurance, commissions and other direct sales expenses were considered as reported. The cost of maintaining inventory and the financial cost were recalculated in accordance with the methodology described in the previous item.

528. After the above considerations, the total export value was determined, ex-factory, for Xin Da's exports to Brazil. No indirect sales expenses were deducted in order to ensure a fair comparison with the normal value.

529. Considering the above, the weighted average export price of Xin Da, ex-factory, reached US$869.18/t (eight hundred and sixty-nine US dollars and eighteen cents per ton).

4.3.3.1.3 Dumping margin

530. The absolute dumping margin is defined as the difference between the normal value and the export price, and the relative dumping margin is the ratio of the absolute dumping margin to the export price.

531. It should be noted that the comparison between the normal value and the export price of Xin Da took into account the CODIP under which the polyester fibers sold by the company are classified, as well as the categories of customers to which such sales were made.

532. The following table summarizes the calculation performed and the absolute and relative dumping margins, found:

Dumping Margin - Xin Da			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
964.52	869.18	95.33	11.0

4.3.4 From Thailand

4.3.4.1 From the producer/exporter Zhongthai Chemical Fiber Co., Ltd.

533. The methodology used to obtain the normal value, export price and respective dumping margin of the producer/exporter Zhongthai Chemical Fiber Co., Ltd ("Zhongthai") is set out below.

4.3.4.1.1 Of the normal value

534. The normal value was determined based on the data provided by Zhongthai, in response to the producer/exporter questionnaire and in response to the supplementary information letter, relating to the prices actually charged in the sales of the like product, in normal commercial operations, intended for consumption in the domestic market of Thailand, in the period from July 2022 to June 2023, in accordance with the provisions of art. 8 of Decree No. 8,058 of 2013.

535. As regards customer categories, according to information provided by Zhongthai in its response to the questionnaire, during the investigation period, the company's sales in the Thai domestic market were to end-user customers. This information, however, was rectified in its response to the supplementary information letter, when the company stated that it does not distinguish between customer categories and that its customers may be trading companies or end-users.

536. For the purposes of calculating the normal value in ex-factory condition, Zhongthai reported the following expenses to be deducted from the gross value of its sales destined for the Thai domestic market: financial cost, internal unit freight from the production unit or storage to the customer, inventory maintenance cost and indirect sales expenses. The company clarified that the gross value reported does not include taxes.

537. For the purposes of preliminary determination, the amounts related to financial costs, internal freight from the production/storage unit to the customer and indirect sales expenses were considered as reported. The inventory maintenance cost presented by Zhongthai was recalculated. The number of days that the merchandise remained in stock (average inventory turnover) was calculated by means of the ratio between the average inventory volume (AVM) of P5 and the daily sales volume (DVV). In turn, to obtain the AVM, the simple average in stock over the 12 (twelve) months of P5 was used. For the DVV, the company's total sales in P5 (taking into account sales to the domestic market, to Brazil and to third countries) was divided by 365, equivalent to the number of days in a year, which resulted in [CONFIDENTIAL] days in stock. Based on this result, the Department multiplied the interest rate reported by the company and the unit manufacturing cost determined for the month of sale, by CODIP.

538. After determining the ex-factory prices of each of the sales transactions destined for the Thai domestic market, an attempt was made, for the purposes of determining the normal value, to identify transactions that do not correspond to normal commercial transactions, in accordance with §§ 1º to 4º and 7º of art. 14 of Decree nº 8.058, of 2013.

539. The aim was then to determine whether the company's sales in the domestic market were made at prices lower than the unit production cost of the similar product at the time of sale, as established in § 1 of art. 14 of Decree No. 8,058 of 2013. To this end, a comparison was made between the value of each sale ex-factory, net of all expenses, and the total manufacturing cost determined for the month of sale.

540. It should be noted that the production cost was determined using data reported by the company in the cost appendix of the producer/exporter questionnaire response. In this sense, the total cost, net of selling expenses, consisted of the sum of the manufacturing cost plus the amounts relating to general and administrative expenses and financial expenses/income incurred by the company.

541. It should also be noted in this regard that to determine the total production cost used in the below-cost sales test, the monthly values corresponding to the production cost, by CODIP, as reported by the company, were considered. By applying the methodologies described, it was possible to assign the total production cost per operation to all sales operations.

542. In this context, after comparing the ex-factory sales value and the monthly production cost, it was found that, of the total polyester fiber transactions carried out by Zhongthai in the Thai market, over the 12 months comprising the investigation period, [CONFIDENTIAL]% ([CONFIDENTIAL] t) were carried out at prices below the monthly unit cost at the time of sale (taking into account the unit production costs of the similar product, fixed and variable - as well as general and administrative expenses and financial expenses/income).

543. The sales volume below the unit cost represented a proportion of less than 20% of the volume sold in the transactions considered for determining the normal value, which, according to item II of § 3 of art. 14 of Decree No. 8,058 of 2013, characterizes it as a non-substantial quantity.
In this sense, it was not necessary to carry out the test provided for in art. 14, § 4, of Decree No. 8,058, of 2013, which aims to compare the ex-factory price with the average production cost throughout the dumping investigation period.

544. The price between related and unrelated parties was then assessed. Article 14, § 6, of Decree No. 8,058 of 2013 determines that transactions between associated or related parties will be considered normal commercial operations if the weighted average selling price of the interested party to its associated or related party is not higher or lower than a maximum of three percent of the weighted average selling price of the interested party to all parties that do not have such links between them. However, the company [CONFIDENTIAL].

545. Finally, the sufficiency analysis was carried out to determine whether sales in the domestic market represented a sufficient quantity to determine the normal value. To this end, the volume segmented by CODIP was considered to be similar to sales to Brazil. No segmentation by customer category was made, since the company did not present such differentiation in its response to the questionnaire. The sales volume in the domestic market was greater than 5% of the volume exported to Brazil for all CODIPs, that is, in a quantity sufficient to determine the normal value, pursuant to § 1 of art. 12 of Decree No. 8,058 of 2013.

546. The company presented sales data for the Thai market in local currency (THB). Accordingly, the amounts were converted to US dollars using the exchange rate published by the Central Bank of Brazil for the date of each sale, in compliance with the conditions established in art. 23 of Decree 8,058 of 2013.

547. It should be noted that, although indirect sales expenses were deducted for the purposes of the below-cost sales test, they were not deducted for the purposes of ensuring a fair comparison with the export price.

548. In view of the above, the normal value of Zhongthai, ex-factory, considered CODIP similar to sales to Brazil, reached US$ 862.69/t (eight hundred and sixty-two US dollars and sixty-nine cents per ton).

4.3.4.1.2 Export price

549. Zhongthai's export price was determined based on data provided by the company in response to the producer/ exporter questionnaire, relating to the actual sales prices of the product subject to the investigation to Brazil, in accordance with art. 18 of Decree No. 8,058 of 2013, which defines the export price as the price received, or as the export price to be received, for the product exported to Brazil, net of taxes, discounts or reductions effectively granted and directly related to the sales of the product subject to the investigation.

550. From the amounts obtained by Zhongthai from exports of the investigated product to the Brazilian market, amounts were deducted relating to: (i) financial cost; (ii) expenses reported as "local expenses", which include trucking charge, lift on/off charge, bill of lading fee, cargo handling and brokerage, other exceptional fees ("[CONFIDENTIAL]"); (ii) international freight; (iv) other direct sales expenses; and (v) inventory maintenance cost.

551. For the purposes of preliminary determination, the amounts related to "local expenses", international freight and other direct selling expenses were considered as reported. The cost of maintaining inventory was recalculated according to the methodology described in the previous item. The cost

financial was also recalculated, using the mathematical formula:

financial cost = gross sales value × payment term × daily interest rate

552. Thus, in the cases of [CONFIDENTIAL], the same formula was used, calculating the period between the date of payment and the date of shipment. In these cases, in view of the [CONFIDENTIAL]. Zhongthai had considered financial cost [CONFIDENTIAL] in these cases.

553. Furthermore, in cases where there was payment [CONFIDENTIAL], Zhongthai considered in its calculation the payment term related to [CONFIDENTIAL]. Thus, the financial cost was recalculated, taking into account [CONFIDENTIAL]. Since [CONFIDENTIAL] was not informed.

554. After the above considerations, the total export value was determined, ex-factory, for Zhongthai's exports to Brazil. No indirect sales expenses were deducted in order to ensure a fair comparison with the normal value.

555. Considering the above, Zhongthai's weighted average export price, ex-works, reached US$ 905.87/t (nine hundred and five US dollars and eighty-seven cents per ton).

4.3.4.1.3 Dumping margin

556. The absolute dumping margin is defined as the difference between the normal value and the export price, and the relative dumping margin is the ratio of the absolute dumping margin to the export price.

557. It should be noted that the comparison between the normal value and the export price of Zhongthai took into account the CODIP under which the polyester fibers sold by the company are classified.

558. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Zhongthai			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
862.69	905.87	-43.18	-4.8

4.3.4.2 From the producer/exporter Indorama Polyester Industries Public Company Limited.

559. Considering that the producer/exporter Indorama Polyester Industries Public Company Limited., although included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, did not submit a response to the questionnaire sent, its dumping margin, for the purposes of preliminary determination, was determined, in light of art. 50, § 3, of Decree No. 8,058 of 2013, based on the best information available, which consisted of the dumping margin calculated for Thailand at the time of initiation of the investigation, incorporating the adjustments detailed in item 4.2.

560. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Indorama Polyester			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
1,319.95	1,071.67	248.28	23.2%

4.3.4.3 From the producer/exporter Jiu Long Thai Co., Ltd.

561. Considering that the producer/exporter Jiu Long Thai Co., Ltd., although included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, did not submit a response to the questionnaire sent, its dumping margin, for the purposes of preliminary determination, was determined, in light of art. 50, § 3, of Decree No. 8,058 of 2013, based on the best information available, which consisted of the dumping margin calculated for Thailand at the initiation of the investigation, incorporating the adjustments detailed in item 4.2.

562. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Jiu Long			
Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t	Dumping Margin Relative (%)
1,319.95	1,071.67	248.28	23.2%

4.3.5 From India

4.3.5.1 From the producer/exporter Reliance Industries Limited

563. The methodology used to obtain the normal value, export price and respective dumping margin of the producer/exporter Reliance Industries Limited ("Reliance") is set out below.

4.3.5.1.1 Of the normal value

564. The normal value was determined based on the data provided by Reliance, in response to the producer/exporter questionnaire and in response to the supplementary information letter, relating to the prices actually charged in the sales of the like product, in normal commercial operations, intended for consumption in the domestic market of India, in the period from July 2022 to June 2023, in accordance with the provisions of art. 8 of Decree No. 8,058 of 2013.

565. As regards customer categories, according to information provided by Reliance in its response to the questionnaire, during the investigation period, the company's sales in the Indian domestic market were to end-user customers and trading companies.

566. For the purpose of calculating the normal value on an ex-works basis, Reliance reported the following expenses to be deducted from the gross value of its sales to the Indian domestic market: discount for advance payment, quantity discount, other discounts, finance cost, unit freight inland from the production unit to the warehouse, unit warehousing expense, unit freight inland from the production unit or warehouse to the customer, commissions, advertising expense, other direct selling expenses and inventory carrying cost. The company clarified that the gross value reported is exclusive of taxes.

567. For preliminary determination purposes, the amounts relating to financial cost, internal unit freight from the production unit to the warehouse, unit storage expense, internal unit freight from the production unit or storage to the customer, commissions, advertising expense, other direct sales expenses and inventory maintenance cost were considered as reported.

The reported discounts were not deducted, as no calculation records or evidence of the discounts granted were provided.

568. After determining the ex-factory prices of each of the sales transactions destined for the Indian domestic market, an attempt was made, for the purposes of determining the normal value, to identify transactions that do not correspond to normal commercial transactions, in accordance with §§ 1º to 4º and 7º of art. 14 of Decree nº 8.058, of 2013.

569. The aim was then to determine whether the company's sales in the domestic market were made at prices lower than the unit production cost of the similar product at the time of sale, as established in § 1 of art. 14 of Decree No. 8,058 of 2013. To this end, a comparison was made between the value of each sale ex-factory, net of the aforementioned deductions, and the total manufacturing cost determined for the month of sale.

570. It should be noted that the production cost was determined using data reported by the company in the cost appendix of the producer/exporter questionnaire response. In this sense, the total cost, net of selling expenses, consisted of the sum of the manufacturing cost plus the amounts relating to general and administrative expenses and financial expenses/income incurred by the company.

571. For the calculation of general and administrative expenses and financial expenses/income incurred by the company, the Income Statement of Reliance for the fiscal year ending 2023, presented in response to the producer/exporter questionnaire, was used. For this purpose, the sum of [CONFIDENTIAL] was divided. Thus, the percentage attributable to general and administrative expenses and financial expenses/income, corresponded to [CONFIDENTIAL], to be multiplied by the manufacturing cost.

572. It should also be noted in this regard that to determine the total production cost used in the below-cost sales test, the monthly values corresponding to the production cost, by CODIP, as reported by the company, were considered. By applying the methodologies described, it was possible to assign the total production cost per operation to all sales operations.

573. In this context, after comparing the ex-factory sales value with the monthly production cost, it was found that, of the total polyester fiber transactions carried out by Reliance in the Indian market, over the 12 months comprising the investigation period, [CONFIDENTIAL] % ([CONFIDENTIAL] t) were carried out at prices below the monthly unit cost at the time of sale (taking into account the unit production costs of the similar product, fixed and variable - as well as general and administrative expenses and financial expenses/income).

574. The sales volume below the unit cost represented a proportion greater than 20% of the volume sold in the transactions considered for determining the normal value, which, according to item II of § 3 of art. 14 of Decree No. 8,058 of 2013, characterizes it as a substantial quantity. In this sense, it was necessary to perform the test provided for in art. 14, § 4, of Decree No. 8,058 of 2013, which aims to compare the ex-factory price with the average production cost throughout the dumping investigation period. Therefore, [CONFIDENTIAL] % of sales ([CONFIDENTIAL] t) were made below the average cost in P5, also representing a proportion greater than 20%.

575. The price between related and unrelated parties was then assessed. Article 14, § 6, of Decree No. 8,058 of 2013 determines that transactions between associated or related parties will be considered normal commercial operations if the weighted average selling price of the interested party to its associated or related party is not higher or lower than a maximum of three percent of the weighted average selling price of the interested party to all parties that do not have such links between them. However, the company [CONFIDENTIAL].

576. Finally, the sufficiency analysis was carried out to determine whether sales in the domestic market represented a sufficient quantity to determine the normal value. To this end, the volume segmented by CODIP was considered to be similar to sales to Brazil. Segmentation was also carried out by customer category. The sales volume in the domestic market was greater than 5% of the volume exported to Brazil for all CODIPs/customer categories, i.e., in a quantity sufficient to determine the normal value, pursuant to § 1 of art. 12 of Decree No. 8,058 of 2013.

577. The company presented sales data for the Indian market in local currency (INR). Accordingly, the amounts were converted to US dollars based on the parity published by the Central Bank of Brazil corresponding to each sales date, in compliance with the conditions established in art. 23 of Decree 8,058 of 2013.

578. It should be noted that sales transactions reported with invoice dates outside the period, as well as returns and those transactions indicated as being [CONFIDENTIAL], were not considered in the calculation of the normal value.

579. In view of the above, Reliance's normal value, ex-factory, considering CODIP and customer category similar to sales to Brazil, reached US$ 1,506.29/t (one thousand five hundred and six US dollars and twenty-nine cents per ton).

4.3.5.1.2 Export price

580. Reliance's export price was determined based on data provided by the company in response to the producer/exporter questionnaire and in response to the supplementary information letter, relating to the actual sales prices of the product subject to the investigation to Brazil, in accordance with art. 18 of Decree No. 8,058 of 2013, which defines the export price as the price received, or the export price to be received, for the product exported to Brazil, net of taxes, discounts or reductions effectively granted and directly related to the sales of the product subject to the investigation.

581. The amounts obtained by Reliance from exports of the investigated product to the Brazilian market were deducted from the following amounts: financial cost; internal freight plant/warehouse - port, internal insurance, cargo handling and brokerage, international freight, international insurance, commissions, inventory maintenance cost, drawback and rodtep.

582. For the purposes of preliminary determination, the values related to internal freight plant/warehouse - port, internal insurance, cargo handling and brokerage, international freight, international insurance, commissions, inventory maintenance cost, drawback and rodtep were considered as reported. The financial cost was also recalculated, using the mathematical formula:

financial cost = gross sales value × payment term × daily interest rate

583. After the above considerations, the total export value was determined, under the ex condition factory, relating to Reliance's exports to Brazil.

584. Considering the above, the weighted average export price, considering CODIP and customer category, of Reliance, ex-factory, reached US$ 1,216.87/t (one thousand two hundred and sixteen US dollars and eighty-seven cents per ton).

4.3.5.1.3 Dumping margin

585. The absolute dumping margin is defined as the difference between the normal value and the export price, and the relative dumping margin is the ratio of the absolute dumping margin to the export price.

586. It should be noted that the comparison between the normal value and Reliance's export price took into account the CODIP and the customer category in which the polyester fibers sold by the company are classified.

587. The following table summarizes the calculation performed and the absolute and relative dumping margins determined:

Dumping Margin - Reliance			

Normal Value US$/t	Export Price US$/t	Absolute Dumping Margin US$/t (%)	Relative Dumping Margin
1,506.29	1,216.87	289.41	23.8%

4.3.5.2 From the producer/exporter Spice Textil

588. Considering that the producer/exporter Spice Textil, although included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, did not submit a response to the questionnaire sent, its dumping margin, for the purposes of preliminary determination, was determined, in light of art. 50, § 3, of Decree No. 8,058 of 2013, based on the best information available, which consisted of the dumping margin calculated for the company Reliance Industries Limited.

589. Thus, the margin of the producer/exporter Spice Textil reached US$ 289.41/t (two hundred and eighty-nine US dollars and forty-one cents per ton)

4.4 Preliminary conclusion regarding dumping

590. The dumping margins determined previously demonstrate, preliminarily, the existence of dumping practices in exports of polyester fibers from China, India, Vietnam, Malaysia and Thailand to Brazil, carried out in the period from July 2022 to June 2023.

591. Specifically in the case of Thailand and Vietnam, no dumping practices were preliminarily found for the producers/exporters Zhongthai and VNC, respectively, considering that the calculation of their dumping margin resulted in a negative value.

5. IMPORTS, THE BRAZILIAN MARKET AND APPARENT NATIONAL CONSUMPTION

5.1 Imports

5.1.5 Cumulative assessment of imports

592. Article 31 of Decree No. 8,058 of 2013 establishes that, when imports of a product from more than one country are simultaneously subject to an investigation covering the same dumping investigation period, the effects of such imports may be assessed cumulatively if it is found that:

(i) the dumping margin determined in relation to imports from each of the countries is not de minimis, that is, less than 2% of the export price, in accordance with § 1 of art. 31 of the aforementioned Decree;

(ii) the volume of imports from each country is not insignificant, that is, it does not represent less than 3% of the total imports by Brazil of the product subject to the investigation and the similar product, in accordance with § 2 of art. 31 of the Brazilian Regulation; and

(iii) the cumulative assessment of the effects of those imports is appropriate in view of the conditions of competition between the imported products and the conditions of competition between the imported products and the domestic like product.

593. According to the data presented above, the relative dumping margins determined for each of the countries investigated were not de minimis.

594. Specifically in the case of Thailand, the margin determined for the company Zhongthai was negative. Even so, the volume of exports at dumped prices from the country was not considered negligible, since it represented [RESTRICTED]% of the total imported by Brazil in P5.

595. The same occurred in relation to the company Vietnam New Century, whose dumping margin was also found to be negative. In any case, the volume of exports at dumped prices from the country was not considered negligible, since it represented [RESTRICTED]% of the total imported by the

Brazil in P5.

596. The individual volumes of imports originating from China, India and Malaysia corresponded, respectively, to [RESTRICTED] %, [RESTRICTED]% and [RESTRICTED]% of the total imported by Brazil in P5, and are not characterized, in the same way, as an insignificant volume.

597. Regarding the conditions of competition between imported products or between the product object of the investigation and the domestic similar, no policy was evidenced that affected them.

598. Furthermore, despite the alleged differences between virgin and recycled fibers, it was observed that there was an intersection between the markets supplied by each type. It is also important to bear in mind that both the product imported from the investigated origins and that manufactured in Brazil include virgin and recycled fibers.

599. Therefore, it was considered appropriate, for the purposes of the preliminary determination, to cumulatively assess the effects of imports from all investigated sources.

5.1.6 Import volumes and values

600. For the purposes of determining the values and quantities of polyester fibers imported by Brazil in each period of the damage investigation, import data relating to subitem 5503.20.90 of the NCM, provided by the RFB, were used.

601. The product subject to the investigation is commonly classified under subitem 5503.20.90 of the NCM, which may include different products that do not fall within the scope of the petition. For this reason, the information contained in the official data was refined in order to obtain the import volumes for the product subject to the investigation, with products that did not correspond to the descriptions presented in item 2.1 of this document being disregarded.

602. At this stage of the investigation, it was possible to consider the information provided in the responses to the producer/ exporter and importer questionnaires, which allowed the investigating authority to identify more precisely products that fall within the definition of the scope of the investigation.

603. Despite the methodology adopted, however, there were still imports whose descriptions in the RFB statistics did not allow us to conclude whether or not the imported product consisted of polyester fibers subject to dumping analysis.

604. For the purposes of this analysis, those imports with inconclusive description were conservatively included in the analysis.

605. In order to make the analysis of the value of imports more uniform, considering that freight and insurance, depending on the origin considered, have a relevant impact on the competitive price between products entering the Brazilian market, the analysis was carried out on a CIF [RESTRICTED] basis.

606. It should be noted that, since it was preliminarily found that there was no dumping practice in the exports of the producers/ exporters Zhongthai (Thailand) and VNC (Vietnam) to Brazil, the data relating to their operations were segregated from the other exports originating in Thailand and Vietnam and considered together with the exports from the other non-investigated origins.

607. The following tables show the volumes, values and CIF prices of total imports of polyester fibers, as well as their variations, during the period of analysis of evidence of damage to the industry.
domestic:

Total Imports (in t index number) [RESTRICTED]						

	P1	P2	P3	P4	P5	P1 - P5
China	100.0	73.7	145.8	87.8	170.4	-
India	100.0	98.0	127.9	158.4	77.2	-
Malaysia	100.0	6.5	80.2	569.9	1,798.9	-
Thailand	100.0	82.3	145.8	129.9	84.7	-
Vietnam	100.0	212.4	167.3	68.8	115.5	-
Total (under analysis)	100.0	95.3	145.0	109.7	150.1	-
Variation	-	(4.7%)	52.2%	(24.4%)	36.8%	+ 50.1%
South Korea	100.0	116.0	147.9	90.5	124.8	-
Colombia	100.0	61.5	81.1	92.4	84.7	-
Argentina	100.0	68.2	439.5	414.3	230.2	-
Indonesia	100.0	186.1	142.0	77.5	76.0	-
Nigeria	-	-	100.0	320.0	273.9	-
Taiwan	100.0	59.2	58.1	66.1	50.0	-
Others(*)	100.0	115.7	120.4	104.6	127.2	-
Total (except under review)	100.0	106.6	133.6	117.6	118.9	-
Variation	-	6.6%	25.3%	(12.0%)	1.2%	+ 18.9%
Grand total	100.0	98.2	142.1	111.7	142.1	-
Variation	-	(1.8%)	44.7%	(21.4%)	27.2%	+ 42.1%

in Value of Total Imports (in CIF index number USD x1,000)

[RESTRICTED]

	P1	P2	P3	P4	P5	P1 - P5
China	100.0	64.3	113.4	95.0	155.7	-
India	100.0	82.7	88.3	158.6	78.6	-
Malaysia	100.0	4.8	48.5	470.5	1,279.3	-
Thailand	100.0	72.3	108.5	137.2	87.0	-
Vietnam	100.0	182.3	139.6	71.5	104.5	-
Total (under analysis)	100.0	81.9	110.7	115.4	137.9	-
Variation	-	(18.1%)	35.2%	4.2%	19.5%	+ 37.9%
South Korea	100.0	97.0	115.3	91.3	118.7	-
Colombia	100.0	52.3	64.5	96.8	91.1	-
Argentina	100.0	64.0	396.6	392.9	223.8	-
Indonesia	100.0	60.6	117.9	85.1	71.0	-
Nigeria	-	-	100.0	386.2	348.5	-
Taiwan	100.0	54.8	48.3	81.8	52.2	-
Others(*)	100.0	102.4	105.0	115.0	116.3	-
Total (except under review)	100.0	92.1	110.7	120.5	111.9	-
Variation	-	(7.9%)	20.1%	8.9%	(7.2%)	+ 11.9%
Grand total	100.0	84.6	110.7	116.7	131.1	-
Variation	-	(15.4%)	30.9%	5.4%	12.4%	+ 31.1%

Price of Total Imports (in CIF USD/t)
[RESTRICTED]

	P1	P2	P3	P4	P5	P1 - P5
China	100.0	87.3	77.8	108.2	91.3	-
India	100.0	84.3	69.0	100.1	101.9	-

Malaysia	100.0	74.6	60.5	82.6	71.1	-
Thailand	100.0	87.8	74.4	105.6	102.6	-
Vietnam	100.0	85.8	83.4	103.9	90.4	-
Total (under analysis)	100.0	86.0	76.3	105.2	91.9	-
Variation	-	(14.0%)	(11.2%)	37.8%	(12.6%)	(8.1%)
South Korea	100.0	83.6	78.0	100.9	95.1	-
Colombia	100.0	85.1	79.4	104.7	107.6	-
Argentina	100.0	93.8	90.2	94.8	97.2	-
Indonesia	100.0	86.3	83.0	109.8	93.4	-
Nigeria	-	-	100.0	120.7	127.2	-
Taiwan	100.0	92.5	83.1	123.9	104.4	-
Others(*)	100.0	88.5	87.2	110.0	91.4	-
Total (except under review)	100.0	86.4	82.8	102.5	94.1	-
Variation	-	(13.6%)	(4.1%)	23.7%	(8.3%)	(5.9%)
Grand total	100.0	86.1	77.9	104.5	92.3	-
Variation (13.9%)	-		(9.5%)	34.1%	(11.7%)	(7.7%)
(*) Other origins: Paraguay, Türkiye, United States, United Kingdom, Hong Kong, United Arab Emirates, Singapore, Belarus, South Africa, Pakistan, Tanzania, Egypt, Italy, Germany, Cambodia, Honduras, Mexico, Myanmar (Burma) and the producers/exporters Zhongthai (Thailand) and VNC (Vietnam).						

608. The volume of Brazilian imports of polyester fibers from the investigated origins recorded an increase between P1 and P5. When considering the extremes of the analyzed series, an increase is observed total of 50.1% in the quantity imported from the countries investigated. It is important to highlight that the The most significant growth in imports from these origins occurred between P2 and P3 (52.2%) and between P4 and P5 (36.8%).

609. The CIF value of Brazilian imports of polyester fibers from the investigated origins showed similar behavior, registering an increase of 37.9% from P1 to P5.

610. Regarding the prices of imports from the investigated origins, considering the extremes of the analysis series, there was a reduction of 8.1%. The period that showed the greatest decrease was P1 to P2, a reduction of 14%. From P3 to P4, there was an increase of 37.8% in this variable.

611. Regarding the volume imported from other sources, there was a drop only from P3 to P4 (12.0%). When considering the entire series analyzed, the volume of Brazilian imports of the similar product from other sources there was an increase of 18.9%.

612. With regard to the value of total imports from other sources, it was observed alternation throughout the period analyzed, with an increase of 11.9% in the total period analyzed. From the period P2 to P3 there was an increase of 20.1%, only partially offset by a reduction from P4 to P5, of 7.2%.

613. The price of other sources decreased by 5.9% from P1 to P5.

614. During the period analyzed, there was a 42.1% increase in the total volume of imports of polyester fibers by Brazil. Notably, imports originating from the origins investigated recorded a significant increase of 50.1%. In P5, imports from the investigated origins corresponded to [RESTRICTED]% of the total polyester fibers imported by Brazil.

615. When assessing the variation in the value of total Brazilian imports during the period analyzed, there were successive increases from P2. The most relevant increase occurred from P2 to P3, equivalent to 30.9% in the period. In the period analyzed, there was a cumulative increase of 31.1% in P5

compared to P1.

616. The average price of total Brazilian imports of polyester fibers decreased of 13.9% between P1 and P2, of 9.5% between P2 and P3 and, between P4 and P5, of 11.7%. A significant increase was observed in P4, in relation to P3, of 34.1%. When considering the extremes of the series, there was an accumulated reduction of 7.7%.

617. It was found that the weighted average CIF price of Brazilian imports from origins investigated was lower than the weighted average CIF price of Brazilian imports from other origins in all periods of investigation of evidence of damage, except in P4, a period in which prices were similar (investigated origins - [RESTRICTED]/t and other origins - [RESTRICTED]/t).

5.2 Brazilian market, apparent national consumption and the evolution of imports

618. To determine the size of the Brazilian polyester fiber market, the following were considered: quantities sold, of own manufacture, in the domestic market by the domestic industry, net of returns and reported by the petitioner, as well as the imported quantities determined based on the import data provided by the RFB, presented in the previous item.

619. Resales of imported products were not included in the column relating to sales. internal as they are already included in the data relating to imports.

620. For the composition of apparent national consumption, the following were added to the market: Brazilian the volumes relating to the captive consumption of the domestic product similar to the object of the investigation.

621. It should be noted that, for the purposes of preliminary determination, there was a change in the quantity sold and produced by domestic industry based on on-site inspections, resulting in small difference in relation to the data used for the purposes of initiating the investigation.

From the Brazilian Market, Apparent National Consumption and Evolution of Imports (in number t-index)
[RESTRICTED]

	P1	P2	P3	P4	P5	P1 - P5
Brazilian Market						
Brazilian Market {A+B+C}	100.0	93.2	127.9	112.0	118.9	-
Variation	-	(6.8%)	37.3%	(12.5%)	6.2%	+ 18.9%
A. Inside Sales - Industry Domestic	100.0	86.1	107.6	112.3	85.5	-
Variation	-	(13.9%)	25.0%	4.4%	(23.9%)	(14.5%)
B. Inside Sales - Others Companies	-	-	-	-	-	-
Variation	-	-	-	-	-	-
C. Total Imports C1.	100.0	98.2	142.1	111.7	142.1	-
Imports - Origins under Analysis	100.0	95.3	145.0	109.7	150.1	-
Variation	-	(4.7%)	52.2%	(24.4%)	36.8%	+ 50.1%
C2. Imports - Other Origins	100.0	106.6	133.6	117.6	118.9	-
Variation in Brazilian Market	-	6.6%	25.3%	(12.0%)	1.2%	+ 18.9%
Share						
Internal Sales Participation of the Domestic Industry {A/(A+B+C)}	100.0	92.3	84.1	100.3	72.0	-
Internal Sales Participation from Other Companies {B/(A+B+C)}	-	-	-	-	-	-

Import Participation Totals {C/(A+B+C)}	100.0	105.3	111.1	99.8	119.5	-
Import Participation - Origins under Analysis {C1/(A+B+C)}	100.0	102.2	113.3	98.0	126.2	-
Import Participation - Other Origins {C2/(A+B+C)}	100.0	114.4	104.4	105.0	100.1	-
Apparent National Consumption (CNA)						
CNA {A+B+C+D+E}	100.0	93.5	124.1	110.3	116.6	-
Variation	-	(6.5%)	32.8%	(11.1%)	5.8%	+ 16.6%
D. Captive Consumption	100.0	95.2	96.7	98.4	100.8	-
Variation	-	(4.8%)	1.6%	1.7%	2.4%	+ 0.8%
E. Industrialization for Third Parties (Tolling)	-	-	-	-	-	-
Variation	-	-	-	-	-	-
in Participation in Apparent National Consumption (ANC)						
Internal Sales Participation ID {A/(A+B+C+D+E)}	100.0	92.1	86.7	101.9	73.3	-
Import Participation Totals {C/(A+B+C+D+E)}	100.0	105.1	114.5	101.3	121.8	-
Import Participation - Origins Investigated {C1/(A+B+C+D+E)}	100.0	102.0	116.9	99.4	128.6	-
Import Participation - Other Origins {C2/(A+B+C+D+E)}	100.0	114.1	107.7	106.6	102.0	-
Participation of Captive Consumption {D/(A+B+C+D+E)}	100.0	101.9	78.0	89.2	86.4	-
Tolling Participation {E/(A+B+C+D+E)}	-	-	-	-	-	-
Representativeness of Imports from Origins under Analysis						
Participation in the Brazilian Market {C1/(A+B+C)}	100.0	102.2	113.3	98.0	126.2	-
Variation	-	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Participation in the CNA {C1/(A+B+C+D+E)}	100.0	102.0	116.9	99.4	128.6	-
Variation	-	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Participation in Imports Totals {C1/C}	100.0	97.0	102.1	98.2	105.6	-
Variation	-	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
F. National Production Volume {F1+F2}	100.0	82.7	99.7	103.4	88.1	-
Variation	-	(17.3%)	20.6%	3.7%	(14.8%)	(11.9%)
F1. Production Volume - Industry Domestic	100.0	78.8	100.6	104.9	84.2	-
Variation	-	(21.2%)	27.7%	4.2%	(19.8%)	(15.8%)
F2. Production Volume - Others Companies	100.0	95.2	101.6	101.7	102.4	-
Variation	-	(4.8%)	1.6%	1.7%	2.4%	+ 0.8%
Relation to Volume of National Production {C1/F}	100.0	115.2	145.5	106.1	170.3	-
Variation	-	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]

622. There was a 6.8% reduction in the Brazilian market between P1 and P2. This decrease was accompanied by a 4.7% reduction in investigated imports. In P4 there was also a greater reduction in the Brazilian market (12.5%) compared to P3, accompanied by a reduction in imports from the investigated origins (24.4%) and imports from other origins (12%).

623. When considering the entire period of analysis, there was an increase of 18.9% in the Brazilian market for polyester fibers in P5 compared to P1. This result was strongly driven by the increase in imports from the investigated origins throughout the period, which increased by 50.1%, in view of the reduction in domestic sales of the domestic industry of 14.5%, as will be analyzed below. Thus, the increase in total imports from the investigated origins exceeded the drop in sales.

internal to the domestic industry.

624. As explained previously, to measure the apparent national consumption (CNA) of polyester fibers, the quantities relating to captive consumption reported in the petition were added to the volume of the Brazilian market, with no volume relating to industrialization for third parties (tolling) for the period being presented.

625. It was observed that the apparent national consumption of polyester fibers in Brazil showed a trajectory similar to that of the Brazilian market, with a decrease from P1 to P2, followed by an increase from P2 to P3, a new decrease from P3 to P4 and ending with an increase of 5.8% from P4 to P5. Considering the entire period of analysis, the apparent national consumption of polyester fibers showed an increase of 16.6% in P5, compared to P1, which represents a slightly less significant increase than that observed in the Brazilian market (18.9%).

626. Regarding captive consumption, there was a reduction only from P1 to P2, followed by successive increases in the remaining periods. Considering the full period, captive consumption increased by 0.8%, thus explaining the increase in apparent national consumption, which was slightly less significant than that observed in the Brazilian market.

627. It was observed that the share of total imports in relation to the Brazilian market increased, with the exception of P4, throughout the analysis period, mainly due to the increase in imports from the investigated origins.

628. From P1 to P5, there was an increase of [RESTRICTED] pp in the share of imports from the investigated origins in the Brazilian market, while the share of imports from other origins in the Brazilian market remained stable in the same period. Thus, there was an increase of [RESTRICTED] pp in the share of total Brazilian imports in relation to the Brazilian market.

629. It was found that imports originating from the investigated origins represented [RESTRICTED] of the Brazilian polyester fiber market in P1, reaching [RESTRICTED]% in P5.

630. Furthermore, it was observed that the share of imports from the investigated origins was [RESTRICTED]% in total Brazilian imports of polyester fibers, in P1, reaching [RESTRICTED]% in P5. Considering the full period of analysis, that is, from P1 to P5, there was a growth of [RESTRICTED] pp in the share of the investigated origins in total Brazilian imports of polyester fibers.

631. It was noted that the share of total imports in the CNA increased by [RESTRICTED] pp when considering the full period (P1 to P5). The share in the CNA of imports from the investigated origins increased by [RESTRICTED] pp between P1 and P5 and that of imports from other origins by [RESTRICTED] pp.

632. Finally, the relationship between imports from the investigated origins and national production of polyester fibers increased successively throughout the period researched, except for the observed decrease of [RESTRICTED] pp in P4, in relation to P3, offset by the increase from P4 to P5 of

[RESTRICTED] pp Considering the interval between P1 and P5, this indicator showed a significant positive variation of [RESTRICTED] pp

5.3 Preliminary conclusion regarding imports

633. Based on the data presented above, it was concluded that:

a) During the period from P1 to P5, imports of polyester fibers from the investigated origins recorded a cumulative growth of 50.1%. The most significant growth in imports from these origins occurred between P2 and P3 (52.2%) and between P4 and P5 (36.8%). Regarding the volume imported from other origins, when considering the entire series analyzed, there was growth of 18.9%. In P5, imports from the investigated origins corresponded to approximately [RESTRICTED]% of the total imported polyester fibers by Brazil;

b) Regarding the prices of imports from the investigated origins, considering the extremes of the analysis series, there was a reduction of 8.1%, as a result of successive drops in all intervals, with the exception of P3 to P4. Regarding the non-investigated origins, a reduction in the prices of the imported product was also observed in the period from P1 to P5 (5.9%). It is worth noting that the weighted average CIF price of Brazilian imports from the investigated origins was lower than the weighted average CIF price of Brazilian imports from other origins in all periods of investigation of evidence of injury, except in P4;

c) The share of imports from the investigated origins in the Brazilian market grew in all periods, except from P3 to P4, reaching [RESTRICTED]% in P5. Considering the extremes of the series analyzed, this share increased by [RESTRICTED] pp;

d) Similarly, the share of imports from the investigated origins in apparent national consumption grew throughout the period, with the exception of P3 to P4, and reached [RESTRICTED]% in the last period of the series (P5). From P1 to P5, the increase in this share reached [RESTRICTED] pp

e) The relationship between imports from the investigated origins and national production of fibers polyester showed a significant positive variation of [RESTRICTED] pp, from P1 to P5.

634. In this scenario, an increase was observed in imports from the investigated origins with prices showing signs of dumping, both in absolute terms and in relation to the Brazilian market or to apparent national consumption, with emphasis on the increases observed throughout the series from P2 to P3 and from P4 to P5. In addition, the imports subject to investigation were made at lower weighted average CIF prices than the other Brazilian imports in all periods except P4.

635. As regards other origins, the imported volumes were always lower than those originating from the investigated origins, with this difference being especially accentuated from P4 to P5.

6. DAMAGE ANALYSIS

636. According to the provisions of art. 30 of Decree 8,058 of 2013, the analysis of damage must be based on an objective examination of the volume of imports at prices with indications of dumping, their possible effect on the prices of the similar product in the Brazilian market and the consequent impact of these imports on the domestic industry.

637. As explained in item 5 of this document, for the purposes of the analysis relating to preliminary determination, the period from July 2018 to June 2023 was considered.

6.1 Domestic industry indicators

638. For an adequate assessment of the evolution of data in national currency, the current values were updated based on the Broad Producer Price Index - Origin - Industrialized Products (IPA-OG-PI), from the Getúlio Vargas Foundation, [RESTRICTED].

639. According to the methodology applied, the values in current reais for each period were divided by the average price index for the period, multiplying the result by the index of average prices of P5. This methodology was applied to all monetary values in reais presented.

640. It should be noted that the economic and financial indicators presented in this document refer exclusively to the production and sales of the domestic polyester fiber industry in internal market, unless expressly provided otherwise.

6.1.1 Global evolution of domestic industry

6.1.1.1 Sales indicators and participation in the Brazilian market and national consumption apparent

641. The following table presents, among other information, domestic industry sales of polyester fibers manufactured in-house, intended for the domestic market, as reported by petitioner and verified on site. It should be noted that sales are presented net of returns.

Of the Indicators of Sales and Participation in the Brazilian Market and in Apparent National Consumption (in index number of t)						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Sales Indicators						
A. Total Domestic Industry Sales	100.0	85.2	107.5	112.8	83.4	-
Variation	-	(14.8%)	26.1%	4.9%	(26.0%)	(16.6%)
A1. Domestic Market Sales	100.0	86.1	107.6	112.3	85.5	-
Variation	-	(13.9%)	25.0%	4.4%	(23.9%)	(14.5%)
A2. Sales in the Foreign Market	100.0	66.9	104.4	122.1	38.0	-
Variation	-	(33.1%)	56.2%	16.9%	(68.8%)	(62.0%)
Brazilian Market and Apparent National Consumption (ANC)						
B. Brazilian Market	100.0	93.2	127.9	112.0	118.9	-
Variation	-	(6.8%)	37.3%	(12.5%)	6.2%	+ 18.9%
C. CNA	100.0	93.5	124.1	110.3	116.6	-
Variation	-	(6.5%)	32.8%	(11.1%)	5.8%	+ 16.6%
Representativeness of Sales in the Domestic Market						
Share of Total Sales {A1/A}	100.0	101.0	100.1	99.6	102.6	
Variation	-	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Brazilian Market Share {A1/B}	100.0	92.3	84.1	100.3	72.0	
Variation	-	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Participation in the CNA {A1/C}	100.0	92.1	86.7	101.9	73.3	
Variation	-	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]

642. It was observed that there was a decrease in the total sales volume of polyester fibers between P1 and P5 (16.6%), with a reduction between P1 and P2 of 14.8%, and from P4 to P5 of 26.0%. Sales domestic industry totals reached a volume of [RESTRICTED] tons in P5.

643. It can be seen that, of this volume, sales destined for the foreign market reached [RESTRICTED] tons in P5, representing only [RESTRICTED]% of total sales, with sharp reduction of 68.8% in P5, compared to P4. It should be noted that external sales

showed growth from P2 to P3 of 56.2% and from P3 to P4 of 16.9%. Considering the extremes of the analysis series, a cumulative reduction was observed: 62.0%.

644. Sales to the domestic market increased from P2 to P3 and from P3 to P4, by 25.0% and 4.4% respectively, and decreased in the other periods: by 13.9% from P1 to P2 and by 23.9% from P4 to P5. In the comparison between P1 and P5, there was a 14.5% drop in the total sales volume in domestic market.

645. As explained in the previous section, the Brazilian market experienced an increase of 18.9% between P1 and P5. There was market growth of 37.3% from P2 to P3, and of 6.2% from P4 to P5. In the remaining periods, there were decreases of 6.8% from P1 to P2 and of 12.5% from P3 to P4.

646. Regarding the representativeness of sales of the domestic polyester fiber industry in the Brazilian market, it was found that the share in the Brazilian market increased only from P3 to P4 ([RESTRICTED] pp). From P1 to P2, it decreased by [RESTRICTED] pp, [RESTRICTED] pp between P2 and P3 and [RESTRICTED] pp from P4 to P5. Considering the interval from P1 to P5, there was a decrease of [RESTRICTED] pp.

647. Regarding the share in apparent national consumption, a similar trend was observed, with an increase only from P3 to P4 and a reduction in the other periods. From P1 to P5, there was a decrease of [RESTRICTED] pp

6.1.1.2 Production, capacity and stock indicators

648. To calculate the nominal capacity, Ecofabril took into account its [CONFIDENTIAL] production lines, [CONFIDENTIAL]. During the on-site verification, Ecofabril explained that in determining the nominal capacity of the [CONFIDENTIAL] production lines, the company used the flow capacity of the [CONFIDENTIAL] stage, whereas to calculate the capacity of the [CONFIDENTIAL] production lines, it had taken the [CONFIDENTIAL] stage as a parameter. However, when questioned by the verification team, the company acknowledged that in reality the limiters of its production capacity, the so-called bottlenecks, would be the same for the different types of production line. In this context, it was found that the bottleneck of its production lines was concentrated in the [CONFIDENTIAL] stage. Therefore, the calculation of the nominal capacity of the [CONFIDENTIAL] production lines was adjusted to reflect the same methodology adopted for determining the nominal capacity of the [CONFIDENTIAL] production lines.

649. The methodology used was as follows: [CONFIDENTIAL].

650. In addition to the adjustment in the methodology for calculating the nominal capacity of the [CONFIDENTIAL] production lines, to reflect the methodology indicated in the previous paragraph, DECOM also made adjustments to the variables used in calculating the capacity for all lines. Adjustments were made to the following variables: i) [CONFIDENTIAL], to reflect the maximum value achieved in the company's production lines; and ii) [CONFIDENTIAL], to use the data from the reports relating to each of the production lines, instead of the [CONFIDENTIAL] used by Ecofabril to report the data.

651. In order to calculate the effective capacity, Ecofabril clarified that it was multiplied by [CONFIDENTIAL]. During the on-site verification, the company clarified that the calculation of the effective production capacity took into account the historical average of the [CONFIDENTIAL] factor during the investigation period. Furthermore, the calculation of this capacity would have included the effective capacity of the [CONFIDENTIAL] production line, which [CONFIDENTIAL during the investigation period. According to information in the petition, this [CONFIDENTIAL] line.

652. DECOM also made adjustments to the calculation of effective capacity in relation to the following points: i) [CONFIDENTIAL] of the [CONFIDENTIAL] production line, given that [CONFIDENTIAL]; ii) exclusion of the time for [CONFIDENTIAL] from the total scheduled shutdowns of the lines

[CONFIDENTIAL], given that this stop is at a later stage than [CONFIDENTIAL] and does not imply stop at the stage considered to be a production bottleneck; iii) change of [CONFIDENTIAL] used in P2, with based on the average time of downtime identified in the monthly reports requested and extracted from the system of the company, considering that, during the on-site verification, the company explained that due to the stoppages production resulting from the COVID 19 pandemic, the numbers relating to [CONFIDENTIAL] would be distorted.

653. In the case of Indorama, the nominal capacity per production line was calculated based on of the [CONFIDENTIAL] step. The calculation used was [CONFIDENTIAL]. The [CONFIDENTIAL] lines have [CONFIDENTIAL], each with [CONFIDENTIAL]. These lines have [CONFIDENTIAL]. The line [CONFIDENTIAL] has [CONFIDENTIAL]. This line has [CONFIDENTIAL]. Therefore, we used as variables: [CONFIDENTIAL]. The company considered the fiber of [CONFIDENTIAL] for the calculation.

654. The nominal installed capacity reported by Indorama in P2 showed a difference in in relation to the other periods because the company considered the 366-day period for the annual calculation, taking into account since 2020 was a leap year.

655. To calculate the effective installed capacity, the company considered shutdowns [CONFIDENTIAL]. It should be clarified that for stops [CONFIDENTIAL]. Thus, of the total number of days in the month, company subtracted the total number of days corresponding to the shutdown and multiplied it by the capacity nominal monthly.

656. Regarding stock data, it should be clarified that, when checking the inventory, loco at Ecofabril, a discrepancy was identified in relation to the initial stock of P1 previously reported by the company. Additionally, import data (in all periods), resales (in P1, P3 and P4) and returns (in P4) also needed correction. DECOM adjusted the "other inputs/outputs" column, considering that [CONFIDENTIAL], to contemplate the previous corrections.

657. Data relating to the production, installed capacity and stock of polyester fibers throughout the period under analysis of damage to the domestic industry, adjusted after on-site verification, are detailed in the table below:

Production, Installed Capacity and Stock Indicators (in t index number)						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Production Volumes						
A. Production Volume - Similar Product Variation B.	100.0 78.8		100.6 104.9 84.2			-
Production	-	(21.2%) 27.7% 4.2% (19.8%) (15.8%)				
Volume - Other Products Variation C. Industrialization	100.0 90.8	99.8		107.6 104.1		-
for Third	-	(9.2%) 9.8% 7.9%			(3.3%) + 4.1%	
Parties - Tolling Variation Installed Capacity (in index	-	-	-	-	-	-
number of	-	-	-	-	-	-
t and index number of %)						
D. Effective Installed Capacity Variation	100.0 84.4		96.1	100.8 93.0		-
E.	-	(15.6%) 13.9% 4.9% (7.7%) (7.0%)				
Occupancy Rate {(A+B)/D}	100.0 96.1		104.5 104.6 94.5			-
Stock	[CONF.] [CONF.] [CONF.] [CONF.] [CONF.] [CONF.]					
Variation (in t index number)						
F. Stock	100.0 93.0	98.4		98.1	179.6 -	
Variation	-	(7.0%) 5.8% (0.3%) 83.0% + 79.6%				

G. Relationship between Stock and Production Volume {E/A}	100.0	117.2	96.8	93.5	211.8	-
Variation	-	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]

658. The production volume of the similar product of the domestic industry decreased by 21.2% between P1 and P2, and by 19.8% from P4 to P5. In P3 and P4, increases of 27.7% and 4.2% were observed, respectively, in relation to the immediately previous periods. These variations culminated in a decrease in the production volume of 15.8% from P1 to P5.

659. It was observed that the effective installed capacity showed a negative variation of 15.6%, from P1 to P2 and of 7.7% from P4 to P5. There was a positive variation of 13.9% from P2 to P3 and of 4.9% from P3 to P4.
When analyzing the entire period, there was a decrease of 7.0%. In the same period - P1 to P5, the degree of occupation of the installed capacity decreased [CONFIDENTIAL] pp

660. The volume of polyester fiber stocks decreased by 7.0% between P1 and P2, increased by 5.8% between P2 and P3 and 83.0% between P4 and P5. From P3 to P4, a reduction of 0.3% was observed. Considering the extremes of the series (P1 to P5), the volume of domestic industry stocks increased by 79.6%.

661. As a result of the variations presented, the stock/production ratio obtained cumulative increase of [RESTRICTED] pp from P1 to P5.

6.1.1.3 Employment, productivity and wage bill indicators

662. The employment and wage bill data attributed to domestic industry were attributed to the similar product through apportionment.

663. In the case of Indorama, the percentage of representation of the net revenue obtained from sales of the similar product in relation to the company's total net revenue was considered. The net revenue considered was the gross revenue minus taxes, returns, freight, discounts and rebates.
It is important to mention that there were changes in the net revenue values of the similar product in the company's total net revenue resulting from the on-site verification. Therefore, there were changes in the number of employees allocated to the similar product. In addition to the adjustment made by DECOM in the values used for the allocation, there was a change in the payroll data in P1 resulting from the on-site verification in Indorama.

664. In the case of Ecofabril, the company had considered the percentage of representation of net revenue from sales and resales of the similar product in relation to the company's total net revenue, which was deducted from net revenue from services. It is worth mentioning that the net revenue from the similar product changed in all periods after the on-site verification. In addition, DECOM adjusted the apportionment criterion to: i) exclude revenue from resales from the calculation of the apportionment percentage for employees and payroll assigned to production; ii) include revenue from resales in the company's total revenue when calculating the apportionment percentage for employees and payroll assigned to administration and sales. To exclude net revenue from resales in the calculation of item i, an estimate of the amount of taxes levied on these transactions was used, since this amount is not detailed in the balance sheets obtained in the on-site verification. This estimate was calculated based on the percentage of taxes (except ISS) on the company's total gross revenue from domestic sales and resales, per period.

665. Still in relation to Ecofabril, the total number of employees of the company, before the apportionment, was adjusted based on discrepancies observed in the on-site verification. It is worth noting that, in P2, DECOM excluded [CONFIDENTIAL] employees retired due to disability who remained on the company's payroll, classified as employees on leave. Apprentices and interns were included in the number of employees.

666. The following table presents the values and variations relating to employment, productivity and to the wage bill over the period under analysis:

Employment, Productivity and Wage Mass						
[CONFIDENTIAL]						
	P1	P2	P3	P4	P5	P1 - P5
Employment (in index number)						
A. Number of Employees - Total Variation	100.0 88.5 96.0 101.0 90.0 [CONF.]					
A1. Number	-	(11.5%) 8.5% 5.1% (10.9%) (10.0%)				
of Employees - Production Variation A2. Number	100.0 86.0 93.1 98.7 87.3					[CONF.]
of	-	(14.0%) 8.3% 6.0% (11.5%) (12.7%)				
Employees - Adm. and Sales 100.0 99.6 108.9 111.2 Variation					101.9 [CONF.]	
	-	(0.4%) 9.3% 2.1% (8.3%) + 1.9%				
Productivity (in t index number)						
B. Productivity per Employee Production Volume (similar product) / {A1}	100.0 91.7		108.1 106.3 96.4 [CONF.]			
Variation	-	(8.3%) 17.9% (1.6%) (9.3%) (3.6%)				
Salary Mass (in index number of Thousand Reais)						
C. Payroll - Total	100.0 92.7 77.6 69.4 72.5					[CONF.]
Variation	-	(7.3%) (16.2%) (10.6%) 4.5% (27.5%)				
C1. Wage Mass - Production Variation	100.0 81.8		71.9	64.5 69.2 [CONF.]		
	-	(18.2%) (12.1%) (10.2%) 7.3% (30.8%)				
C2. Payroll - Adm. and Sales	100.0 129.4 96.9 85.9 83.6 [CONF.]					
Variation	-	29.4% (25.1%) (11.4%) (2.7%) (16.4%)				

667. The number of employees working on the production line was reduced by 12.7% in P5, compared to P1 (reduction of [CONFIDENTIAL] jobs). Regarding the number of employees working in administration and sales, in the same period there was an increase of 1.9% (the equivalent to [CONFIDENTIAL] jobs. Thus, the total number of employees decreased by 10.0% ([CONFIDENTIAL] jobs).

668. Productivity per employee linked to production showed a negative variation of 3.6% considering the entire investigation period, from P1 to P5.

669. The wage bill of employees linked to the production line, when considering the entire period of investigation of evidence of damage, from P1 to P5, fell by 30.8%, while the wage bill of employees in the administration and sales areas was reduced by 16.4%. As a result, the total wage bill, P1 to P5, fell 27.5%.

6.1.2 Financial indicators of domestic industry

6.1.2.1 Net revenue and weighted average prices

670. Initially, it should be clarified that the net revenue of the domestic industry refers to net sales of polyester fibers produced in-house, less rebates, discounts, taxes, returns and domestic shipping costs.

Net Revenue and Weighted Average Prices						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5

Net Revenue (in index number of Thousand Reais)						
A. Total Net Revenue	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
A1. Net Revenue - Domestic Market Variation	100.0 79.3		89.3	97.4	72.5	-
Share {A1/	-	(20.7%) 12.6% 9.1%			(25.6%) (27.5%)	
A}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
A2. Net Revenue - Foreign Market Variation	100.0 57.7		83.6	107.8 28.6		[CONF.]
Participation	-	(42.3%) 44.8% 28.9% (73.5%) (71.4%)				
{A2/A}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Weighted Average Prices (in index number of Reais/t)						
B. Price in the Domestic Market {A1/Sales in the Domestic Market Internal}	100.0 92.1		83.0 86.7		84.8	-
Variation	-	(7.9%) (10.0%) 4.5%			(2.2%) (15.2%)	
C. Price in the External Market {A2/Sales in the External Market External}	100.0 86.3		80.1	88.3	75.2	-
Variation	-	(13.7%) (7.3%) 10.3% (14.9%) (24.8%)				

671. Regarding the variation in net revenue from sales of polyester fibers in the domestic market, retractions were verified in P2 (20.7%) and P5 (25.6%) in the analysis of signs of damage, unlike P3 and P4 (increases of 12.6% and 9.1% respectively). When considering the extremes of the period of investigation (P1 to P5), the net revenue obtained from sales of polyester fibers in the domestic market decreased by 27.5%.

672. Regarding the variation in net revenue in the foreign market, there was a decrease in comparison between P1 and P5, equivalent to 71.4%. Increases (P3 and P4) and declines (P2 and P5) in revenue were observed net of the foreign market throughout the period of damage analysis.

673. Thus, considering the proportional relevance of sales in the domestic market in relation to to total sales, total net revenue decreased by [CONFIDENTIAL]% from P1 to P5.

674. Average sales prices refer to sales of own production and were obtained by the ratio between net revenues and quantities sold in the domestic and foreign markets, according to the case.

675. The average selling price of polyester fibers in the domestic market showed a reduction of 7.9% from P1 to P2, 10.0% from P2 to P3 and 2.2% from P4 to P5. An increase was observed only in P3 to P4 (4.5%). Comparing P5 to P1, this price decreased by 15.2%.

676. The average selling price on the foreign market, in turn, fell in all intervals, with the exception of P3 to P4, when an increase of 10.3% was observed. When considering the entire time series, from P1 to P5, the contraction in the aforementioned price reached 24.8%.

6.1.2.2 Results and margins

677. It is important to highlight that, due to data obtained during the on-site verification, DECOM carried out the following adjustments to Indorama's expense values: i) apportionment of operating expenses/revenues of company office in São Paulo for the similar product, in all periods; ii) inclusion of [CONFIDENTIAL] incurred by the company in P1 in the allocation of operating expenses/revenues. In addition, punctual corrections in income statement amounts resulting from observed discrepancies on-site verification were carried out, as described in the on-site verification report. About the apportionment of the expenses of the São Paulo office for the similar product, the percentage of representation of net revenue earned from sales/resales of the similar product in each

market in relation to the company's total net revenue (considering revenue from all [CONFIDENTIAL] of Indorama). The net revenue considered was the gross revenue deducted from taxes and returns.

678. In the case of Ecofabril, DECOM considered it appropriate to adjust the following criteria: apportionment: i) for the CPV, the percentage of representation of the net revenue obtained from the sales of the company's own product in each market in relation to the company's total net revenue (excluding revenue from resales and services); ii) for commercial discounts, the percentage was considered of representation of net revenue earned from sales [CONFIDENTIAL] in relation to revenue total net income of the company (excluding revenue from [CONFIDENTIAL] and services), since the company [CONFIDENTIAL]; iii) for commercial expenses, the percentage of representation of the net revenue earned from sales/resales of the product manufactured in-house in each market in in relation to the company's total net revenue (except for service revenue, since these are expenses with sales); and iv) for other expenses, the percentage representing revenue was considered net income earned from sales/resales of the product manufactured in-house in each market in relation to to the company's total net revenue. In addition, corrections to income statement amounts arising from discrepancies observed in the on-site verification were carried out, as described in on-site verification report.

679. To exclude net revenue from resales in the calculation of item i, an estimate was used the value of taxes levied on these transactions, since this value is not specified in the balance sheets obtained in the on-site verification. This estimate was calculated based on the percentage of taxes (except ISS) on the company's total gross revenue from domestic sales and resales, per period.

680. The following table presents the income statement and profit margins. associated, for the period of analysis, obtained from the sale of the similar product in the domestic market.

Income Statement in the Domestic Market and Profitability Margins						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Income Statement (in index number of Thousand Reais)						
A. Net Revenue Domestic Market Variation	100.0 79.3		89.3	97.4	72.5	-
	-	(20.7%) 12.6% 9.1%			(25.6%) (27.5%)	
B. Cost of Goods Sold - CPV	100.0 78.0		79.3	84.7	75.0	[CONF.]
Variation	-	(22.0%) 1.7%		6.8% (11.5%) (25.0%)		
C. Gross Profit {AB}	100.0 95.8		214.7	257.5 41.4		[CONF.]
Variation	-	(4.2%) 124.0% 19.9% (83.9%) (58.6%)				
D. Operating Expenses Variation	100.0 134.1 116.8			31.8	190.7	[CONF.]
D1.	-	34.1% (12.9%) (72.7%) 498.9% + 90.7%				
General and Administrative Expenses D2. Sales	100.0 222.4 172.6			158.8 179.3		[CONF.]
Expenses D3. Financial Result	100.0 124.2 146.5			123.4 117.1		[CONF.]
(RF)	100.0 72.6		14.4	9.2	(20.2) [CONF.]	
D4. Other Operating Expenses (Revenues) (OD)	(100.0) (161.4) (47.7)			(244.8) 227.2		[CONF.]
E. Operating Result {CD}	100.0 44.3		346.7 561.5 (159.7) [CONF.]			
Variation	-	(55.7%) 682.3% 62.0% (128.5%) (259.7%)				
F. Operating Result (except RF) {C-D1-D2-D4} 100.0 56.9 Variation	G. Operating		198.6 315.4 (97.5)			[CONF.]
Result	-	(43.1%) 249.0% 58.8% (130.9%) (197.5%)				
(except RF and OD) {C-D1-D2}	100.0 19.5		252.5 340.6 (51.2)			[CONF.]

Variation	-	(80.5%)	1,192.1%	34.9%	(115.0%)	(151.2%)
in Profitability Margins (in index number %)						
H. Gross Margin {C/A}	100.0	121.9	242.5	265.8	57.5	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
I. Operating Margin {E/A}	100.0	54.8	393.5	580.6	(222.6)	[CONF.]
J. Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Operating Margin (except RF) {F/A}	100.0	73.2	225.0	326.8	(135.7)	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
K. Operating Margin (except RF and OD) {G/A}	100.0	23.8	281.0	345.2	(69.0)	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]

681. Regarding the income statement and associated profit margins, obtained with the sale of self-produced polyester fibers in the domestic market, it should be noted that net revenue in the domestic market showed increases from P2 to P3 and from P3 to P4, 12.6% and 9.1%, respectively. In other periods, there was a drop: 20.7% in P2 and 25.6% in P5, in relation to the periods immediately previous, culminating in a 27.5% drop, during the entire period analyzed.

682. The CPV showed reductions of 22.0% from P1 to P2 and 11.5% from P4 to P5, while from P2 to P3 and P3 to P4, this indicator showed increases of 1.7% and 6.8%, respectively. Considering the entire period analyzed, there was a drop of 25.0%.

683. From P1 to P2, gross profit decreased by 4.2% and the respective margin increased [CONFIDENTIAL] pp In P3, there was a recovery of these indicators in relation to P2, reaching the largest increases in the series: gross profit increased 124.0%, and gross margin, [CONFIDENTIAL] pp In P4 there was still a positive variation of 19.9% in the gross result, in relation to P3, and the respective margin increased [CONFIDENTIAL] pp In P5, the gross result deteriorated again, suffering a drop of 83.9%, in relation to P4, while the gross margin fell [CONFIDENTIAL] pp Considering the extremes of the series (P1 to P5), the gross result fell by 58.6% and the gross margin fell by [CONFIDENTIAL] pp

684. The domestic industry's operating result and operating margin behaved similarly: decrease from P1 to P2 (55.7% and [CONFIDENTIAL] pp, respectively). In P4, had the best performance, and deteriorated in P5, compared to P4 (128.5% drop in the result operational and [CONFIDENTIAL] pp in the respective margin), reaching the worst level observed in the series analysis. Considering the entire investigation period, the operating result decreased by 259.7% and the operating margin, [CONFIDENTIAL] pp

685. Regarding the operating result excluding the financial results and their respective margin, the best performance was observed in P4, with an abrupt reduction from P4 to P5. Considering P5 in relation to P1, a 197.5% drop was observed in the operating result excluding the results financial and a decrease of [CONFIDENTIAL] pp in the respective margin.

686. Operating income excluding financial income and expenses and other income and operating expenses and the respective margin also reached the best level in P4, deteriorating in P5. Between P1 and P5, a drop of 151.2% was observed in this result, while the respective margin presented decreased [CONFIDENTIAL] pp

Income Statement in the Domestic Market by Unit (in index number of R$/t)						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
A. Net Revenue Domestic Market Variation	100.0	92.1	83.0	86.7	84.8	-
	-	(7.9%)	(10.0%)	4.5%	(2.2%)	(15.2%)

B. Cost of Goods Sold - CPV	100.0 90.6 73.7			75.4	87.7	[CONF.]
Variation	-	(9.4%) (18.7%) 2.3% 16.2% (12.3%)				
C. Gross Result {AB}	100.0 111.4 199.5 229.2 48.4					[CONF.]
Variation	-	11.4% 79.2% 14.9% (78.9%) (51.6%)				
D. Operating Expenses Variation	100.0 155.8 108.5 28.4 223.0 [CONF.]					
D1.	-	55.8% (30.3%) (73.9%) 686.4% + 123.0%				
General and Administrative Expenses D2.	100.0 258.4 160.3 141.4 209.7 [CONF.]					
Selling Expenses	100.0 144.3 136.2 109.9 136.9					[CONF.]
D3. Financial Result (FR)	100.0 84.3		13.3	8.2	(23.6)	[CONF.]
D4. Other Operating Expenses (Revenues) (OD)	(100.0) (187.5) (44.3) (217.9) 265.7					[CONF.]
E. Operating Result {CD}	100.0 51.5		322.1 499.9 (186.8) [CONF.]			
Variation	-	(48.5%) 525.6% 55.2% (137.4%) (286.8%)				
F. Operating Result (except RF) {C-D1-D2-D4} 100.0 66.1 Variation	G. Operating		184.5 280.8 (114.0) [CONF.]			
Result	-	(33.9%) 179.1% 52.2% (140.6%) (214.0%)				
(except RF and OD) {C-D1-D2} 100.0 22.7 Variation			234.6 303.2 (59.8)			[CONF.]
	-	(77.3%) 933.3% 29.2% (119.7%) (159.8%)				

687. The unit CPV fluctuated throughout the analysis period: there was an increase of 2.3% between P3 and P4 and 16.2% from P4 to P5. From P1 to P2 there was a decrease of 9.4% and of 18.7% from P2 to P3. Over the course of during the period of analysis of signs of damage, a negative variation of 12.3% was observed from P1 to P5.

688. As regards the gross unitary result of sales of polyester fibers, it was found increase in all periods, with the exception of P5 when the indicator fell 78.9%. Considering all the time series (P1 to P5), there was a drop of 51.6%.

689. Regarding the unitary operating result, reductions were recorded from P1 to P2, of 48.5%, and from P4 to P5, 137.4%. From P2 to P3 there was a positive variation of 525.6% and, from P3 to P4, 55.2%. These positive variations were not able to reverse the reductions when considering the extremes of the series, with the unitary operating result showing a decline of 286.8% from P1 to P5.

690. The unitary operating result excluding the financial result and the operating result exclusive unitary the financial result and other operating expenses/income presented similar behavior, with negative variations in P2 and P5, in relation to the periods immediately preceding. Considering the entire period of damage analysis, the operating result exclusive unitary the financial result showed a reduction of 214.0%, while the operating result unitary exclusive financial result and other operating expenses/income decreased by 159.8%.

6.1.2.3 Cash flow, return on investment and ability to raise funds

691. Regarding the next indicators to be analyzed, it should be noted that refer to the total activities of the domestic industry and not only to operations related to fibers polyester. It should be noted that the ability to raise funds was adjusted in relation to the opinion of beginning to reflect the data from Ecofabril and Indorama, because, for the purposes of starting the investigation, the data referred to only one of the companies ([CONFIDENTIAL]).

Cash Flow, Return on Investment and Ability to Raise Funds (in index number)						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Cash flow						
A. Cash Flow	(100.00) 1,065.18 (38.29) 2,350.69 (3,350.08) [CONF.]					

Variation	-	1,165.2%	(103.6%)	6,239.6%	(242.5%)	(3,250.1%)
Return on Investment						
B. Net Profit Variation	100.0	121.8	1,344.4	1,496.7	(176.2)	[CONF.]
	-	15.5%	746.4%	(7.8%)	(111.6%)	(204.3%)
C. Total Assets	100.0	107.7	166.7	254.9	189.2	[CONF.]
Variation	-	2.2%	18.6%	26.7%	(27.1%)	+ 12.0%
D. Return on Total Investment (ROI)	100.0	113.0	806.3	587.2	(93.1)	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
in Ability to Raise Funds						
E. General Liquidity Ratio (GLI)	(100.0)	(56.5)	(70.4)	(33.0)	(43.8)	[CONF.]
Variation	-	43.5%	(24.6%)	53.0%	(32.6%)	+ 56.2%
F. Current Liquidity Index (ILC)	100.0	(55.9)	(67.7)	(33.4)	(23.0)	[CONF.]
Variation	-	(155.9%)	(21.1%)	50.7%	31.2%	(123.0%)
Note: ROI = Net Profit / Total Assets; ILC = Current Assets / Current Liabilities; ILG = (Current Assets + Long-Term Realizable Assets)/(Current Liabilities + Non-Current Liabilities)						

692. There was a decline in the cash flow related to the total activities of the domestic industry of 3,250.1% over the damage analysis period. An increase from P1 to P2 of 1,165.2% was observed, and from P3 to P4, of 6,239.6%. However, from P2 to P3 and from P4 to P5 there was a reduction of 103.6% and 242.5% respectively.

693. Regarding the return on investment, there was a retraction when considering the extremes of the series, from P1 to P5, of [CONFIDENTIAL] pp, with the biggest drop having occurred from P4 to P5 ([CONFIDENTIAL] pp) and verifying a positive variation between the periods from P1 to P2 and between P2 and P3, from [CONFIDENTIAL] pp and [CONFIDENTIAL] pp, respectively.

694. Regarding the ability to raise funds, the General Liquidity Index (ILG) showed positive variations of 43.5% in P2 and 53.0% in P4, always in relation to the previous period. From P2 to P3 and from P4 to P5 there were negative variations of 24.6% and 32.6%, respectively. Considering the extremes, the ILG varied positively by 56.2%. Regarding the Current Liquidity Index (ILC), the indicator decreased from P1 to P2 and from P2 to P3, by 155.9% and 21.1%, respectively. In the remaining periods, varied positively by 50.7%, from P3 to P4, and by 31.2% from P4 to P5. Considering the extremes of the series, the ILC varied negatively by 123.0%.

6.1.2.4 Growth of domestic industry

695. Domestic industry's domestic sales decreased by 14.5% from P1 to P5, as a result of the retractions observed in the following periods: from P1 to P2 (13.9%) and from P4 to P5 (23.9%). The periods that recorded an increase were between P2 and P3 (25.0%) and from P3 to P4 (4.4%).

696. The Brazilian market saw a retraction from P1 to P2 and from P3 to P4, recording decreases of 6.8% and 12.5%, respectively. In the other periods, increases of 37.3% were observed, from P2 to P3, and 6.2% from P4 to P5. Considering the extremes of the series, the Brazilian market showed an increase of 18.9%.

697. The domestic industry's share in the Brazilian market decreased in all periods, with the exception of P3 to P4, in which there was an increase in this participation in [RESTRICTED] pp In the other periods, drops of [RESTRICTED] pp, [RESTRICTED] pp and [RESTRICTED] pp were observed, in chronological order. Thus, the participation of domestic industry in the Brazilian market decreased [RESTRICTED] pp in P5 compared to P1.

698. Given the evolution of the indicators presented above, it is concluded that the industry domestic consumption declined throughout the damage analysis period, both in absolute terms and in relation to the Brazilian market.

6.1.3 Factors affecting domestic prices

6.1.3.1 Costs and the cost/price ratio

699. The following table shows the production cost, the unit cost and the relationship between cost and price associated with the manufacture of the similar product by the domestic industry, throughout the analysis period.

Costs and the Cost/Price Relationship						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Production Costs (in index number of R$/t)						
Production Cost (in R$/t) {A + B} 100.0 86.5 Variation A. Variable			74.4	76.5	82.8	[CONF.]
Costs	-	(13.5%) (14.0%) 2.8% 8.3% (17.2%)				
	100.0 85.9		76.0	78.7	84.8	[CONF.]
A1. Raw Material	100.0 82.2		75.4	78.4	84.1	[CONF.]
A2. Other Inputs	100.0 99.7		93.8	97.9	107.4 [CONF.]	
A3. Utilities	100.0 99.8		73.4	83.9	91.6	[CONF.]
A4. Other Variable Costs	100.0 101.7 73.7			66.2	72.2	[CONF.]
B. Fixed Costs	100.0 93.0		57.6	53.5	62.2	[CONF.]
B1. Depreciation	100.0 110.6 52.1			45.1	56.3	[CONF.]
B2. Maintenance	100.0 107.1		77.4	67.6	82.7	[CONF.]
B3. Other fixed costs	100.0 72.5		43.1	45.3	47.4	[CONF.]
Unit Cost (in R$/t and R$/t index number) and Cost/Price Ratio (%)						
C. Unit Production Cost 74.4 Variation D. Domestic Market Price Variation	100.0 86.5			76.5	82.8	[CONF.]
E. Cost/	-	(13.5%) (14.0%) 2.8% 8.3% (17.2%)				
Price Ratio {C/D}	100.0 92.1		83.0 86.7		84.8	-
	-	(7.9%) (10.0%) 4.5% (2.2%) (15.2%)				
	[CONF.] [CONF.] [CONF.] [CONF.] [CONF.] [CONF.]					
Variation	[CONF.] [CONF.] [CONF.] [CONF.] [CONF.] [CONF.]					

700. The unit production cost showed a reduction of 17.2% from P1 to P5, however, this reduction was not linear. From P1 to P2, there was a reduction of 13.5% and, from P2 to P3, of 14.0%. From P3 to P4 the cost unitary increased by 2.8% and, from P4 to P5, by 8.3%.

701. The relationship between the cost of production and the selling price of the domestic industry recorded reductions in most periods: from P1 to P2 ([CONFIDENTIAL] pp), from P2 to P3 ([CONFIDENTIAL] pp) and from P3 to P4 ([CONFIDENTIAL] pp). There was an increase only from P4 to P5 ([CONFIDENTIAL] pp). When considering the period as a whole (P1 to P5), the relationship between production cost and price was reduced by [CONFIDENTIAL] pp

6.1.3.2 Comparison between the price of the product under analysis and the similar national product

702. The effect of dumped imports on domestic industry prices must be assessed under three aspects, as provided for in § 2 of art. 30 of Decree 8,058 of 2013. Initially, the existence of significant undercutting of the price of the imported product must be verified. dumping prices in relation to the similar product in Brazil, that is, if the domestic price of the product under investigation is lower than the price of the Brazilian product. Then, a possible depression of

price, that is, whether the price of the imported product had the effect of significantly lowering the price of the domestic industry. The last aspect to be analyzed is price suppression. This occurs when the investigated imports significantly prevent the increase in prices, due to the increase in costs, which would occur in the absence of such imports.

703. In order to compare the price of imported polyester fibers from the investigated origins with the average sales price of the domestic industry in the domestic market, the CIF price of the imported product from these origins in the Brazilian market was calculated. The sales price of the domestic industry in the domestic market was obtained by the ratio between the net revenue, in updated reais, and the quantity sold, in tons, in the domestic market during the period of investigation of injury.

704. To calculate the prices charged to Brazil for products imported from China, India, Malaysia, Thailand and Vietnam, the total import values of the product under investigation were considered, in CIF terms, in reais, obtained from Brazilian import data provided by the RFB.
To these values were added: a) Import Tax (II), considering the amounts actually collected; b) Additional Freight for Renewal of the Merchant Navy (AFRMM); and c) the unit values of the internalization expenses, considering the percentage of 2.0% on the CIF value, a percentage determined based on the set of responses to the importer's questionnaire.

705. The AFRMM was calculated at a rate of 25% of the value of international freight until Law No. 14,301, of January 7, 2022, came into effect. Subsequently, the rate of 8% was adopted on the same basis.
of calculation.

706. It should be noted that it was taken into consideration that the AFRMM does not apply to certain import operations, such as, for example, those via air transport, those destined for the Manaus Free Trade Zone and those carried out under the special drawback regime.

707. Finally, each total value mentioned above was divided by the total volume of imports subject to the investigation, in order to obtain the value per tonne for each of these headings, and the unit headings were added together, arriving at the CIF landed price of the investigated imports.

708. The domestic prices of the product from the investigated origins, thus obtained, were updated based on the IPA-OG-Industrial Products, in order to obtain the updated values in reais and compare them with the prices of the domestic industry.

709. It should be noted that imports of products manufactured by the companies Zhongthai and VNC were excluded, since no dumping practices were preliminarily found in their exports of polyester fibers to Brazil.

710. The following table shows the calculations made and the undercutting values obtained for each period of investigation for evidence of damage.

Average CIF landed price and undercutting - China, Thailand, Vietnam, Malaysia and India
[RESTRICTED]

	P1	P2	P3	P4	P5
CIF Price (R$/t)	100.0	96.6	107.0	142.5	123.2
Import Tax (R$/t)	100.0	97.3	108.3	133.4	100.1
AFRMM (R$/t)	100.0	128.8	428.7	617.5	146.9
Hospitalization expenses (R$/t) [2.0%]	100.0	96.5	107.0	142.5	123.2
CIF Interned (R$/t)	100.0	96.9	109.9	145.4	120.4
Updated CIF Interned (R$/t) (A)	100.0	91.9	79.9	87.5	71.3
Updated Domestic Industry Price (R$/t) (B)	100.0	92.1	83.0	86.7	84.8
Undercutting (BA) updated (R$/t)	100.0	99.2	179.2	61.2	509.7

711. From the analysis of the previous table, it was found that the weighted average price of the product imported from the investigated origins, imported into Brazil, was underpriced in relation to the price of domestic industry in all periods.

712. It should be noted that in possession of the responses to the questionnaires from the producer/exporter and the importer it was possible to identify the first two characteristics of the CODIP of 37.6% of the volume imported from the origins investigated in P1; 42.3% in P2; 38% in P3; 45.6% in P4 and 75.5% in P5.

713. Thus, undercutting was estimated considering the type of customer for whom the product was marketed and the mix of products observed in imports for each period in calculating the price of domestic industry. When there was no exact match between the type of customer/CODIP binomial (two first characteristics), we sought to eliminate, firstly, the customer category, followed by the second characteristic of CODIP and, finally, of the first characteristic A.

714. For volumes and values that did not allow identification of the CODIP, allocation was carried out, according to the distribution observed in the plot that allowed such identification.

715. Based on this methodology, the following undercutting values were obtained for each period of investigation of evidence of damage:

Average CIF landed price and undercutting - China, Thailand, Vietnam, Malaysia and India (CODIP/Category customer)
[RESTRICTED]

	P1	P2	P3	P4	P5
CIF Price (R$/t)	100.0	96.6	107.0	142.5	123.2
Import Tax (R$/t)	100.0	97.3	108.3	133.4	100.1
AFRMM (R$/t)	100.0	128.8	428.7	617.5	146.9
Hospitalization expenses (R$/t) [2.0%]	100.0	96.5	107.0	142.5	123.2
CIF Interned (R$/t)	100.0	96.9	109.9	145.4	120.4
Updated CIF Interned (R$/t) (A)	100.0	91.9	79.9	87.5	71.3
Updated Domestic Industry Price (R$/t) (B)	100.0	94.1	77.2	82.5	79.5
Undercutting (BA) updated (R$/t)	100.0	113.2	54.0	39.0	150.3

716. As can be seen, the exercise considering CODIPs and customer categories identified presented a similar result, with undershooting in all periods.

717. Regarding the average selling prices of the domestic industry, there was initially a fall of 7.9% in price, from P1 to P2. Then, a new drop of 10.0% was observed from P2 to P3. Subsequently, there was an increase of 4.5% from P3 to P4. Finally, a decrease of 2.2% was observed from P4 for P5. Considering the extremes of the series, there was a fall in the sales price in the domestic market in order of 15.2%, thus verifying a depression in these prices.

718. It is worth noting that there was a suppression of domestic industry sales prices only of P4 to P5, a period in which, despite the 8.3% increase in cost, the petitioner reduced the selling price by 2.2%.

719. The relationship between the cost of production and the selling price of the domestic industry in domestic market, with the exception of P4 to P5 when it increased [CONFIDENTIAL] pp, registered a fall in other periods: from [CONFIDENTIAL] pp between P1 and P2, from [CONFIDENTIAL] pp between P2 and P3 and from [CONFIDENTIAL] pp between P3 and P4. Considering the extremes of the series, it was found that the cost of average production fell by 17.2%, resulting in a negative variation in this relationship of around [CONFIDENTIAL] pp

6.1.3.3 The magnitude of the dumping margin

720. The absolute dumping margins determined for the purposes of the preliminary determination ranged from US$67.88/t to US$289.41/t, and the relative margins from 7.2% to 23.8%. Specifically in the case of the producers/exporters Zhongthai and VNC, from Thailand and Vietnam, respectively, no preliminary dumping was found, considering that the calculation of their dumping margin resulted in a negative value (-US$43.18/t and - US$34.53/t, respectively). It is worth noting, however, that there is a non-negligible volume of exports at dumped prices from their respective origins, which, in fact, entered at undercut prices.

721. It is possible to infer that, if such dumping margins did not exist, domestic industry prices could have reached higher levels, reducing, or even eliminating, the effects of the investigated imports.

722. It was therefore determined that the impact of the magnitude of the dumping margin on the domestic industry was not negligible, taking into account the volume and prices of imports from the investigated origins.

723. Thus, when comparing the normal value obtained above with the ex-factory price of the domestic industry in P5, it is possible to infer that, if they were not subject to dumping, imports from the investigated origins would not have negatively impacted the results of the domestic industry, since they would have competed at a price level above that of the similar national product.

6.2 Statements regarding damage

724. In a statement filed on July 22, 2024, ABRAFAS countered that the allegations about the lack of production capacity of the domestic industry brought by SINTEX, ABINT and the Coalition would be an attempt to prevent the eventual application of a provisional duty. In view of this, the petitioner emphasized that the Antidumping Decree does not condition the application of the provisional duty on the capacity of the domestic industry to meet the total apparent national consumption.

725. To support its position, ABRAFAS emphasized that the prerequisites for opening an investigation and applying antidumping law are: existence of dumping, damage to the domestic industry and a causal link between the two. It then reproduced an excerpt from the final determination report of the investigation into the practice of dumping in exports to Brazil of textured polyester yarns originating from India and China, concluded by GECEX Resolution No. 385,

of 2022.

726. In fact, ABRAFAS stressed that the present investigation had indicated the existence of the three elements and that it would remain to prove the elements based on the validation of the data provided to the investigating authority.

727. The petitioner further highlighted that the data on the production capacity of the domestic polyester fiber industry would be direct results of the impact caused by imports at dumped prices. According to a survey by ABRAFAS in 2017, the domestic industry has already produced larger volumes than currently, having been able to meet the entire national consumption up until that year.

728. According to the petitioner, from 2013 onwards, a significant part of the domestic industry was demobilized, which was gradually being preyed upon by unfair competition from imports. In this regard, it highlighted the closure of the production activities of the former AMG, in Poços de Caldas, in 2017.

729. From 176,400 tons in 2017, the domestic industry's production capacity dropped to [CONFIDENTIAL] tons in P5 of the present investigation. In this context, the current investigation is based on this scenario of worsening damage, with the aim of enabling the continuation of domestic production and providing a scenario of competitive stability for the market, so that investments can be resumed.

730. The petitioner concluded that the current volume of national production was nothing more than the result of the damage caused by imports at dumped prices.

6.3 DECOM's comments on the demonstrations

731. Since the comments provided by the domestic industry are in line with the preliminary conclusion reached regarding the existence of material damage, reference is made to the following item, in which this conclusion is set out in detail.

6.4 Preliminary conclusion regarding damage

732. From the analysis of the domestic industry indicators, it was observed that, with the exception of the period from P2 to P3 and from P3 to P4, the sales volume in the domestic market of the domestic industry decreased, which resulted in a drop of 14.5% when considering the extremes of the analysis series.

733. This significant drop in domestic industry sales from P1 to P5 occurred in the same scenario in which the Brazilian market expanded by 18.9%. Considering that, simultaneously with this movement, domestic industry sales were significantly reduced, there was a loss of [RESTRICTED] pp of market share in the Brazilian market between P1 and P5, reaching [RESTRICTED]% of market share in P5, the lowest level in the period of damage analysis.

734. Regarding the volume of polyester fiber production by the domestic industry, an increase was observed from P2 to P3 (27.7%), and from P3 to P4 (4.2%), with a decrease in the other periods, culminating in a reduction between P1 and P5 of 15.8%.

735. Installed capacity recorded the same behavior as production: an increase from P2 to P3 (13.9%), and from P3 to P4 (4.9%), with a decrease in the other periods, culminating in a reduction between P1 and P5 of 7.0%. The degree of occupancy of installed capacity decreased [CONFIDENTIAL] pp, reaching [CONFIDENTIAL]% in P5.

736. Regarding the volume of polyester fiber stocks, there were reductions of 7.0% from P1 to P2 and of 0.3% from P3 to P4. There was an increase of 5.8% between P2 and P3 and 83.0% from P4 to P5. These combined variations resulted in an increase of 79.6% when considering the extremes of the series (P1 to P5). As a result, the stock/production ratio increased [RESTRICTED] pp in P5 compared to
to P1.

737. Regarding employees on the production lines of the similar product in the domestic industry, there was a reduction of 12.8% between P1 and P5 and the production payroll fell by 30.8%. The number of employees in charge of administration and sales increased by 2.0%, while the respective payroll fell by 16.4%.

738. It was found that the price of a similar product from the domestic industry showed a more significant decline between P2 and P3 (10.0%). When considering the extremes of the series, the prices of the domestic industry showed a fall of 15.2%, configuring a depression in these prices.

739. It was also found that the unit production cost showed reductions between P1 and P2 (13.5%) and between P2 and P3 (14.0%). In the other periods, there was an increase of 2.8% between P3 and P4 and of 8.3% between P4 and P5. When considering the period of analysis of evidence of damage, the production cost was reduced by

17.2%. In P5, in parallel with an 8.3% increase in production costs, there was a 2.2% decrease in the price on the domestic market, characterizing a suppression movement. In P5, compared to P1, there was an improvement in the production cost/sale price ratio ([CONFIDENTIAL] pp).

740. Regarding the income statement and the associated profit margins obtained from the sale of domestically manufactured polyester fibers in the domestic market, it was observed that the domestic industry experienced a deterioration in its financial situation, especially from P4 to P5, since the drop in price concomitant with the increase in cost prevented the recovery of financial indicators.

741. Considering the extremes of the series, that is, between P1 and P5, the gross result decreased by 58.6%, while the operating result was reduced by 259.7% and there was also a drop in the operating result excluding financial result and operating result excluding financial result and other operating expenses/income, of 197.5% and 151.2%, respectively.

742. Regarding profit margins, when considering the entire period analyzed, the gross margin decreased [CONFIDENTIAL] pp, the operating margin fell [CONFIDENTIAL] pp, the operating margin excluding financial results decreased [CONFIDENTIAL] pp and the operating margin excluding financial results and other operating expenses/income, [CONFIDENTIAL] pp.

743. Net revenue in the domestic market also showed negative variation over the years. periods, with the exception of P2 to P3 and P3 to P4, consolidating a decrease of 27.5% between P1 and P5.

744. Still regarding the effects of imports at dumped prices on the prices of the domestic industry, it is important to note that the weighted average price of the product imported from the investigated origins and imported into Brazil was undercut in relation to the price of the domestic industry in all periods of analysis, whether or not considering the customer category and CODIP.

745. In addition to the analyses above, it is important to consider that the deterioration of the economic and financial indicators is particularly significant from P1 to P2 and from P4 to P5. However, the damage observed from P1 to P2 was, in general, offset by improvements in the two subsequent intervals, namely, from P2 to P3 and from P3 to P4.

746. In the last interval (P4 to P5), there was a drop in sales volume (23.9%), production volume (19.8), degree of occupancy of installed capacity ([CONFIDENTIAL] pp), net revenue (25.6%), gross result (83.9%), gross margin ([CONFIDENTIAL] pp), operating result (128.5%), operating margin ([CONFIDENTIAL] pp), operating result, excluding financial expenses and revenues, and in the respective margin (130.9% and [CONFIDENTIAL] pp, in that order), operating result, excluding financial expenses and revenues and other operating expenses and revenues, and in the respective margin (115.0% and [CONFIDENTIAL] pp, in that order), in the number of employees in all areas (production, administration and sales) equivalent to 10.9% and in the payroll related to administration and sales (2.7%).

747. Furthermore, there was an accumulation of stocks (83%), causing an increase in the ratio stock/production ([RESTRICTED] pp).

748. Regarding the sales price on the domestic market, the unit production cost decreased by 2.2% increased by 8.3%, leading to an increase of [CONFIDENTIAL] pp in the cost/price ratio.

749. In view of all the above, for the purposes of preliminary determination, it can be concluded that there is of damage to domestic industry.

7. CAUSALITY

7.1 Impact of dumped imports on the domestic industry

750. In accordance with the provisions of art. 32 of Decree No. 8,058 of 2013, it is necessary to demonstrate that, through the effects of dumping, the imports subject to the investigation contributed significantly to the damage suffered by the domestic industry.

751. In view of the indicators analyzed in items 5 (imports) and 6 (damage), damage to the domestic industry was generally observed caused by imports originating in China, India, Malaysia, Thailand and Vietnam throughout the period analyzed.

752. The volume of Brazilian imports of polyester fibers from the investigated origins showed a cumulative increase of 50.1% between P1 and P5.

753. Between P1 and P2, there was a 4.7% reduction in imports from the investigated origins, accompanied by a 14% reduction in the price, under CIF conditions. In the referenced periods, P1 and P2, imports entered the Brazilian market at prices undercutting those charged by the domestic industry. During the period, even with the observed reduction, such imports gained [RESTRICTED] pp and [RESTRICTED] pp of market share in the Brazilian market and in the CNA, respectively.

754. At the same time, the domestic industry lost market share in Brazil and in the CNA ([RESTRICTED] pp and [RESTRICTED] pp, respectively), accompanied by a 13.9% reduction in sales in the domestic market. The domestic industry's production volume also decreased (21.2%), as did the net revenue from the domestic market (20.7%), with a [CONFIDENTIAL] pp decrease in the degree of occupancy of installed capacity. As for inventories, there was a reduction of approximately 7.0%, resulting, nevertheless, in an increase in the inventory/production ratio of [RESTRICTED] pp.

755. In terms of financial indicators, a reduction in price was noted (7.9%), associated with a decrease in unit production cost (13.5%), generating an improvement in the cost/price ratio, which was reduced by [CONFIDENTIAL] pp

756. As for the domestic industry's performance indicators, in parallel with the small drop in the investigated imports from P1 to P2, there were reductions: of 4.2% in gross profit; of 55.7% in operating profit; of 43.1% in operating profit excluding financial profit and of 80.5% in operating profit excluding financial profit and other operating income and expenses.

757. Profitability indicators, except for gross margin, which increased by [CONFIDENTIAL] pp, decreased: operating margin ([CONFIDENTIAL] pp); operating margin except financial result ([CONFIDENTIAL] pp) and operating margin except financial result and other operating income and expenses ([CONFIDENTIAL] pp).

758. In the following period (from P2 to P3), it was observed that the volume of imports from the investigated origins grew significantly, by 52.2%, the highest level of growth observed during the analyzed period. The CIF price of these imports followed a downward trend: 11.2%.

759. As a consequence, imports from the investigated origins increased their share in the Brazilian market and in the CNA in the order of [RESTRICTED] pp and [RESTRICTED] pp, respectively.

760. In this context, the domestic industry reduced its price again (10.0%), to a lesser extent than the investigated origins. In this period, there was an increase in the volume of domestic sales, by 25%. Even so, given the high increase in imports from the investigated origins, there was a loss in market share in Brazil ([RESTRICTED] pp) and in the CNA ([RESTRICTED] pp).

761. From P2 to P3, there was an accumulation of stocks (5.8%), accompanied by an increase in the volume of production of the domestic industry (27.7%). As a result of the proportions, there is a reduction of [RESTRICTED] pp in the stock/production ratio. The degree of occupation of the installed capacity increases, in turn,

[CONFIDENTIAL] pp

762. Net revenue in the domestic market of the domestic industry increased by 12.6%, as consequence of the increase in the volume of domestic sales (25%).

763. Unlike the previous period, from P2 to P3 there was a substantial improvement in the financial indicators of the domestic industry, with an important influence from the reduction in the unit production cost (14%) in a proportion greater than the decrease in the sales price (10%), combined with the increase in volume sold in the domestic market (25%). All performance indicators increased considerable: 124% in gross profit; 682.3% in operating profit; 249.0% in operating profit excluding financial profit and 1,192.1% in operating profit excluding financial profit and other operating income and expenses.

764. All profitability indicators - gross margin, operating margin, operating margin excluding financial result and operating margin excluding financial result and other operating income and expenses - also increased: [CONFIDENTIAL] pp, [CONFIDENTIAL] pp, [CONFIDENTIAL] pp and [CONFIDENTIAL] pp, respectively.

765. In the subsequent period, from P3 to P4, there was a significant increase in the CIF price of the investigated imports (37.8%), while the domestic industry also promoted an increase, but to a lesser extent, in the price charged on the domestic market (4.5%). In both periods, undercutting continued to be observed.

766. In contrast to the previous period, in this period there was a reduction in the volume imported from the investigated origins (24.4%). As a result, this was the only period in which a reduction in the share of these imports in the Brazilian market was observed, by [RESTRICTED] pp, now occupying [RESTRICTED]% of this market, while, for the first time in the period analyzed, there was an increase in the share of the domestic industry in the Brazilian market ([RESTRICTED] pp).

767. Domestic sales by the domestic industry increased by 4.4%, accompanied by a 4.5% increase in the price charged. The period saw an increase in production costs of around 2.8%, which led to a reduction of [CONFIDENTIAL] pp in the cost/price ratio.

768. Production increased by 4.2%, and there was a small reduction in the level of stocks (0.3%). The stock/production ratio decreased by [RESTRICTED] pp, with the degree of occupation of installed capacity increasing by [CONFIDENTIAL] pp.

769. Regarding financial indicators, there was a new improvement in all indicators: revenue net income in the domestic market by 9.1%, gross income by 19.9%, operating income by 62%, operating income except financial income by 58.8%, operating income except financial income and other operating income and expenses by 34.9%, gross margin ([CONFIDENTIAL] pp), operating margin ([CONFIDENTIAL] pp), operating margin except financial income ([CONFIDENTIAL] pp) and operating margin except financial income and other operating income and expenses ([CONFIDENTIAL] pp).

770. Regarding the balance of "Other Operating Expenses (Revenues) (OD)" of the Income Statement, it was observed that this item represented [CONFIDENTIAL]. The [CONFIDENTIAL].

771. Finally, in the period from P4 to P5, imports from the investigated origins accentuated the growth trajectory, increasing by 36.8%, which culminated in [RESTRICTED] t of polyester fibers imported from these origins, the highest volume recorded in the period analyzed.

772. Thus, the investigated imports had an increase in their share of the Brazilian market by [RESTRICTED] pp, the largest increase observed during the period analyzed, while the domestic industry reached the lowest level of share in the same market during the period analyzed.

([RESTRICTED]%), decreasing [RESTRICTED] pp in the Brazilian market share and [RESTRICTED] pp in the CNA.

773. The CIF price of imports of the product under investigation fell by 12.6% in the period analyzed. The price charged by the domestic industry in the domestic market fell by 2.2%, accompanied by an increase in production costs of around 8.3% and an increase of [CONFIDENTIAL] pp in the cost/price ratio.

774. The last period analyzed presented the highest undercutting in the series, in an amount of [RESTRICTED]/t, considering the CODIP and the customer category, or [RESTRICTED]/t, disregarding this detail. It is worth noting that this variable presented a substantial increase in relation to the previous period, in the order of 285% or 733%, in the same order.

775. Production from P4 to P5 also showed the second largest drop in the period analyzed, decreasing by 19.8%. There was an accumulation of stocks in the order of 83%, with an increase in the stock/production ratio of [RESTRICTED] pp

776. As for financial and profitability indicators, the largest drop in the period investigated was observed in net revenue in the domestic market: 25.6%. All result and profitability indicators suffered significant drops: gross result (83.9%), operating result (128.5%), operating result excluding financial result (130.9%), operating result excluding financial result and other operating income and expenses (115%), gross margin ([CONFIDENTIAL] pp), operating margin ([CONFIDENTIAL] pp), operating margin excluding financial result ([CONFIDENTIAL] pp) and operating margin excluding financial result and other operating income and expenses ([CONFIDENTIAL] pp).

777. In P5, the balance of the item [CONFIDENTIAL].

778. It was found that, from P1 to P5, the total CIF value of imports from the investigated origins increased by 37.9%, while the CIF price of these imports decreased by 8.1%. The respective volume increased by 50.1%, as previously mentioned. Given the expansion of the Brazilian market (18.9%) and the CNA (16.6%), the share of these imports increased by [RESTRICTED] pp and [RESTRICTED] pp, respectively, remaining underpriced throughout the period.

779. The domestic industry responded by contracting its sales price by 15.2%. Considering the concomitant reduction in its unit production cost by 17.2%, there was a reduction of [CONFIDENTIAL] pp in the cost/price ratio.

780. In the period analyzed, the domestic industry lost 14.5% of its domestic sales volume, while the market grew 18.9% and the CNA, 16.6%. Thus, the domestic industry lost [RESTRICTED] pp of its share in the Brazilian market and [RESTRICTED] pp in the CNA. As a consequence of the fall in both price and domestic sales volume, the domestic industry's net revenue in the domestic market fell 27.5%.

781. The gross profit of the domestic industry decreased by 58.6%. The operating result, operating result excluding financial income and expenses, and operating result excluding financial income and expenses and other operating income and expenses decreased by, respectively: 259.7%, 197.5% and 151.2%.

782. The associated profit margins from P1 to P5 fell in the following proportions: [CONFIDENTIAL] pp (gross margin), [CONFIDENTIAL] pp (operating margin), [CONFIDENTIAL] pp (operating margin excluding financial income and expenses) and [CONFIDENTIAL] pp (operating margin excluding other financial income and expenses and other operating income and expenses).

783. In view of the above, for the purposes of preliminary determination, it is found that there has been a deterioration in the economic and financial indicators of the domestic industry at the same time as a significant increase in the volume of imports of the product subject to the investigation.

7.2 Possible other factors causing damage and non-attribution

7.2.1 Import volume and price from other sources

784. From the analysis of Brazilian imports of polyester fibers, it was found that imports from other sources increased in all periods, with the exception of P3 to P4.

785. It should be recalled that imports of the product subject to the investigation indicated in the official import data manufactured by the producers/exporters Zhongthai (Thailand) and VNC (Vietnam) are now considered together with the non-investigated origins.

786. Between P1 and P2, the volume of total imports of polyester fibers decreased by 1.8%. While imports from the investigated origins decreased by 4.7%, imports from other origins increased by 6.6%. Also in this period, the share of investigated imports in the Brazilian market went from [RESTRICTED]% to [RESTRICTED]%, while that from other origins varied from [RESTRICTED]% to [RESTRICTED]%.

787. In P1, imports from other origins represented [RESTRICTED]% of total Brazilian imports of polyester fibers, while those from the investigated origins represented [RESTRICTED]%. In P2, the investigated imports began to represent [RESTRICTED]% of total imports, while the other origins represented [RESTRICTED]%.

788. From P2 to P3, there was a 25.3% increase in imports from other origins, however, accompanied by an increase in imports from the investigated origins of 52.2%, followed by a 12.0% drop in imports from other origins from P3 to P4. In the subsequent period, from P4 to P5, imports from other origins grew by 1.2%. When considering the extremes of the series, these imports increased by 18.9%.

789. This behavior could also be observed in the representativeness of imports in the total volume of polyester fibers imported by Brazil: in P3, non-investigated imports were equivalent to [RESTRICTED]%, decreasing to [RESTRICTED]% in the last period of analysis (P5).

790. From P2 to P3 and from P4 to P5, there was a drop of [RESTRICTED] pp and [RESTRICTED] pp, respectively, in the share of imports from other origins in the Brazilian market. Thus, between P1 and P5 the share of non-investigated imports in the Brazilian market remained stable.

791. In P3, imports from the investigated origins accounted for [RESTRICTED]% of all imported polyester fibers and, in P5, [RESTRICTED]%. A similar performance occurred in relation to the Brazilian market: in P3, the investigated imports represented [RESTRICTED]% of this market and in P5 they began to represent [RESTRICTED]%. From P1 to P5, the share of the investigated imports in the Brazilian market increased [RESTRICTED] pp. The share of these imports in the CNA followed a trend similar.

792. In the Brazilian market, the share of non-investigated imports was lower than the share of sales in the domestic industry and imports originating from the investigated origins in all periods.

793. Furthermore, it was observed that the prices of imports from other origins were higher than the weighted prices of the investigated origins in all analysis periods, except in P4, a period in which the prices were very similar to each other.

794. In view of this scenario, we sought to analyze the effect of the price of these imports on the domestic industry price. To this end, the CIF price of the product was calculated imported from other sources into the Brazilian market. To calculate the domestic prices of the product imported into Brazil from other sources, the same methodology described in item 6.1.3.2 of this document was used. document.

795. The following table shows the calculations performed and the values obtained for each period. damage analysis:

Average CIF inbound price and undercutting - Other Sources [RESTRICTED]					
	P1	P2	P3	P4	P5
CIF Price (R$/t)	100.0	97.2	116.4	138.7	125.7
Import Tax (R$/t)	100.0	109.4	109.5	116.0	97.5
AFRMM (R$/t)	100.0	136.4	370.8	426.7	130.1
Hospitalization expenses (R$/t) [1.77%]	100.0	97.2	116.4	138.7	125.7
CIF Interned (R$/t)	100.0	98.8	117.6	138.6	122.8
Updated CIF Interned (R$/t) (A)	100.0	93.7	85.5	83.5	72.7
Updated Domestic Industry Price (R$/t) (B)	100.0	92.1	83.0	86.7	84.8
Undercutting (BA) updated (R$/t)	100.0	54.4	19.7	167.6	384.4

796. Considering imports from Zhongthai and VNC together with imports from other origins, undercutting was observed in all periods, with intensification in P5.

797. In the same way as that carried out in item 6.1.3.2, we also sought to determine the undercutting taking into account the product's CODIP and the customer category.

798. In the case of other origins, the first two characteristics of the CODIP and the category of customer could, together, be identified for the following import percentages: 28.1% in P1, 27.8% in P2, 31.6% in P3, 29% in P4 and 70.1% in P5.

799. The volumes and values of transactions for which these characteristics could not be identified were attributed to the operations in which this identification was possible according to the methodology described in item 6.1.3.2.

800. The following table demonstrates the results achieved.

Average CIF price and undercutting - Other Origins (with CODIP and customer category) [RESTRICTED]					
	P1	P2	P3	P4	P5
CIF Price (R$/t)	100.0	97.2	116.4	138.7	125.7
Import Tax (R$/t)	100.0	109.4	109.5	116.0	97.5
AFRMM (R$/t)	100.0	136.4	370.8	426.7	130.1
Hospitalization expenses (R$/t) [1.77%]	100.0	97.2	116.4	138.7	125.7
CIF Interned (R$/t)	100.0	98.8	117.6	138.6	122.8
Updated CIF Interned (R$/t) (A)	100.0	93.7	85.5	83.5	72.7
Updated Domestic Industry Price (R$/t) (B)	100.0	94.4	80.2	80.3	85.7
Undercutting (BA) updated (R$/t)	100.0	105.1	0.7	33.5	279.0

801. The inclusion of CODIP and the customer category in the calculation did not change the previous result, the existence of undercutting remains in all periods, with intensification in P5.

802. It should be noted that from P1 to P5 these imports increased by 18.9%, a behavior accompanied by a price decrease of approximately 5.9%. The investigated imports, on the other hand, increased by 50.1% from P1 to P5 and also decreased in price by 8.1% in the same period. Furthermore, imports from the investigated origins were, throughout the entire historical series analyzed, significantly higher than those from non-investigated origins, representing, in P5, more than [RESTRICTED] the volume of the latter.

803. From P4 to P5, when the damage to the domestic industry intensifies, imports from other sources increase by only 1.2%, while those from investigated sources increase by 36.8%. The fall in the price of investigated sources in this period (12.6%) is also greater than that of non-investigated sources (8.3%).

804. Thus, it can be preliminarily concluded that imports from other sources, although they may have contributed to the damage suffered by the domestic industry, do not rule out the causality between imports from the investigated sources and the damage suffered by the domestic industry.

7.2.2 Impact of possible import liberalization processes on prices domestic

805. CAMEX Resolution No. 125 of 2016, which came into force on January 1, 2017, established the Import Tax rate applicable to polyester fibers at 16%, which was subsequently reduced as a result of GECEX Resolutions No. 269/2021 and No. 353/2022, to 14.4%, in November 2021, P3, and to 12.8%, in June 2022, on a temporary and exceptional basis, until December 31, 2023, that is, until the end of P5.

806. Regarding the reduction promoted by GECEX Resolution No. 269/2021, it is observed that its effects took effect from P3, a period in which the domestic industry showed a recovery of its economic and financial indicators, which, it should be said, continued in P4. Therefore, no harmful effect can be attributed to the tariff change made by the rule.

807. The last reduction in the import tax (from 14.4% to 12.8%, as per GECEX Resolution No. 353/2022, i.e., a decrease of 11.11%) occurred practically at the beginning of P5 and remained until its end. Seeking to remove the effects of such reduction in the effective import tax rate calculated for P5 ([RESTRICTED]%), which considers the amounts actually collected, including the effects of any tax suspensions and exemptions, it is estimated that, in the absence of the reduction promoted, the effective import tax rate in P5 would be equivalent to [RESTRICTED]. Applying this percentage to the CIF price of the imports investigated in P5 (R$ [RESTRICTED]/t), it can be seen that, in the absence of the aforementioned tariff reduction, the effective import tax levied on these transactions would correspond to R$ [RESTRICTED]/t, an amount R$ [RESTRICTED]/t higher than the import tax actually collected (R$ [RESTRICTED]/t). Therefore, in the scenario analyzed, an underpricing of R$ [RESTRICTED]/t would still be found (or R$ [RESTRICTED]/t, if the CODIP and the customer category are considered in the calculation).

808. Therefore, preliminarily, the conclusion reached for the purposes of initiating the investigation is maintained, namely that the aforementioned liberalization does not rule out the existence of causality between exports at dumped prices and the injury suffered by the domestic industry.

7.2.3 Contraction in demand or changes in consumption patterns

809. It was observed that the Brazilian polyester fiber market had increases interspersed with decreases, having reached its peak in P3, with [RESTRICTED] t. From P3 onwards, the market contracted in P4 and expanded again in P5, reaching a volume of [RESTRICTED] t. From P1 to P5, the market expanded by 18.9%.

810. As for the domestic industry's internal sales, these showed a reduction of 14.5% between P1 and P5, that is, they decreased in parallel with the expansion observed in the Brazilian market. Thus, the domestic industry lost market share in the Brazilian market in the order of [RESTRICTED] pp between P1 and P5.

811. From P4 to P5, the period in which the damage to the domestic industry intensifies, also occurs increase in the Brazilian market and the CNA (6.2% and 5.8%, respectively).

812. Thus, the contractions observed in the Brazilian market from P1 to P2 and from P3 to P4 do not rule out the evidence of a causal link between exports at dumped prices and the damage suffered by domestic industry.

7.2.4 Restrictive practices on trade by domestic and foreign producers and competition between them

813. No restrictive practices on trade in polyester fibers by domestic or foreign producers were identified, nor were there any factors that affected competition between them.

7.2.5 Technological progress

814. The adoption of technological developments that could result in in the preference of imported products over national ones.

7.2.6 Export Performance

815. As presented in this document, the sales volume of polyester fibers to the foreign market by the domestic industry decreased from P1 to P5 (62.0%), as a function of P1 to P2 (33.1%) and from P4 to P5 (68.8%). It is also worth noting that exports reached a maximum of [RESTRICTED]% of total sales of similar products manufactured by the domestic industry in P4. In the other periods, exports represented on average only [RESTRICTED]% of total sales.

816. From P2 onwards, there were increases of: 56.2% (P2-P3) and 16.9% (P3-P4). In any case, the volume exported in P5 represented only [RESTRICTED]% of the total sales of similar products manufactured by the domestic industry.

817. Furthermore, it was observed that the degree of occupation of installed capacity decreased by [CONFIDENTIAL] pp over the period, meaning that, in P5, domestic industry production represented [CONFIDENTIAL]% of effective installed capacity, which refutes any thesis of prioritizing exports to the detriment of the Brazilian domestic market.

818. Therefore, it cannot be stated that export performance had a significant effect. on domestic industry indicators.

7.2.7 Domestic Industry Productivity

819. Productivity was calculated as the quotient between the quantity produced and the number of employees involved in the production of the domestic industry. It was observed that this indicator decreased by 3.6% from P1 to P5. The drop in productivity was due to the decrease in the number of employees in production (12.8%), accompanied by a drop in the volume produced (15.8%) in the same period, the latter in a higher proportion.

820. It should be noted that polyester fiber is a raw material-intensive product, so that labor costs have a low representation in its production cost. In the domestic industry, direct and indirect labor costs represented [CONFIDENTIAL] % of the total cost of the product in P5.

821. Therefore, the damage cannot be attributed to the decline in the productivity indicator of domestic industry.

7.2.8 Captive Consumption

822. No captive consumption by the domestic industry was reported. Therefore, this cannot be considered another factor causing damage.

7.2.9 Imports or resales of the imported product by the domestic industry

823. According to the volumes reported by the RFB, the proportion of imports of polyester fibers made by the domestic industry, in relation to the total volume imported of the aforementioned product from the investigated origins, reached [CONFIDENTIAL]% in P1, [CONFIDENTIAL]% in P2, [CONFIDENTIAL]% in P3, [CONFIDENTIAL]% in P4 and [CONFIDENTIAL]% in P5.

824. In relation to the total sales volume of the domestic industry in the domestic market, resales of imported product represented [CONFIDENTIAL]% in P1, [CONFIDENTIAL]% in P2, [CONFIDENTIAL]% in P3, [CONFIDENTIAL]% in P4 and [CONFIDENTIAL]% in P5.

825. Therefore, given the relative proportion of imports and resales carried out by the domestic industry in the period analyzed, considering its low representativeness, such variables cannot be considered as factors causing damage.

7.2.10 Competition with other domestic producers

826. As for the other domestic producers (Ober, Etúria, Global Pet and Inylbra), according to information available in the records, all of their production is intended for captive consumption, so there was no competition between these companies and the domestic industry for sales in the Brazilian market.

827. In any case, the volume produced by these other national producers remained stable from P1 to P5 (increase of 0.8%), with a small increase from P4 to P5 (2.4%).

828. Therefore, the damage suffered by the domestic industry cannot be attributed to possible competition with other national producers.

7.3 Statements about the causal link

829. On May 22, 2024, the Union of the Spinning, Weaving and Clothing Industries of Blumenau (Sintex) submitted a statement requesting that the investigating authority focus on some specific points during the on-site inspections that would be conducted in the domestic industry, which could be central to determining the damage and the causal link, listing in particular the following: (i) products actually manufactured and imported by the domestic industry; (ii) market segments served by each of the companies that make up the domestic industry; (iii) production process and possible production interruptions; (iv) apparent inconsistency in the calculation of installed capacity and production volumes; and (v) apparent error in the product identification code.

830. Regarding the first aspect, the Union requested that it be investigated whether Indorama and/or Ecofabril had manufactured various specific types of fibers: microfibers with a titration of less than 1.1 dtex, thick fibers with a titration of more than 6 dtex, hollow fibers, fine fibers of 1.1 to 1.3 dtex, virgin, solid and with a spunlace finish, fibers of 15 dtex, fibers free of heavy metals, fibers with a flame retardant finish in the fiber mass, fibers with antibacterial properties, colored virgin fibers, virgin fibers for use in products requiring high tenacity.

831. Furthermore, it was requested that the titles produced by the domestic industry be analyzed, which titles would be used in the manufacture of personal protective equipment (PPE), the production and sales volumes of products used in the manufacture of PPE, whether after the pandemic, sales for this purpose would have decreased, differences between the characteristics of imported fibers.

by the domestic industry and those produced by it and reasons why the domestic industry would have imported polyester fibres and, furthermore, would not have reported the respective resales to the investigating authority.

832. Regarding the second issue, Sintex expressed its understanding that greater clarity regarding the market segments served by the domestic industry would be essential to determine a causal link between the alleged dumping and injury. To this end, it would be useful to take advantage of the opportunity of on-site inspections to clarify which industrial segments the domestic industry's customers that purchase domestic fibers belong to, which industrial segments would be served by the products imported by the domestic industry, whether Ecofabril and Indorama would have common customers and, if so, whether these customers would purchase the same types of fibers from both companies, whether the closure of Universal Têxtil (which reportedly suffered consecutive fires in 2023) would have impacted the domestic industry's sales, and whether Ecofabril would be able to guarantee dye affinity in its recycled fibers for sale to spinning mills that serve textile companies that manufacture knitwear and flat fabrics (since the use of recycled fibers would cause difficulties in dyeing the fabrics made with them).

833. Regarding the third topic raised, Sintex requests that production stoppages in the domestic industry be examined in detail. It specifically mentions [CONFIDENTIAL]. The union requests that it be determined whether this stoppage, if it occurred, is related to [CONFIDENTIAL].

834. In the same sense, it requests that it be investigated whether a fire that allegedly occurred at the Indorama factory, in Suape - PE, in 2021, would have affected the operation of polyester fibers and the reason for the increase in variable costs of the domestic industry from P3 to P4. According to its knowledge, the event would have caused the stoppage of the production of PET resins for a few months, starting in August of that year.

835. Regarding installed capacity, Sintex draws attention to the alleged low level of utilization of the domestic industry's production capacity. Therefore, it requests that factors that may affect it be examined, such as the basket of manufactured products and setup shutdowns. It also requests clarification on the methodology used to calculate the level of utilization of installed capacity, asking whether the other products reported by the domestic industry in the respective appendix to the petition, which were not considered in the calculation, are produced in the same polyester fiber plant and whether periodic maintenance shutdowns had been considered.

836. Finally, Sintex pointed out the existence of imprecision in the definition of the "cross-section" characteristic of the product identification code (CODIP). This is because the "conjugated" characteristic would not refer to a type of cross-section, but to the product's finish. This mistake would lead to doubts, since the parties would not know how to define, for example, the import of a conjugated hollow fiber, whether they should report code C2 or C3.

837. In a statement filed on July 8, 2024, Sintex and the Coalition listed other possible factors of harm to the domestic industry that should be investigated and segregated, such as the reduction of import tax during the period analyzed, the shutdown of the Indorama plant in March and April 2023, and the reasons why the domestic industry imported in view of the alleged existence of idle capacity.

838. Another factor cited by the protesters was the effects of the pandemic on the market for polyester fibers widely used in the production of personal protective equipment. According to Sintex and the Coalition, the domestic industry would have reached record levels of production, sales, revenue and profitability concurrently with the years of the pandemic (P3 and P4).

839. In a statement filed on July 22, 2024, ABRAFAS rejected the arguments of SINTEX, ABINT and the "Coalition" that the damage experienced by the domestic industry could result from tariff changes in the import tax.

840. Thus, it was noted that the variation in the II rate would have been a maximum of 3.2 pp. Through GECEX Resolution No. 272 of 2021, the II rate of NCM 5503.20.90 was reduced from 16% to 12.8%. As of December 31, 2023, the II came into effect with a rate of 14.4%, given the termination of GECEX Resolution No. 272 of 2021.

841. According to ABRAFAS, it would be possible to foresee that the possible impacts of the reduction of the II on the Brazilian market would be: i) reduction in the cost of importing the product; and ii) possibly an increase in the imported volume.

842. Regarding item "i", ABRAFAS considered that even without the reduction of the II rate, the undercutting between the price of the product subject to the investigation and the similar national product would be maintained. Furthermore, the period impacted by the changes in the II rate would have been P4, a period in which the volume of imports was lower compared to P3 and P5.

843. Thus, ABRAFAS concluded that the continued existence of undercutting even with the reduction of the II rate would further reinforce the cause of the damage, that is, the practice of dumping by exporters from the investigated origins.

844. Later in its statement, ABRAFAS counter-argued that the attempt to attribute the damage suffered by the domestic industry to other factors, such as the bankruptcy of Universal Têxtil - a company that formed part of the downstream chain - would be an unreasonable allegation. The closure of this company's activities would have occurred after the end of P5, and [CONFIDENTIAL]. In other words, this is a factor that would under no circumstances affect the period under investigation.

845. On August 13, 2024, Sintex and the Coalition filed a statement according to which the importer Superfios Têxtil Ltda. stated that there had been a halt in national production and a consequent shortage in the domestic market during the COVID-19 pandemic, reaffirming the need for industries in the downstream chain to resort to imports.

846. Therefore, it would be important to determine whether the behavior of domestic industry indicators in P5 would be a reflection of the investigated imports or whether it would reflect a return to normality in the post-pandemic period.

847. Another aspect to be considered in the causality analysis, according to the protesters, would be the sudden closure, in the first quarter of 2023, of Universal Têxtil, one of the main clients of Indorama and possibly Ecofabril.

848. That said, any effects of the interruption of sales to Universal Têxtil on the domestic industry's indicators should be included in the analysis of other possible factors causing damage.

7.4 DECOM's comments on the demonstrations

849. In this section, it is convenient to carry out a brief analysis of the obligation contained in Article 3.5 of the Anti-Dumping Agreement, relating to the analysis of non-attribution. The provision states:

3.5 It must be demonstrated that the dumped imports are, through the effects of dumping, as set forth in paragraphs 2 and 4, causing injury within the meaning of this Agreement. The demonstration of a causal relationship between the dumped imports and the injury to the domestic industry shall be based on an examination of all relevant evidence before the authorities. The authorities shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injuries caused by these other factors must not be attributed to the dumped imports. Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumping prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry. (emphasis added)

850. In summary, the Agreement requires the investigating authority to examine any "known factors", other than dumped imports, that are simultaneously causing injury to the domestic industry. The injurious effects of these other factors must not be attributed to dumped exports.

851. The WTO Dispute Settlement Body has already had occasion to pronounce itself on the concept of "known factors" in the context of Article 3.5 of the Anti-Dumping Agreement. In the case DS122 - Thailand - H-Beams, the Panel conceptualized the expression in the following terms:

7.273 The text of Article 3.5 refers to "known" factors other than the dumped imports which at the same time are injuring the domestic industry but does not make clear how factors are "known" or are to become "known" to the investigating authorities. We consider that other "known" factors would include those causal factors that are clearly raised before the investigating authorities by interested parties in the course of an AD investigation. We are of the view that there is no express requirement in Article 3.5 AD that investigating authorities seek out and examine in each case on their own initiative the effects of all possible factors other than imports that may be causing injury to the domestic industry under investigation. 279 Of course, they would certainly not be precluded from doing so if they chose to. We note that there may be cases where, at the time of the investigation, a certain factor may be "known" to the investigating authorities without being known to the interested parties. In such a case, an issue might arise as to whether the authorities would be compelled to examine such a known factor that is affecting the state of the domestic industry. However, it has not been argued that such factors are present in this case. (emphasis added)

852. Thus, for the Panel, the other known factors would be those clearly presented before the investigating authority by the interested parties during the course of an anti-dumping investigation.

853. It should be noted, however, that the allegations to that effect by the parties must be accompanied by evidence that these factors are, in fact, contributing to the harm suffered by the domestic industry. This was the understanding reached by the Panel in the case DS425 - China - X-Ray Equipment:

7.267 As a general proposition, we agree with China that if there is no relevant evidence before an investigating authority to indicate that a factor is injuring the domestic industry, there is no requirement for the investigating authority to make a finding regarding whether the factor is indeed causing injury, and subsequently to proceed to conduct a non-attribution analysis. In our view, where an interested party has raised an "other factor", it would be preferable for an investigating authority to expressly state that the party has not presented evidence that the factor is injuring the domestic industry, rather than not mentioning the factor at all in its determination. However, where there is indeed no such evidence before the investigating authority, we agree that there can be no inconsistency with Article 3.1 and 3.5 in failing to conduct a non-attribution analysis.

854. Therefore, indications of possible other factors of damage unaccompanied by minimal evidence of their occurrence and contribution to the damage do not generate an obligation of analysis for the investigating authority.

855. Having established the above preamble, we move on to the evaluation of the arguments presented.

856. Sintex initially requested that several points be addressed during the on-site verification procedures in the domestic industry, such as types of products manufactured, market segments served, production process and production stoppages, apparent inconsistency in the calculation of installed capacity and production volumes and apparent failure in the product identification code.

857. Therefore, reference is made to item 1.8.2.2, in which an assessment was made of the objectives of an on-site verification and the details gathered in this procedure at Ecofabril and Indorama were set out, in response to a similar request made by ABINT.

858. Even so, some additional comments emerge as pertinent.

859. It is clear that Sintex questions the existence of production of several specific types of polyester fibers, with well-defined titrations and other characteristics. However, as already stated, there is no multilateral or national obligation for the domestic industry to be capable of producing any and all models of products similar to the subject of the investigation for the imposition of an anti-dumping measure, especially since the objective of a measure of this nature is not to impede foreign supply, but merely to neutralize the harmful effects of dumping practices, reestablishing fair conditions of competition.

860. Furthermore, some models for which Sintex requested a more detailed analysis are, in fact, included in the database filed by the domestic industry and validated during the on-site inspections. For example, we can mention thick fibers with a titration higher than 6 dtex, hollow. However, the sales appendix of [CONFIDENTIAL] includes numerous sales of fibers with CODIP containing [CONFIDENTIAL] characteristics, which, by definition, fall within the parameters indicated by Sintex.

Therefore, it is clear that, instead of evidence of other factors that are effectively contributing to the damage suffered by the domestic industry, the Union presented mere conjectures about possible causes for the damage, which, as already stated, does not require a non-attribution analysis.

861. Regarding the effects of overcoming the COVID-19 Pandemic, although these may in fact have contributed to the reduction in the Brazilian market from P3 to P4, they do not explain the fact that the domestic industry operated in P5 with the worst financial results in the entire historical series, even when compared with the results of P1 and P2. Furthermore, from P4 to P5, the period in which the damage worsened, there was growth in the Brazilian market (6.2%).

862. As for imports and resales by the domestic industry, this is a relatively insignificant volume, which does not rule out the causal link between dumping and damage, as per the analysis in item 7.2.9, to which reference is made.

863. Regarding the fire at the Universal Têxtil company, it is in fact possible that the event affected the performance of the domestic industry.

864. As reported, the fire occurred in February 2023, therefore being located in P5.

865. From P4 to P5, domestic industry sales to the firm decreased by [CONFIDENTIAL] t (or [CONFIDENTIAL]%). This volume represents [CONFIDENTIAL]% of the loss in sales.
of the domestic industry in the same interval.

866. However, it is observed that, regardless of this movement, there is still a loss of [CONFIDENTIAL] domestic industry sales t not explained by fire.

867. It is also important to note that [CONFIDENTIAL].

868. Added to this is the fact that the damage materialized from P4 to P5 is not only in terms of volume indicators, but, above all, in terms of the results achieved, which turned out to be the worst in the series analyzed.

869. Therefore, although it may have contributed to the damage suffered, the fire at Universal Textile does not eliminate the causal link between the damage and dumping.

870. Regarding the [CONFIDENTIAL] shutdowns, the available data show that the company managed to maintain regular supply even during this period. In fact, [CONFIDENTIAL]). In [CONFIDENTIAL], the volume sold by the company [CONFIDENTIAL] t exceeded the months of [CONFIDENTIAL], being only [CONFIDENTIAL]% below the monthly sales average of P5.

871. Thus, once again, the causal link between dumping and damage is not ruled out.

872. Regarding the variation in Indorama's production cost from P3 to P4, based on the detailed structure available, it can be seen that this was driven largely by [CONFIDENTIAL], and was in no way related to production stoppages.

873. Furthermore, the deterioration of domestic industry indicators occurs mainly from P4 to P5.

874. As regards the alleged low level of utilization of installed capacity, it should be noted that the domestic industry operated, on average, with [CONFIDENTIAL]% of its capacity occupied, and that, in principle, there is no reason to speak of underutilization. Furthermore, the reduction in the level of occupancy from P4 to P5 appears to represent the effect of exports at dumped prices, which causes damage other than harm to the domestic industry, since it was accompanied by a 23.9% reduction in sales volume, in a context of expansion of the Brazilian market and a 36.8% increase in imports from the investigated origins (excluding those relating to products manufactured by Zhongthai and VNC).

875. In response to Sintex's methodological inquiry, it is clarified that the degree of occupation of effective capacity takes into account the production of the similar domestic product and those that share the same capacity (same production line).

876. Regarding the configuration of CODIP, notably its characteristic "C", please refer to item 2.3.2, where the topic has already been addressed.

877. Regarding tariff reduction and imports and resale of the domestic industry, refer to items 7.2.2 and 7.2.9, respectively.

878. In addition to the above considerations, it should be noted that, although a significant portion of the arguments presented by the parties translate into conjectures about possible other causes of the damage, the analyses carried out do not allow us to rule out the causal link between dumping and the damage to the industry.
domestic.

7.5 Preliminary conclusion on causality

879. For the purposes of preliminary determination, considering the analysis of the factors provided for in art. 32 of Decree No. 8,058 of 2013, deterioration was found in the economic and financial indicators of
domestic industry.

880. Concomitantly with the worsening of the domestic industry's performance indicators throughout the period of damage analysis, there was significant growth in the volume of Brazilian imports of polyester fibers originating in China, India, Thailand, Malaysia and Vietnam, both in absolute terms and in relation to the Brazilian market and the CNA.

881. It was also found that there was undercutting of the price of polyester fibers imported from China, India, Thailand, Malaysia and Vietnam in P5 in relation to the price charged by the industry.
domestic in the Brazilian market.

882. The injury suffered by the domestic industry and its causal relationship with imports at dumped prices is particularly evident from P4 to P5.

883. In addition, other factors potentially causing harm to the domestic industry
do not rule out the significant contribution of imports at dumped prices to the damage found.

884. The above conclusions remain even after excluding exports to Brazil carried out by the companies Zhongthai and VNC, for which, preliminarily, no dumping practices were found.

8. OTHER MANIFESTATIONS

885. In its response to the importer's questionnaire, filed on May 13, 2024, the company Austex raised the issue of the domestic industry's ability to supply the similar product. In this regard, the importing company argued that it would also depend on the import of fibers, since "on several occasions, the domestic industry was unable to meet the quantities requested, given that its installed capacity was insufficient to supply the domestic market."

886. When asked to present evidence that the domestic industry had "insufficient installed capacity to supply the national market", in response to the additional information letter, filed on June 16, 2024, the importing company reinforced its statement, indicating that "mainly when the market was buoyant, the national industry reported that it was not possible to meet the company's orders, either in full or in part".

887. Regarding the matter, the company stated that in an effort to gather evidence, it had resorted to "[CONFIDENTIAL]". From the content contained in the evidence, attached to the case in a completely confidential manner, the following could be inferred, according to Austex:

[CONFIDENTIAL]

888. In its response to the questionnaire, filed on May 13, 2024, the importing company Costa Rica claimed that the domestic industry would not have the capacity to meet all demand and that Brazilian spinning mills would be dependent on imported raw materials.

889. The company Hedrons, in its response to the importer's questionnaire and in the supplementary information, filed, respectively, on May 13 and June 21, 2024, claimed that "the national industry would not have the capacity to meet consumer demand". Regarding this topic, when asked to base its statement on evidence, the importer Hedrons claimed that:

does not have access to information on the production capacity of recycled filling fibers, it only has information on the total capacity of national producers, but highlights that the petition's own data indicate an installed capacity of the domestic industry of less than 100 thousand tons/year, while apparent national consumption would be around 200 thousand tons/year.

Furthermore, it is known that only Ecofabril produces recycled filling fibers, and Hedrons has already received refusals to supply from this company, but unfortunately did not keep a record of these communications.

890. Still on the subject, he testified that in his "last interaction with national producers", which would have occurred more than two years ago, he would have faced difficulties in relation to "the capacity to meet our demand and the quality of the products offered".

891. It stated that without the possibility of importing fibers, the scenario would be "extremely challenging in terms of supply", whereas, if Brazilian companies were to interrupt their production, Hedrons would not foresee "a significant change in the market", due to "the insignificant representation of national production of polyester fibers compared to the volume consumed by the industry".

892. Regarding the supply of the product to the Brazilian market, in response to the importer's questionnaire dated May 13, 2024, supplemented by additional information provided on July 8, 2024, Lynel stated that the fiber titles it would use would be produced only by Ecofabril and had already faced problems of "supply shortages on the part of Ecofabril due to its lack of production capacity. Orders were partially met, and with several production delays and delivery reschedulings. In this regard, it stated:

(...) we can confirm and prove with the attached audios and images the lack of punctuality as well as the failure to meet the full quantities required by Lynel.

893. Regarding this topic, the company was asked to contextualize the audios and images presented, providing information such as the date of the unfulfilled orders, general information about the unfulfilled requests, and a description of the products requested. In response, the company presented three [CONFIDENTIAL] emails, referring to the orders placed between October 2021 and March 2022, and a "printout of a WhatsApp conversation about a purchase schedule in February 2022". Furthermore, the company attached "[CONFIDENTIAL]".

894. In a statement filed on June 3, 2024, the company Rozac speculated that the "national industry does not produce a sufficient quantity of polyester fibers to meet domestic demand". The company was then asked to provide additional information to the questionnaire to present evidence to support its claim. The local reseller/ distributor did not present any evidence, only stating:

The inability of the domestic industry to meet the demand for fibers is well known in this market. Rozac highlights, in this regard, that the petition's own data indicate an installed capacity of the domestic industry of less than 100 thousand tons/year, while the apparent national consumption would be around 200 thousand tons/year.

895. In a statement filed on July 8, 2024, Sintex and the Coalition recalled that polyester fibers are an essential raw material for several industrial segments and that imports would be necessary given that the domestic industry's installed capacity would not be able to meet all demand.

896. In this scenario, in a new statement filed on August 13, 2024, Sintex and the Coalition presented [CONFIDENTIAL].

897. The company [CONFIDENTIAL] also presented communications with Ecofabril indicating delays in supply.

9. DECOM'S COMMENTS ON OTHER DEMONSTRATIONS

898. Once again, it is important to highlight that it is not a requirement for the imposition of an anti-dumping measure that the domestic industry has the capacity to meet the entire national demand, especially since the measure does not aim to prevent imports from the investigated origins or any other, but merely to reestablish fair trade conditions by neutralizing the harmful effects of the dumping practice.

899. Nor is it required that the domestic industry be capable of manufacturing all models possibly existing domestic similar product.

900. It should be remembered, moreover, that the analysis of damage is based on the evolution of the domestic industry's indicators from P1 to P5. Thus, the alleged lack of capacity to meet all demand or even specific models does not justify, in theory, the intertemporal deterioration, much less the abrupt worsening of the economic and financial indicators from P4 to P5.

901. Reports of delays in supply and allegations regarding the quality of the domestic product are also not sufficient to rule out the causal link between dumping and injury, since it has not been proven, based on objective data, that the percentage of delays or rejects in domestic industry products significantly exceeds those observed in imported products. Furthermore, no evidence was provided to demonstrate how this would have caused the deterioration of the domestic industry's indicators over time and, especially, from P4 to P5.

10. CALCULATION OF PROVISIONAL ANTIDUMPING DUTY

10.1 From Hengyi Group

902. Initially, to calculate the Hengyi Group's undercutting, the prices charged by the domestic industry in P5 were considered, on an FOB basis - net of returns, discounts, rebates, taxes and internal freight costs. These amounts were converted from reais to US dollars using the official exchange rate, published by the Central Bank of Brazil, in effect on the date of each sales transaction.

903. Next, an attempt was made to adjust such prices to reflect a situation in which the domestic industry was not suffering damage as a result of imports at dumped prices. It was considered that such a scenario would be obtained by averaging the profit margins obtained by the domestic industry in P1, P3 and P4, excluding financial results and other operating expenses and revenues, since the deterioration in the economic and financial indicators of the domestic industry was particularly significant from P1 to P2 and from P4 to P5.

904. Usually, the methodology adopted by the investigating authority is based on the operating margin for this purpose. However, considering the significant variation observed in the financial expenses and revenues of the domestic industry from P1 to P5, as well as in its other operating expenses and revenues, it was decided, in the present case, to perform the calculation based on the operating margin, excluding the financial result and other operating expenses and revenues. In this way, the intention is to reflect a scenario not distorted by these items.

905. The average operating margins of the domestic industry of P1, P3 and P4, excluding the financial result and other operating expenses and revenues, corresponded to [CONFIDENTIAL]%. This margin was added to the COGS and to the general and administrative and selling expenses incurred in P5 of this investigation, both on a unit basis, using the following formula:

Adjusted average domestic industry price in P5 = (P5 COGS + P5 selling, general, administrative and other expenses) ÷ (1 - average domestic industry operating margins of P1, P3 and P4 net of financial result and other operating income and expenses)

906. Thus, an adjusted average price of R$ [CONFIDENTIAL]/t was obtained. Dividing the aforementioned price by the average sales price of P5 (R$ [RESTRICTED]/t), an adjustment factor equivalent to [CONFIDENTIAL] was obtained. This factor was applied to sales of the similar product in the Brazilian market by the domestic industry.

907. From this procedure, the average price of the domestic industry in a scenario of no injury was calculated, weighted by the volumes exported by the Hengyi Group of each CODIP, of each customer category. In cases where there was no exact match between the CODIP exported by the

Hengyi Group and that sold by the domestic industry, the average price of similar products sold by the domestic industry referring to the closest CODIPs was calculated.

908. The above methodology was executed individually considering the exports of products manufactured for each producing company in the group: [CONFIDENTIAL].

909. To calculate the domestic prices of the Hengyi Group's imported products, the average CIF export prices of its own manufactured products were first calculated for each CODIP, at the manufacturer level, based on the data provided in the questionnaire response and additional information, and also on the information present in the detailed import data provided by the RFB.

910. In order to exclude the effects of [CONFIDENTIAL] trading on the price, amounts relating to general and administrative expenses and sales, as well as profit, calculated using the percentages reported in item 4.3.1.1.2, were deducted from the reported prices. This resulted in the price at the manufacturer's level.

911. Subsequently, for the calculation of the CIF export prices entered, added the values related to II, AFRMM and hospitalization expenses.

912. In relation to II, the effective II rate in force, of 16%, was used for exports of Hengyi Group products. This percentage was applied to the CIF prices at the manufacturer, calculated as described above, determining the amount of tax associated with the transactions.

913. Using detailed import data, the percentage paid of AFRMM related to the operations of the Hengyi Group, in P5, was obtained, which corresponded to [CONFIDENTIAL]%, in relation to the value recorded as international freight.

914. Hospitalization expenses, in turn, calculated through the responses to the importer questionnaire, corresponded to [RESTRICTED]% of the CIF price.

915. The adjusted average equivalent price of the domestic industry in P5 reached US$ [CONFIDENTIAL]/t.

916. Using the methodology set out above, a weighted undercutting by CODIP was determined for exports of Hengyi Group products. These undercuttings were weighted by the volumes exported, by customer category, obtaining the average undercutting for Hengyi Group, which corresponded to US$ 755.57/t.

10.2 From Reliance Industries Limited

917. The domestic industry price in a no-injury scenario, for the purposes of determining the undercutting of the producer/exporter Reliance, was calculated as described in item 10.1 and corresponded to US$ [CONFIDENTIAL]/t.

918. The average domestic industry price in a no-injury scenario was calculated, weighted by the volumes exported by Reliance from each CODIP for each customer category. In cases where there was no exact match between the CODIP exported by Reliance and that sold by the domestic industry, the average price of similar products sold by the domestic industry for the closest CODIPs was calculated.

919. To calculate the domestic prices of Reliance's imported products, the average CIF export prices of its own manufactured products were first calculated for each CODIP, based on the data provided in the questionnaire response and additional information, and also on the information present in the detailed import data provided by the RFB.

920. Subsequently, to calculate the CIF export prices, the values related to II, AFRMM and internalization expenses were added.

921. The 16% rate in force for II was applied to prices on a CIF basis, calculated as described above, determining the amount of tax associated with the transactions

922. Using the detailed import data, the percentage paid of AFRMM related to Reliance's operations in P5 was obtained, which corresponded to [CONFIDENTIAL]% of the amount accounted for at international freight title.

923. Hospitalization expenses, in turn, calculated through the responses to the importer questionnaire, corresponded to [RESTRICTED]% of the CIF price.

924. Using the methodology set out above, a weighted undercutting by CODIP was determined for exports of Reliance products. These undercuttings were weighted by the volumes exported, by customer category, obtaining the average undercutting for Reliance, which corresponded to US$ 406.18/t.

10.3 Da Xin Da Spinning Technology SDN BHD

925. The domestic industry price in a no-injury scenario, for the purposes of determining the undercutting of the producer/exporter Xin Da, was calculated as described in item 10.1 and corresponded to US$ [CONFIDENTIAL]/t.

926. The average price of the domestic industry in a no-injury scenario was calculated, weighted by the volumes exported by Xin Da from each CODIP, for each customer category. In cases where there was no exact match between the CODIP exported by Xin Da and that sold by the domestic industry, the average price of similar products sold by the domestic industry for the closest CODIPs was calculated.

927. To calculate the domestic prices of Xin Da's imported products, the average CIF export prices of its own manufactured products were first calculated for each CODIP, based on the data provided in the questionnaire response and additional information, and also on the information present in the detailed import data provided by the RFB.

928. Xin Da practiced, in its sales to Brazil, the trade conditions [CONFIDENTIAL]. For sales on a [CONFIDENTIAL] basis, international freight value was assigned with based on those found for products sold under [CONFIDENTIAL] condition.

929. Similarly, international insurance was calculated from sales on a [CONFIDENTIAL] carried out by Xin Da.

930. Subsequently, for the calculation of the CIF export prices entered, added the values related to II, AFRMM and hospitalization expenses.

931. The 16% rate in force for II was applied to prices on a CIF basis, calculated as described above, determining the amount of tax associated with the transactions

932. Using detailed import data, the percentage paid of AFRMM related to Xin Da's operations in P5 was obtained, which corresponded to [CONFIDENTIAL]% of the value recorded as international freight.

933. Hospitalization expenses, in turn, calculated through the responses to the importer questionnaire, corresponded to [RESTRICTED]% of the CIF price.

934. Using the methodology set out above, a weighted undercutting by CODIP was found for Xin Da's exports of US$877.75/t.

10.4 Statements on the imposition of provisional duties

935. In its response to the questionnaire, filed on May 13, 2024, Austex, the importer of the product under investigation, highlighted that, if the antidumping duty now discussed is applied, there will be a significant increase in costs for its operations, which will cause a loss of competitiveness compared to finished products, generating a negative impact on the production chain, with layoffs and worsening the trade balance, further burdening the end consumer.

936. In its response to the importer's questionnaire, Costa Rica argued that the imposition of anti-dumping duties would lead to "[A]n increase in import costs, a significant increase in production costs and a consequent reduction in competitiveness". According to Costa Rica, the effects would be the reduction or even the closure of the activities of some companies in the Brazilian market. It also pointed out that there could be "[a]nd substitution of materials: the textile industry could import ready-made yarns or seek alternatives to polyester fibers, such as cotton or other synthetic fibers".

Finally, he argued that “downstream impacts can reverberate throughout the supply chain, affecting suppliers.

937. In turn, with regard to the possible imposition of an anti-dumping measure, the importer Hedrons, in its response to the importer's questionnaire and in the supplementary information, filed, respectively, on May 13 and June 21, 2024, argued that the main impact on the national market would be the deterioration in the quality of textile products and above-average inflation in products that depend on this raw material. This would result in national companies losing their competitiveness, leading to the probable reduction or closure of their operations, resulting in a significant increase in unemployment in Brazil.

938. Regarding the possibility of imposing an antidumping measure, the company Lynel, in response to the importer's questionnaire dated May 13, 2024, pointed out that, as a result, it would lose competitiveness against imported products such as bed linen, thermal and acoustic insulation used in civil construction, in the latter case, against items made from rock wool and glass wool, which would be produced domestically and imported. It added that "the entire industry, distributors and retailers downstream would be impacted by a loss of competitiveness" and only "importers of ready-made clothing and bed linen would benefit".

939. As for additional information, on July 8, 2024, when questioned, she added that the local textile industry would lose competitiveness in the face of imports of the following finished products that would show an increasing trend:

9404.90.00 - Duvets, cushions, poufs, pillows, and similar articles (most of which are stuffed with polyester fibers)

7019.80.00 - Glass wool and articles thereof.

6806.10.00 - Slag wool from blast furnaces, wool from other slags, rock wool and similar mineral wools, whether or not mixed together, in bulk, in sheets or in rolls

940. In a statement filed on July 8, 2024, Sintex and the Coalition argued that provisional and definitive duties should not be applied given the compromise of the objective analysis of the causal link between the investigations into dumping prices and possible harm to the domestic industry caused by the inadequate delimitation of the scope of the investigation.

941. In this regard, they mentioned the decision set out in SECEX Circular No. 22 of 2016, not to recommend the application of provisional duties in the investigation of dumping on exports of frozen potatoes, reproduced below:

Despite there being a positive preliminary determination of dumping, damage to the domestic industry and a causal link between both, it is worth noting that the producing/exporting companies and the domestic industry were asked to categorize the products sold according to characteristics that affect the price only after the questionnaires were sent to the interested parties.

Therefore, in order to enable a fair comparison between the prices charged for different types of products by exporters and the domestic industry, it is recommended that the investigation be continued without the application of provisional duty, seeking to avoid possible distortions resulting from the non-categorization of products.

942. Furthermore, the protesters recalled that in June 2024, through Camex Resolution No. 606, of 2024, polyester fibers classified in subitem 5503.20.90 of the NCM were excluded from Annex II of Gecex Resolution No. 272, of 2021, and their import tax returned to the level of 16%, close to the 18% rate levied on finished polyester yarns.

943. In a statement filed on August 13, 2024, Sintex and the Coalition reiterated the request for non-application of provisional duties due to the need to further analyze the real effects of the investigated imports on the domestic industry's indicators and requested that any recommendation for the application of provisional duties be restricted to the amount necessary to neutralize the alleged harm to the domestic industry.

944. ABINT, in a statement filed on September 20, 2024, pointed out that ABRAFAS had not been able to demonstrate the risk of harm during the course of the investigation. The petitioner had only presented analyses on the investigation period (P1 - P5), without discussing the situation of the domestic industry during the course of the investigation, as recommended by law. In addition, ABINT added the fact that imports from the investigated origins fell by 14% in the post-P5 period when compared to P5.

945. ABINT concluded that the recommendation to apply the provisional duty would not be appropriate in the present case due to the need to ascertain more in-depth information regarding the product, similarity, and the CODIPs used, in addition to the fact that the need to avoid damage during the course of the investigation was not demonstrated, given the decrease in imports from the investigated origins in the post-P5 period.

946. In a statement dated September 16, 2024, ABRAFAS listed what would be "the prerequisites" for the imposition of provisional anti-dumping measures and stated that they had been satisfied in the present process.

947. In this sense, it was first noted that, according to art. 66, I, of Decree No. 8,058/2013, an investigation would be initiated, in accordance with the provisions pertinent to the legislation, the publication of the act that initiated this investigation, publicizing the procedure and thus offering an adequate opportunity for interested parties to express themselves.

948. Taking into account art. 66, II of the Anti-Dumping Regulation, ABRAFAS argued that:

As noted in the Initiation Opinion of this investigation (SEI Opinion No. 834/2024/MDIC), the relative dumping margin for the purposes of initiating the investigation is 45% for China, 39.3% for Vietnam, 26.9% for Thailand, 49.1% for Malaysia and 15.9% for India, data which in themselves demonstrate the unfairness of the prices charged by the aforementioned origins in their exports of polyester fibers to Brazil.

Abrafas notes that several investigated exporters have already undergone on-site verification. At the time this statement was concluded, the Association did not have the elements to assess the margins of each of them, but it is fully convinced that DECOM will reach positive margins mainly due to the prices charged for exports of the product in question to Brazil.

949. Continuing with its analysis, ABRAFAS stated that the "quantitative" and "economic-financial" indicators of the domestic industry, "already updated based on on-site inspections at Ecofabril and Indorama", would demonstrate the damage it had suffered. Also, following the analysis of the information contained in the proceedings, it pointed out that "undercutting was constant and, although relatively reduced throughout the series, it grew exponentially in P5".

950. For ABRAFAS, in short, the increasing movements in import volumes, with falling prices, and the deterioration of domestic industry indicators, would point to the notable impact "of dumped imports on Brazilian producers". At this point, it turned its attention to "the transition from P4 to P5" and argued that it would be seen "clearly that the sharp undercutting in P5 - close to R$ 1,800.00/t (almost 20%) compared to an average, in previous periods, of around R$ 380.00/t (something around 4%) - was directly responsible for the depression and suppression of prices nationals".

951. Furthermore, according to ABRAFAS, the other factors potentially causing harm to the domestic industry would not rule out "the significant contribution of imports at dumped prices to the harm found".

952. ABRAFAS then added, based on data extracted from COMEXSTAT, that the volume of imports of polyester fibers from the investigated origins "in the period following the period under investigation" would remain high and at a reduced price, "a combination that, consequently, causes the damage suffered by the domestic industry to continue".

953. In the association's understanding, "one of the main reasons for the need to apply provisional anti-dumping duties is the fact that damage is still occurring during the investigation. In other words, in order to prevent the continuation of the damage and ensure the due subsistence of the national industry while the investigation lasts, it is necessary to apply provisional anti-dumping duties". It concluded, in this regard, that the scenario that "involves the entry of products from the investigated origins at increasingly lower prices must be interrupted through the application of provisional anti-dumping duties, so that the damage to the national industry ceases as quickly as possible". (emphasis in the original)

954. Having presented its arguments, the requests made by ABRAFAS, for the purposes of preliminary determination, are that if:

- conclude that there is dumping in exports of polyester fibers from the origins investigated for Brazil;

- conclude that there is damage to the domestic industry and that there is a clear causal link between that damage and dumped exports from China, India, Malaysia, Thailand and Vietnam;

- recognize the need for provisional duties, particularly in view of the evolution of the investigated imports of polyester fibers, which show high volumes and a sharp drop in prices since the end of P5; and iv. for all these reasons, recommend to CAMEX the imposition of provisional duties.

10.5 DECOM's comments on the demonstrations

955. The requirements for the imposition of a provisional anti-dumping measure are provided for in art. 7.1 of the Anti-Dumping Agreement:

7.1 Provisional measures may be applied only if:

(i) an investigation has been initiated in accordance with the provisions of Article 5, a public notice has been given to that effect and interested parties have been given adequate opportunities to submit information and make comments;

(ii) a preliminary affirmative determination has been made of dumping and consequent injury to the domestic industry; and

(iii) the authorities concerned judge such measures necessary to prevent injury being caused during the investigation.

956. As indicated by the petitioner, Decree No. 8,058 of 2013 reproduces the requirements in its art. 66:

Art. 66. Provisional rights may only be applied if:

I - an investigation has been initiated in accordance with the provisions set out in Section III of the Chapter V, the act initiating the investigation has been published and the interested parties have been given an adequate opportunity to express their views;

II - there is a positive preliminary determination of dumping, of damage to the domestic industry and of causal link between both; and

III - CAMEX deems that such measures are necessary to prevent damage from occurring during the investigation.

957. Therefore, the following - and only the following - are the requirements required by law for the application of this type of measure:

- the investigation must have been initiated in accordance with the rules applicable to the initiation of the procedure;

- the act initiating the investigation must have been duly published;

- interested parties have been given the opportunity to express their views;

- scope of a positive preliminary determination of dumping, damage and causal link between both;

- assessment by CAMEX that the measure is necessary to prevent damage during the investigation.

958. In the present case, all the requirements listed above are met.

959. In fact, the investigation was initiated through Circular SECEX No. 11, of March 20, 2024, published in the Official Gazette of the Union on March 21, 2024, complying with all the commands contained in Section III of Chapter V of Decree No. 8,058, of 2013.

960. Furthermore, §§ 3 to 7 of the Circular presented instructions on how to stakeholder participation in the process.

961. Questionnaires were also sent to the parties, and all responses, together with the statements filed up to the cut-off date considered for the preparation of this document, were duly considered for the purpose of this preliminary determination.

962. Regarding the conclusions reached, as already extensively explained in the preceding items, it was preliminarily found that there was dumping in exports from the investigated origins to Brazil, damage to the domestic industry and a causal link between the two.

963. Finally, it will be up to CAMEX to assess the need to apply the measure with the aim to prevent injury to the domestic industry during the remainder of the course of this investigation.

964. It should be noted, however, that the indicators analyzed show the deterioration of domestic industry indicators throughout the period evaluated, with particular worsening in the most recent period (P5).

965. Regarding the alleged doubts arising from the structure of the CODIP, see item 2.3.2.

966. In any event, it is important to bear in mind that the need to delve deeper into certain issues during the investigation is inherent to the very nature of the proceedings. In this regard, note the words of the Panel in the case DS156 - Guatemala - Cement II:

8.35 In light of Guatemala's arguments, we need to examine the relationship between the requirements of Article 5.3 regarding sufficiency of evidence to justify the initiation of an investigation and the substantive provisions in Article 2 regarding dumping. In this respect, we first note that, although there is no express reference to evidence of dumping in Article 5.3, evidence on the three elements necessary for the imposition of an anti-dumping measure may be inferred into Article 5.3 by way of Article 5.2. In other words, Article 5.2 requires that the application contain sufficient evidence on dumping, injury and causation, while Article 5.3 requires the investigating authority to satisfy itself as to the accuracy and adequacy of the evidence to determine that it is sufficient to justify initiation. Thus, reading Article 5.3 in the context of Article 5.2, the evidence mentioned in Article 5.3 must be evidence of dumping, injury and causation. We further note that the only clarification of the term "dumping" in the AD Agreement is that contained in Article 2. In consequence, in order to determine that there is sufficient evidence of dumping, the investigating authority cannot entirely disregard the elements that configure the existence of this practice as outlined in Article 2. This analysis is done not with a view to making a determination that Article 2 has been violated through the initiation of an investigation, but rather to provide guidance in our review of the Ministry's determination that there was sufficient evidence of dumping to warrant an investigation. We do not of course mean to suggest that an investigating authority must have before it at the time it initiates an investigation evidence of dumping within the meaning of Article 2 of the quantity and quality that would be necessary to support a preliminary or final determination. An antidumping investigation is a process where certainty on the existence of all the elements necessary in order to adopt a measure is gradually reached as the investigation moves forward. However, the evidence must be such that an unbiased and objective investigating authority could determine that there was sufficient evidence of dumping within the meaning of Article 2 to justify initiation of an investigation. (emphasis added)

967. It is true that, depending on the level of uncertainty involved in the preliminary determination phase, it may be prudent not to recommend the imposition of a provisional measure. However, the aspects raised specifically in the present investigation do not indicate any impediment to the imposition of a provisional anti-dumping measure.

968. Regarding the increase in import tax, it was considered in the calculation of the duty recommended the currently valid rate, as stated in items 10.1, 10.2 and 10.3.

969. Finally, regarding the existence of damage during the investigation, Decree No. 8,058 of 2013 does not establish how the requirement should be analyzed nor the period to be taken as a reference.

970. Although, in fact, more recent data may assist in the assessment in question, there is no obligation (or prohibition) in the governing legislation to analyze data subsequent to P5.

971. In any case, according to data extracted from COMEXSTAT, from July 2023 to June 2024, imports originating in China, India, Thailand, Malaysia and Vietnam of products classified under subitem 5503.20.90 of the NCM totaled 95,244.2 t, a volume quite similar to that verified in P5 ([RESTRICTED] t). It should also be noted that the average price of these most recent imports corresponded to US$ 1,054.13/t, therefore lower than the price of imports from the origins investigated in P5 (US$ [RESTRICTED]/t).

972. For these reasons, it is understood that the requirements for the application of the measure are met.
provisional anti-dumping.

973. Discussions about the impacts of any anti-dumping measure on downstream links in the production chain or on consumption must be addressed in a specific forum, especially in public interest assessments, in accordance with the procedure regulated by SECEX Ordinance No. 282 of 2023.

11. RECOMMENDATION

974. Once the existence of dumping in exports of polyester fibers from China, India, Thailand, Malaysia and Vietnam to Brazil has been preliminarily verified, and damage to the domestic industry resulting from such practice, it is proposed to apply a provisional anti-dumping measure, for a period of up to six months, in the form of a specific rate, set in US dollars per ton, in the amounts indicated below.

Provisional Law		
Country	Producer / Exporter	Specific provisional anti-dumping duty (US$/t)
China	Zhejiang Hengyi High-Tech Materials Co., Ltd. Shaoxing Keqiao Hengming Chemical Fiber Co., Ltd. Fujian Yijin Chemical Fiber Co., Ltd. Suqian Yida New Materials Co., Ltd.	61.09
	Hangzhou Yaoyang Technology Co., Ltd. Jiangsu Huaxicun Co., Ltd. Jiaxing Fuda Chemical Fiber Factory World's Best Co., Ltd. Fujian Jingwei New Fiber Science and Technology Co., Ltd.	61.09
	Cixi Jiangnan Chemical Fiber Co.,Ltd. Jiangyin Huacai Textile Co., Ltd. Nanyang Textiles Co., Ltd. Ningbo Dafa Chemical Fiber Co., Ltd. Shanghai Polytex Co., Limited Jiangyin Hailun Chemical Fiber Co Ltd.	
	Huzhou Zhonglei Chemical Fiber Co., Ltd. Sinopec Yizheng Chemical Fiber Co.,LLC Yuyao Dafa Chemical Fiber Co., Ltd. Bang Bang Textile Group Ltd.	
	Gys Group Limited Dongguan Tok Zin Industrial Co., Ltd. Fujian Jingwei New Fiber Set. Co., Ltd. Yangzhou Tinfulong Group Co., Ltd. Yangzhou Tinfulong Mew Technology Fiber Co., Ltd.	
	Elite Color Environmental Resources Science & Tech. Co., Ltd. Shaoxing City Bacai Textile Co., Ltd.	

	Jiangnan Textiles Co., Ltd. Cixi Jiangnan Textiles Co., Ltd. SPRE Textile Co., Ltd.		
	Vietnam New Century Polyester Fiber Co., Ltd. Jiangyin Leadersen International Trade Co., Ltd. Yizheng Jichuan Trading Co., Ltd. Afex Trading Ltd. Yizheng Prosperity Chemical Fiber Co., Ltd.		
	Guangzhou Rontex Nonwoven Technology Co., Ltd. Suzhou Kunlun Chemical Fiber Co., Ltd. Zhejiang Huanfeng Textile Co., Ltd Cixi City Sanjiang Chemical Fiber Co., Ltd.		
	Jiangyin Huahong Chemical Fiber Co., Ltd. Jiangsu Xingheng Composite Material Co., Ltd. Suzhou Fancheng Co., Ltd. Salsons Impex Hongkong Limited Jiangsu Huasheng New Building Materials Co., Ltd.		
	Qingdao Qixiang International Trading Co., Ltd. XFM Group Aka (Shanghai) Trading Company Ltd. Tongxiang Chengtong Import and Export Co., Ltd. Chemical Fiber Co., Ltd.		
	Jiangyin Changlong Chemical Fiber Co., Ltd. Jiangyin Heyu Fiber Co., Ltd. Shanghai Bund Business Co., Ltd. Jiangyin Chengxiang International Co., Ltd. Wuxi Xichuang Innovative Materials Co., Ltd.		
	Zhejiang Qinglan Chemical Fiber Co., Ltd. E-Heng Import and Export Co., Ltd. Anhui Wonder Down & Feather Product Co., Ltd. Zhejiang Anshun Pettechs Fiber Co., Ltd. Anhui Golden King Imp & Exp. Co., Ltd		
	Zhangjiagang Square Textile Co., Ltd. Chuzhou Xingbang Color Fiber Co., Ltd. Wuxi Lonsun Technology Co., Ltd. Zhejiang Hengyi Group Co., Ltd. Yangzhou Fuweier Composite Material Co., Ltd.		
	Hangzhou Maoyuan Environmental Technology Co., Ltd. Hangzhou Linan Foreign Trade Co., Ltd. Ningbo Syncu Techinical Co., Ltd DAFA Goldbest International Limited.		
	Shanghai Houpai Industrial Co., Ltd. Nantong Luolai Chemical Fiber Co., Ltd. Zhejiang Century Chemical Fiber Co., Ltd. Tianjin Glory Tang Textile Co., Ltd. Zhaoqing Jotex Import and Export Co., Ltd.		
	Bolison Import & Export Co., Limited Xianglu Chemical Fiber Co., Ltd. Haixing New Materials Co., Ltd. Hangzhou Huachuang Light Textile Import and Export Co., Ltd. Unifi Textiles (Suzhou) Co., Ltd. Chuanglai Fiber (Foshan) Co., Ltd.		
	Guangdong Foshan Shunde Tonbon Chemical Fiber Co.,Ltd	397.04	

	Other companies	397.04
India	Reliance Industries Limited	260.47
	Ganesha Ecosphere Ltd. AGL Polyfil Private Limited JB Ecotex Limited Indo Rama Synthetics India Ltd.	260.47
	Bhilosa Industries Pvt Ltd. Vishal Poly Fibers Private Limited The Bombay Dyeing and MFG Co., Ltd. Associated Electrochemicals Pvt Ltd	
	Spice Textil	260.47
	Other companies	260.47
Malaysia Xin Da Spinning Technology SDN BHD Other		85.80
	companies	383.63
Thailand	Yida(Thailand) Co., Ltd. Indorama Polyester Industries Public Company Limited. Zonghtha Thailand VG Internatonal YDA (Thailand) Co., Ltd.	223.45
	Bangkok Weaving Mills Limited Sanjiang Chemical Fiber (Thailand) Co., Ltd. Tionale Pte. Ltd. Promising Crossing Unipessoal Lda Thai	
	Polyester Co., Ltd. Megatex Business SA Betterbell Fiber (Thailand) Co.,Ltd. Tionale Pte. Ltd Pt. Indo-Rama Synthetics TBK Jiu Long	
	Thai Co., Ltd. Indorama Polyester Industries PCL Other	223.45
	companies Vikohasan	223.45
Vietnam	Joint Stock Company Salsons Impex Hongkong Limited VNC Polyester Fiber Co., Ltd. Branch Of Vu Gia International Co., Ltd. Branch Of Vu Gia International Company Limited In Ha Nam VU Gia	308.58
	International Company Limited Travessia Promissora Unipessoal Lda Hop Thanh Co., Ltd. Formosa Industries Corporation	
	Mekong Fiber Limited Aka (Vietnam) Trading Company Limited. VG Internatonal Cong Ty Co Phan Fiber Company Limited Khai Thanh Trade and Production Joint Stock Company Nam Vang Ha Nam JSC Hai Thien	
	Synthetic Fiber Limited Company Other companies	308.58
		308.58

975. The proposal to apply the provisional anti-dumping measure, pursuant to art. 66 of Decree No. 8,058 of 2013, aims to prevent the occurrence of damage during the course of the investigation, considering that imports at dumped prices of the product subject to the investigation, undercutting the prices of the domestic industry, would continue to occur.

976. Considering that the undercutting rates calculated in items 10.1, 10.2 and 10.3 exceeded the respective dumping margins of the companies of the Hengyi group, Xin Da and Reliance, the proposed duties were computed based on the dumping margins determined for each of these companies/group, in accordance with the methodology described in items 4.3.1.1, 4.3.3.1 and 4.3.5.1 of this document.

977. In the case of the companies Zhongthai Chemical Fiber Co., Ltd., from Thailand, and Vietnam New Century Polyester Fibre Co., Ltd., no dumping practice was preliminarily found, according to calculations developed in items 4.34.1 and 4.3.2.1, respectively. Therefore, for these producers/exporters, the application of provisional anti-dumping duty is not recommended.

978. For the selected companies that did not respond to the questionnaire (Guangdong Foshan Shunde Tonbon Chemical Fiber Co., Ltd., Spice Textil, Indorama Polyester Industries Public Company Limited., Jiu Long Thai Co., Ltd, Nam Vang Ha Nam JSC and Hai Thien Synthetic Fiber Limited Company), the duty was based on the best information available, which consisted of the dumping margin calculated for the respective origin at the time of initiation of the investigation, incorporating the adjustments detailed in item 4.2, in the case of China, Thailand and Vietnam, and the dumping margin preliminarily calculated for Reliance Industries Limited, in the case of India.

979. For the other producers/exporters in China and India listed by name in the previous table, which were identified but not included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, the proposed duty was calculated based on the dumping margins calculated for the selected producers/exporters of the respective origin that responded to the producer/exporter questionnaire.

980. For the other producers/exporters in Thailand and Vietnam listed by name in the previous table that were identified but not included in the selection referred to in art. 28 of Decree No. 8,058 of 2013, the proposed duty was calculated based on the dumping margin calculated for the respective origin at the time of the initiation of the investigation, incorporating the adjustments detailed in item 4.2.

981. With regard to the other producers/exporters, which were not identified or did not export the product subject to the investigation to Brazil in P5, the duty was based on the best information available, which consisted of the dumping margin calculated for the respective origin at the time of the initiation of the investigation, incorporating the adjustments detailed in item 4.2, in the case of China, Thailand and Vietnam, and the dumping margin preliminarily calculated for the company Reliance Industries Limited, in the case of India.

982. It should be noted that, in order to allow the application of the provisional anti-dumping duty for a period of six months, in accordance with the provisions of § 8 of art. 66 of Decree No. 8,058 of 2013, the recommended duties based on the dumping margins were calculated by applying a 10% reduction factor.
margins.

983. It should be noted that, in accordance with § 5 of art. 65 of Decree No. 8,058 of 2013, this preliminary determination will be published by the Secretariat of Foreign Trade - SECEX within three days of the date of this Opinion. Furthermore, in accordance with the provisions of § 6 of the aforementioned article, the recommendation of the Subsecretariat regarding the application of provisional duties, evidenced in this item, will be forwarded to CAMEX, which, immediately after the decision on its application, will publish the corresponding act.

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Body: Presidency of the Republic/Chamber of Foreign Trade/Executive Management Committee

GECEX RESOLUTION No. 653, OF OCTOBER 18, 2024

Provides for the application of provisional anti-dumping duty, by a period of up to 6 (six) months, to Brazilian imports of polyester fibers, commonly classified under subitem 5503.20.90 of the Common Nomenclature of Mercosur - NCM, originating from China, Malaysia, Thailand, Vietnam and India.

THE EXECUTIVE MANAGEMENT COMMITTEE OF THE CHAMBER OF FOREIGN TRADE, using the powers powers conferred upon it by art. **6, caput,** item VI, of Decree No. 11,428, of March 2, 2023, and the art. **2, caput,** item VI, of Annex IV of Gecex Resolution No. 480, of May 10, 2023, considering the provisions of Decree No. 8,058, of July 26, 2023; as well as considering the information, reasons and grounds present in DECOM Opinion No. 3275, of October 7, 2024, and in Secex Circular No. 56, of October 15, 2024; and the deliberation at its 219th Ordinary Meeting, held on October 17, 2024:

Art. 1º Applies provisional anti-dumping duty, for a period of up to 6 (six) months, to imports Brazilian polyester fibers, originating from China, Malaysia, Thailand, Vietnam and India, commonly classified under subitem 5503.20.90 of the Common Nomenclature of Mercosur - NCM, to be collected under the form of specific rate fixed in US dollars per ton, in the amounts below specified:

Origin	Producer/Exporter	Provisional anti-dumping duty (in US$/t)
China	Zhejiang Hengyi High-Tech Materials Co., Ltd.	61.09
	Shaoxing Keqiao Hengming Chemical Fiber Co., Ltd.	61.09
	Fujian Yijin Chemical Fiber Co., Ltd.	61.09
	Suqian Yida New Materials Co., Ltd.	61.09
	Hangzhou Yaoyang Technology Co., Ltd.	61.09
	Jiangsu Huaxicun Co., Ltd.	61.09
	Jiaxing Fuda Chemical Fiber Factory	61.09
	World Best Co., Ltd.	61.09
	Fujian Jingwei New Fiber Science and Technology Co., Ltd.	61.09
	Cixi Jiangnan Chemical Fiber Co.,Ltd.	61.09
	Jiangyin Huacai Textile Co., Ltd.	61.09
	Nanyang Textiles Co., Ltd.	61.09
	Ningbo Dafa Chemical Fiber Co., Ltd.	61.09
	Shanghai Polytex Co., Limited	61.09
	Huzhou Zhonglei Chemical Fiber Co., Ltd.	61.09
	Sinopec Yizheng Chemical Fiber Co.,LLC Yuyao	61.09
	Dafa Chemical Fiber Co., Ltd.	61.09
	Bang Bang Textile Group Ltd.	61.09
	Gys Group Limited	61.09
	Dongguan Tok Zin Industrial Co., Ltd.	61.09
	Fujian Jingwei New Fiber Set. Co., Ltd.	61.09
	Yangzhou Tinfulong Group Co., Ltd.	61.09
	Yangzhou Tinfulong Mew Technology Fiber Co., Ltd.	61.09

	Elite Color Environmental Resources Science & Tech. Co., Ltd.	61.09
	Shaoxing City Bacai Textile Co., Ltd.	61.09
	Jiangnan Textiles Co., Ltd.	61.09
	Cixi Jiangnan Textiles Co., Ltd.	61.09
	SPRE Textile Co., Ltd.	61.09
	Vietnam New Century Polyester Fiber Co., Ltd.	61.09
	Jiangyin Leadersen International Trade Co., Ltd.	61.09
	Yizheng Jichuan Trading Co., Ltd.	61.09
	Afex Trading Ltd.	61.09
	Yizheng Prosperity Chemical Fiber Co., Ltd.	61.09
	Guangzhou Rontex Nonwoven Technology Co., Ltd.	61.09
	Suzhou Kunlun Chemical Fiber Co., Ltd.	61.09
	Zhejiang Huanfeng Textile Co., Ltd	61.09
	Cixi City Sanjiang Chemical Fiber Co., Ltd.	61.09
	Jiangyin Huahong Chemical Fiber Co., Ltd.	61.09
	Jiangsu Xingheng Composite Material Co., Ltd.	61.09
	Suzhou Fancheng Co., Ltd.	61.09
	Salsons Impex Hongkong Limited	61.09
	Jiangsu Huasheng New Building Materials Co., Ltd.	61.09
	Qingdao Qixiang International Trading Co., Ltd.	61.09
	XFM Group	61.09
	Aka (Shanghai) Trading Company Ltd.	61.09
	Tongxiang Chengtong Import and Export Co., Ltd.	61.09
	Chemical Fiber Co., Ltd.	61.09
	Jiangyin Changlong Chemical Fiber Co., Ltd.	61.09
	Jiangyin Heyu Fiber Co., Ltd.	61.09
	Shanghai Bund Business Co., Ltd.	61.09
	Jiangyin Chengxiang International Co., Ltd.	61.09
	Wuxi Xichuang Innovative Materials Co., Ltd.	61.09
	Zhejiang Qinglan Chemical Fiber Co., Ltd.	61.09
	E-Heng Import and Export Co., Ltd.	61.09
	Anhui Wonder Down & Feather Product Co., Ltd.	61.09
	Zhejiang Anshun Pettechs Fiber Co., Ltd.	61.09
	Anhui Golden King Imp & Exp. Co., Ltd	61.09
	Zhangjiagang Square Textile Co., Ltd.	61.09
	Chuzhou Xingbang Color Fiber Co., Ltd.	61.09
	Wuxi Lonsun Technology Co., Ltd.	61.09
	Zhejiang Hengyi Group Co., Ltd.	61.09
	Yangzhou Fuweier Composite Material Co., Ltd.	61.09
	Hangzhou Maoyuan Environmental Technology Co., Ltd. 61.09	
	Hangzhou Linan Foreign Trade Co., Ltd.	61.09
	Ningbo Syncu Techinical Co., Ltd	61.09
	DAFA	61.09
	Goldbest International Limited.	61.09
	Shanghai Houpai Industrial Co., Ltd.	61.09
	Nantong Luolai Chemical Fiber Co., Ltd.	61.09
	Zhejiang Century Chemical Fiber Co., Ltd.	61.09
	Tianjin Glory Tang Textile Co., Ltd.	61.09
	Zhaoqing Jotex Import and Export Co., Ltd.	61.09
	Bolison Import & Export Co., Limited	61.09
	Xianglu Chemical Fiber Co., Ltd.	61.09

	Haixing New Materials Co., Ltd.	61.09
	Hangzhou Huachuang Light Textile Import and Export Co., Ltd.	61.09
	Unifi Textiles (Suzhou) Co., Ltd.	61.09
	Chuanglai Fiber (Foshan) Co., Ltd.	61.09
	Jiangyin Hailun Chemical Fiber Co., Ltd.	61.09
	Guangdong Foshan Shunde Tonbon Chemical Fiber Co.,Ltd	397.04
	Too much	397.04
India	Reliance Industries Limited	260.47
	Ganesha Ecosphere Ltd.	260.47
	AGL Polyfil Private Limited	260.47
	JB Ecotex Limited	260.47
	Indo Rama Synthetics India Ltd.	260.47
	Bhilosa Industries Pvt Ltd.	260.47
	Vishal Poly Fibers Private Limited The	260.47
	Bombay Dyeing and MFG Co., Ltd.	260.47
	Associated Electrochemicals Pvt Ltd	260.47
	Spice Textile	260.47
	Too much	260.47
Malaysia Xin Da Spinning Technology SDN BHD		85.80
	Too much	383.63
Thailand Yida(Thailand) Co., Ltd.		223.45
	Indorama Polyester Industries Public Company Limited. 223.45	
	Zonghtha Thailand VG	223.45
	Internatonal	223.45
	YDA (Thailand) Co., Ltd.	223.45
	Bangkok Weaving Mills Limited Sanjiang	223.45
	Chemical Fiber (Thailand) Co., Ltd.	223.45
	Tionale Pte. Ltd.	223.45
	Promising Crossing Unipessoal Lda Thai	223.45
	Polyester Co., Ltd.	223.45
	Megatex Business SA	223.45
	Betterbell Fiber (Thailand) Co.,Ltd.	223.45
	Tionale Pte. Ltd	223.45
	Pt. Indo-Rama Synthetics TBK Jiu	223.45
	Long Thai Co., Ltd.	223.45
	Indorama Polyester Industries PCL	223.45
	Too much	223.45
Vietnam Vikohasan Joint Stock Company Salsons		308.58
	Impex Hongkong Limited VNC Polyester	308.58
	Fiber Co., Ltd.	308.58
	Branch Of Vu Gia International Co., Ltd.	308.58
	Branch Of Vu Gia International Company Limited In Ha Name	308.58
	VU Gia International Company Limited Promising	308.58
	Crossing Unipessoal Lda Hop Thanh Co., Ltd.	308.58
		308.58
	Formosa Industries Corporation Mekong	308.58
	Fiber Limited Aka (Vietnam)	308.58
	Trading Company Limited.	308.58
	VG International	308.58
	Cong Ty Co Phan Fiber Company Limited	308.58

	Khai Thanh Trade and Production Joint Stock Company 308.58	
	Nam Vang Ha Nam JSC	308.58
	Hai Thien Synthetic Fiber Limited Company	308.58
	Too much	308.58

Art. 2 The provisional anti-dumping duty referred to in this resolution does not apply to imports of polyester fibers manufactured by Thai producer/exporter Zhongthai Chemical Fiber Co., Ltd. and Vietnamese producer/exporter Vietnam New Century Polyester Fibre Co., Ltd.

Art. 3 The tariff classification referred to in Art. 1 is merely indicative and does not have any binding effect with respect to the scope of the anti-dumping measure.

Art. 4 This Resolution shall come into force on the date of its publication.

GERALDO JOSE RODRIGUES ALCKMIN FILHO

Chairman of the Committee