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CIRCULAR No. 11, OF MARCH 20, 2024

THE SECRETARY OF FOREIGN TRADE OF THE MINISTRY OF DEVELOPMENT, INDUSTRY, TRADE AND SERVICES, under the terms of the Agreement on the Implementation of Article 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 art. 5 of Decree No. 8,058, of July 26, 2013, and in view of what is contained in the SEI Processes 19972.102538/2023-93^o restricted and 19972.102537/2023-49 confidential and the SEI Opinion

n^{you}

n 834/2024/MDIC, of March 20, 2024, prepared by the Department of Commercial Defense-

DECOM of this Secretariat, and because sufficient elements have been presented that indicate the practice of dumping in exports from China, India, Vietnam, Malaysia and Thailand to Brazil of the product covered by this circular, and damage to the domestic industry resulting from such practice, decides:

1. Start an investigation to investigate the existence of dumping in exports from China, India, Vietnam, Malaysia and Thailand to Brazil of polyester fibers, commonly classified in subitem 5503.20.90 of the MERCOSUR Common Nomenclature - NCM, and of damage to domestic industry

resulting from such practice, subject of confidential SEI Processes no. ^{you} 19972.102538/2023-93 restricted and 19972.102537/2023-49.

1.1. Make public the facts that justified the decision to open the investigation, in accordance with the attached to this circular.

1.2. The start date of the investigation will be the publication of this circular in the Official Gazette of the Union - DOU

2. The analysis of the evidence of dumping considered the period from July 2022 to June 2023. The damage analysis period considered the period from July 2018 to June 2023.

3. I inform you that, in accordance with SECEX Ordinance No. 162, of January 6, 2022, the participation of interested parties in the course of this commercial defense investigation must necessarily be carried out through an intercurrent petition in SEI Processes No. 19972.102538/2023 -93 restricted and 19972.102537/2023-49 confidential in the Electronic Information System^{you}, available at <https://www.gov.br/economia/pt-br/aceso-a-informacao/sei/usuario-externo-1>.

3.1. It should be noted that access to the Electronic Information System by external users not yet registered must necessarily be preceded by a registration procedure, according to the guidelines contained in the electronic address referred to in the previous paragraph.

3.2. The release of access after the initial registration is carried out after analysis of the submitted documentation, which is carried out within the period informed at the electronic address contained in § 3 of this Circular.

3.3. It is the exclusive responsibility of the interested parties to carry out all the procedures necessary to grant access to the Electronic Information System in a timely manner for the protocol of documents in the investigation files within the deadlines provided for in trade defense legislation, considering the time necessary for the analysis of the documentation required for registration, as well as additional measures that may be requested.

3.4. Documents submitted untimely will be disregarded, in accordance with art. 49, § 2, c/c art. 180 of Decree No. 8,058, of 2013, even though the extemporaneity occurs due to the registration procedure in the Electronic Information System.

4. In accordance with the provisions of the aforementioned Ordinance and in accordance with art. 17 of Law No. 12,995, of June 18, 2014, all procedural acts of investigations and commercial defense procedures must be digitally signed using a digital certificate issued within the scope of the Brazilian Public Key Infrastructure - ICP-Brazil.



5. In accordance with the provisions of § 3 of art. 45 of Decree No. 8,058, of 2013, a period of twenty days must be respected, counting from the date of publication of this circular in the DOU, for other parties who consider themselves interested and their respective legal representatives to request, through the SEI processes, their qualification in the aforementioned processes.

6. The participation of interested parties in the course of this trade defense investigation must be carried out through a legal representative authorized by DECOM, by presenting the relevant documentation to the SEI. Intervention in commercial defense processes of legal representatives who are not qualified will only be admitted in the cases provided for in SECEX Ordinance No. 162, of 2022. The regularization of the qualification of representatives who carry out these acts must be done within 91 days after the beginning of the investigation, with no possibility of extension. Failure to regularize representation within the stipulated terms and conditions will result in the acts referred to in this paragraph being deemed non-existent.

7. Representation of foreign governments will take place through the head of the official representation in Brazil or through a representative designated by him. The designation of representatives must be filed, through SEI, with DECOM in an official communication from the corresponding representation.

8. As provided in art. 50 of Decree No. 8,058, of 2013, questionnaires will be sent to known producers or exporters, known importers and other domestic producers, as defined in § 2 of art. 45, who will have thirty days to return them, through the SEI processes, counting from the date of acknowledgment. Notifications and other communications carried out within the scope of the administrative process will be transmitted electronically, in accordance with SECEX Ordinance No. 162, of 2022. Knowledge of electronically transmitted documents is presumed to be 3 (three) days

after the date of transmission, in accordance with art. 19 of Law No. 12,995, of 2014. Specifically, in the case of the deadline for responding to questionnaires from foreign producers or exporters, the period for acknowledgment will be 7 (seven) days from the date of transmission, in accordance with footnote 15 of the Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 contained in the Final Act that incorporated the results of the Uruguay Round of Multilateral Trade Negotiations of the GATT, promulgated by Decree no. 1,355, of December 30, 1994. The responses to investigation questionnaires presented within the original period of 30 (thirty) days will be considered for preliminary determination purposes with a view to deciding on the application of provisional law, as provided in arts. 65 and 66 of the aforementioned legal diploma.



9. Due to the large number of producers/exporters from China, India, Vietnam and Thailand identified in the detailed Brazilian import data, in accordance with the provisions of item II of art. 28 of Decree No. 8,058, of 2013, the producers or exporters responsible for the highest reasonably investigable percentage of the volume of exports from the exporting country will be selected to send the questionnaire.

10. In accordance with the provisions of arts. 49 and 58 of Decree No. 8,058, of 2013, interested parties will have the opportunity to present, through the SEI, the evidence they consider pertinent. The hearings provided for in art. 55 of the aforementioned decree must be requested within a period of five months, counting from the start date of the investigation, and the requests must be accompanied by a list of the specific topics to be addressed therein. It should be noted that only duly qualified representatives will be able to access the hearings relating to commercial defense processes and speak on behalf of interested parties on these occasions.

11. As provided in § 3 of art. 50 and the sole paragraph of art. 179 of Decree No. 8,058, of 2013, if an interested party denies access to the necessary information, does not provide it in a timely manner or creates obstacles to the investigation, DECOM may prepare its preliminary or final determinations based on the available facts, including those available in the petition for initiation of the investigation, which may result in a determination that is less favorable to that party than would have been the case if that party had cooperated.

12. If it is found that an interested party has provided false or erroneous information, such as information will not be considered and available facts may be used.

13. Additional clarifications can be obtained by calling +55 61 2027-7770 or by calling email address fibrapoliester@mdic.gov.br .

ANNEX I

1. INVESTIGATION

1.1 The Petition

1. On October 31, 2023, the Brazilian Association of Artificial and Synthetic Fiber Producers ("Abrafas"), hereinafter also referred to as the petitioner, filed, through the Electronic Information System (SEI), a petition to initiate an original investigation of dumping in exports to Brazil of synthetic polyester fibers, hereinafter also simply called "polyester fibers", when originating in 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 called Brazilian Regulation, additional information to that provided in the petition, through letters SEI 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 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 Official Letters SEI No. 1715, 1716, 1717, 1719, 1720 and 1721/2024/MDIC, of the existence of a duly prepared petition, with a view to initiating the dumping investigation covered by this case.

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

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

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

6. Seeking to confirm this information, SEI Letters No. 7565/2023/MDIC, 7588/2023/MDIC, 7589/2023/MDIC and 7590/2023/MDIC were sent, all dated November 28, 2023, at companies mentioned by the petitioner in Appendix I to the petition: Ober SA, Inylbra Indústria e Comércio Ltda., Etruria - Indústria de Fibras e Fios Sintéticos Ltda. and Global Pet SA, 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 national producers of this product.

7. Inylbra Indústria e Comércio Ltda., in a timely manner, 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 divergences in relation to the volumes reported by the domestic industry in response to SEI supplementary information letter No. 7617/2023/MDIC. The volumes provided directly by Inylbra were considered. Furthermore, 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 and Fios Sint Ltda and Indorama Ventures Fibras Brasil.

8. Despite small divergences in the manufacturers' corporate names, the information regarding the national manufacturers presented by the petitioner could be confirmed. It should be noted that an attempt was also made to confirm the information through consultations carried out on the internet, on the websites of national producers of polyester fibers, without there being any divergence in relation to the information provided by the petitioner.



9. Furthermore, in compliance with the provisions of art. 37, §§1st and 2nd, of Decree No. 8,058/2013, was consulted, through Official Letters SEI nº 1501, 1502, 1503 and 1504/2024/MDIC, of March 7, 2024, if the companies characterized as other national producers would have an interest in supporting or not the petition protocol. The company Inylbra only questioned the content of the Official Letter, without indicating whether or not he supported the petition. Therefore, none of the companies responded to the Consultation in a timely manner.

10. Therefore, for the purposes of starting the investigation, it was considered that the two producers national companies of the investigated similar product in whose name the petition was presented - Ecofabril and Indorama - represented, in P5, 72.9% of 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 Investigated Origins and National Production, in t								
	Indorama	Ecofabril	Industry Domestic	Ober	Etruria	Global pet	Inylbra Total	ID/product ratio. 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. Thus, the admissibility requirement of the petition was considered met under the terms defined in art. 37 of the Brazilian Regulation.

1.4 From interested parties

12. In accordance with § 2 of art. 45 of Decree No. 8,058, of 2013, were identified as interested parties, in addition to the petitioner, the other domestic producers (Ober, Etruria, Global Pet and Inylbra), foreign producers/exporters from the investigated origins, Brazilian importers from product under investigation during the dumping investigation period and the governments of China, Malaysia, Thailand, Vietnam and India.



13. In compliance with what is established in art. 43 of Decree No. 8,058, of 2013, were identified, through detailed data on Brazilian imports, provided by the Special Secretariat of Revenue Federal Government of Brazil (RFB), of the Ministry of Finance, Chinese producing/exporting companies, Indian, Thai, Vietnamese and Malaysian companies of the investigated product and Brazilian importers who purchased the aforementioned product during the period of investigation of signs of dumping (P5).

14. [RESTRICTED].

1.5 Defense investigations conducted by other countries

15. On February 28, 2024, a petition for a safeguard investigation was filed in the United States of America (USA), involving uncarded and uncombed polyester fibers, with less than 3.3 decitex in diameter (fine denier polyester staple fiber), commonly classified in the subtitle 5503.20.0025 of the Harmonized Tariff Schedule of the United States (HTSUS). The petitioners were Fiber Industries LLC d/b/a Darling Fibers (Darling), Nan Ya Plastics Corp. America (Nan Ya), and Sun Fiber LLC (Sun Fiber), producers of polyester fibers in the USA.

16. The United States International Trade Commission (USITC) regulations that gave initiation of the investigation (Investigation No. TA-201-078) was published on March 8, 2024, with the determination that the investigation is "extraordinarily complicated", (...) based on the complexity of the issues, including the existence of antidumping and countervailing duty orders on certain imports covered by this investigation". Therefore, the deadline for determining damage was extended until July 9, 2024, and the forecast for submission of the recommendation to the President by August 26, 2024.

2 PRODUCT AND SIMILARITY

2.1 The product under investigation

17. The product subject to the investigation petition is synthetic polyester fibers, which include fibers of recycled or virgin origin. The product subject to the petition, in English, is defined as "polyester staple fiber" or PSF.

18. According to the petitioner, 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 ones, the product is manufactured mainly from post-bottles.

consumption.

19. They can be produced as chopped fibers or continuous fibers, each suitable for different yarn production methods. In general, DETEX or DEN is used as a unit of measurement and can be presented in the form of bales. 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 denier quantity by 1.11.

20. The petitioner clarified that the polyester fibers subject to investigation are not processed through the carding and combing processes, being characterized as uncarded and uncombed. Regarding the meaning of "not carded", the petitioner explained that it is 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 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 roving or cable. fibers, or of a veil. "Uncombed" fiber characterizes fiber cut into bales, not yet subjected to the industrial process; in this case, carding and combing. According to 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 formed roving is processed providing a longitudinal orientation of the fibers, increasing resistance and reducing the thickness of the cable.

21. 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, canvas, etc. Due to their strength, durability and ability to maintain shape, polyester fibers are also used in industrial applications such as conveyor belts and geotextiles for soil stabilization.



22. The supply chain would include manufacturers, distributors and resellers. In case of imported product, foreign producing companies would sell their products to trading companies, who would resell them to spinning and weaving companies or, even, these would be direct importers.

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

24. Regarding price, he 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), international prices practiced by the petrochemical industry and the exchange rate, which impacts the prices of the national petrochemical industry in reais, virgin fiber may present equal prices and in some specific cases lower than the prices charged for recycled fibers.

25. In this sense, the petitioner clarified that, in addition to quality and prices, other criteria influence customers' purchasing decisions, such as service, technical support, stock availability and mainly any specific characteristic necessary for its use and that the customer is seeking out. These characteristics could be related to the color of the fiber, type of image, cut and title. The fiber with the characteristics 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.

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

[CONFIDENTIAL].

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

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

29. Abrafas highlighted that, as far as its associates know, there are no other production routes for manufacturing polyester fibers that do not come from recycled fiber or virgin fiber - in the latter case, via DMT (Dimethyl Terephthalate + MEG), 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; Furthermore, companies produced the polymer, mostly, in discontinuous processes, in batches, called "PDP" (discontinuous polymerization process), typically in two reactors: esterification and the autoclave.

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

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

32. Polymerization is carried out in [CONFIDENTIAL].

33. [CONFIDENTIAL].

34. In spinning, the polymers are extruded through the spinneret and instantly solidified by the air flow 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 ensimage. [CONFIDENTIAL].



35. [CONFIDENTIAL].

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

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

38. The following step is one of the most relevant in preparing the polyester fiber for subsequent transformation steps. This involves the deformation of the filaments, generating "waves", called crimping. Subsequently, the crimped fiber is heat treated and the existing moisture is eliminated beyond equilibrium in a dryer. The blanket is then sent to a cutting machine, where the fibers are cut to lengths previously agreed with customers, depending on subsequent transformation processes. The most typical are: [CONFIDENTIAL].

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

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

41. For the purposes of this analysis, it was concluded, in accordance with art. 10 of Decree No. 8,058, of 2013, that the product subject to investigation includes products that have similar physical characteristics, chemical composition and market characteristics.

2.2 Classification and tariff treatment

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

43. Descriptions of the tariff item mentioned above belonging to NCM/SH are presented, in which the polyester fibers subject to investigation are classified:

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

44. 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. 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. Finally, the GECEX Resolution No. 391/2022 made permanent the reduction of the Common External Tariff (TEC) to 14.4%, although the reduction to 12.8% was in effect until December 31, 2023.

45. 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	FTA Mercosur - Egypt 70%	
Israel	FTA Mercosur - Israel 100%	
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 Product manufactured in Brazil

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

47. With regard to similar products produced in Brazil of recycled origin, as per indicated by the petitioner, the company Ecofabril produces synthetic polyester fiber mainly from of post-consumer bottle. When questioned in the SEI supplementary information letter 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 also manufacture fibers 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 PET flakes. From extrusion onwards, all steps would be the same, whether with virgin or recycled polymer. The petitioner stated that, [CONFIDENTIAL].

48. The product is used for blankets for making duvets, filling pillows, acoustic thermal insulation, bases for molded parts, automobile carpets, bases for plastic laminates used in the furniture and footwear industries, geotextiles used in road paving, drainage, implementation of landfills, among other applications in civil construction, manufacturing of threads for weaving, among others. Its characteristic is its melting point of [CONFIDENTIAL].

49. As for 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 profile of the polyester fiber represents its cross section. The [CONFIDENTIAL] profile.

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

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

52. Regarding 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 (catalyzing agent), titanium dioxide (mattifying agent) and synthetic oils are used to ensure protection during processing (ensaging or spinfinish).

53. The company stated that polyester fibers consist mainly 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, notably: textile sector - continuous filaments and cut fibers; industrial sector - industrial yarns, naval ropes, non-woven fabrics; packaging sector - rigid and flexible; and injection sector - technical parts.



54. According to Indorama, the polyester fibers used to produce yarn can vary in models, depending on the manufacturing process and specific customer needs.

They can be produced as chopped fibers or continuous fibers, each suitable for different yarn production methods. [CONFIDENTIAL].

55. The company highlighted that polyester fibers can vary in dimensions, but are generally thin, measuring micrometers in thickness, making them suitable for producing thin, lightweight yarns. [CONFIDENTIAL].

56. Still 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, canvas, etc. Due to their strength, durability and ability to maintain shape, polyester fibers are also used in industrial applications such as conveyor belts and geotextiles for soil stabilization.

57. The product is distributed through a supply chain that includes manufacturers, distributors and resellers. 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 resellers purchase polyester fibers from producing companies and resell the materials to end customers (spinning and weaving companies).

[CONFIDENTIAL].

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

59. Regarding the production process of virgin fiber, according to item 2.1, practically all polyester is produced through 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, according to the petitioner's knowledge, by exporting companies.

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

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

62. Polymerization is carried out in [CONFIDENTIAL].

63. [CONFIDENTIAL].

64. In spinning, the polymers are extruded through the spinneret and instantly solidified by the air flow 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 ensimage. [CONFIDENTIAL].

65. [CONFIDENTIAL].

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

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

68. The following step is one of the most relevant in preparing the polyester fiber for subsequent transformation steps. This involves the deformation of the filaments, generating 'waves', called crimping. Subsequently, the crimped fiber is heat treated and the existing moisture is eliminated beyond equilibrium in a dryer. The blanket is then sent to a cutting machine, where the fibers are cut to lengths previously agreed with customers, depending on subsequent transformation processes. The most typical: [CONFIDENTIAL].

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

70. 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 states that it is a commodity widely used on the global market, all coming from the same production route - PTA + MEG -, with physical-chemical characteristics, similar packaging.

71. However, it should be noted that, regarding polyester fibers of recycled origin, according with the petitioner, [CONFIDENTIAL].

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

73. Regarding the substitutability of synthetic polyester fiber of recycled origin for synthetic polyester fiber of virgin origin, as mentioned in item 2.1, the petitioner informed that synthetic polyester fiber of recycled origin would satisfactorily meet all technical characteristics



required by customers, without any demerit in relation to the characteristics presented by synthetic polyester fiber of virgin origin, 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.

74. Thus, in relation to polyester fibers of recycled origin manufactured in Brazil, in a preliminary analysis, to be deepened throughout the investigation, it appears that they would have a production process different from that of the imported product. Regarding the forms of presentation and physical characteristics, the polyester fibers of virgin origin in the investigation would replace the polyester fibers of recycled origin produced by the domestic industry in their applications, with no known differences in relation to uses and applications at this stage of the process. that could differentiate the imported product from the similar national one. It is noteworthy, in any case, that there is national production of polyester fibers of both virgin and recycled origin.

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

2.4 Similarity

76. Paragraph 1 of art. 9 of Decree No. 8,058, of 2013, establishes a list of objective criteria based on which similarity must be evaluated. § 2 of the same article establishes that such criteria do not constitute an exhaustive list and that none of them, alone or together, will necessarily be capable of providing decisive indication.

77. Therefore, according to information obtained in the petition, the product under investigation and the product produced in Brazil:

(i) are produced from the same raw materials as virgin polyester fiber;

(ii) have the same physical and chemical characteristics, being presented in the form of discontinuous synthetic fibers, not carded and not combed, being mainly composed, 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 (Acid



Pure Terephthalic + MEG - Monoethylene glycol);

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

(iv) are produced according to a similar manufacturing process, in relation to polyester fiber of virgin origin;

(v) have the same uses and applications; It is

(vi) they present a high degree of substitutability, as they are the same product, with competition based mainly on the price factor, payment conditions and technical assistance.

Furthermore, they were considered competitors to each other, as they both target the same industrial and commercial segments.

78. Regarding distribution channels, the petitioner stated that the supply chain includes manufacturers, distributors and resellers. In the case of Indorama, manufacturers sell the fibers to spinning and weaving companies, which in turn produce the final products for distribution in retail stores or directly to industrial consumers. Distributors and resellers purchase polyester fibers from producing companies and resell the materials to end customers (spinning and weaving companies). According to the petitioner, regarding the imported product, foreign producing companies sell their products to trading companies, who resell them to spinning and weaving companies or these are direct importers. In the case of Ecofabril, [CONFIDENTIAL].

2.5 Conclusion regarding the product and similarity

79. Taking into account the detailed description contained in item 2.1 of this document, it is concluded that, for the purposes of starting the investigation, the product under investigation is synthetic polyester fibers, which include fibers of recycled or virgin origin, when originating in China, Malaysia, Thailand, Vietnam and India.

80. Furthermore, despite the preliminary conclusion that polyester fibers of recycled origin manufactured in Brazil present a different production process to that of the imported product, it appears that polyester fibers of virgin origin would replace polyester fibers of recycled origin produced by the domestic industry in its applications, with no known differences in relation to uses and applications that could differentiate the imported product from the similar national product at this procedural stage.

81. Therefore, considering § 2 of art. 9 of Decree No. 8,058, which establishes that the similarity criteria do not constitute an exhaustive list and that none of them, alone or together, will necessarily be capable of providing 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 respects to the product object of the investigation petition or, in its absence, another product that, although not exactly equal in all respects, presents characteristics very close to those of the product subject of the investigation petition, it was concluded, for the purposes of starting the investigation, that the product manufactured in Brazil is similar to the product subject of the investigation.

3 DOMESTIC INDUSTRY

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

83. For the purposes of starting the investigation, the domestic industry was defined as the polyester fiber production lines of Indorama and Ecofabril, responsible for 72.9% of Brazilian national production of the similar product in the period between July 2022 and June 2023 (P5), according to data presented in item 1.3 of this document.

4 OF THE DITIONS OF DUMPING

84. According to art. 7 of Decree No. 8,058, of 2013, the introduction of a good into the Brazilian market, including under drawback modalities, at an export price lower than the normal value is considered dumping practice.

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

86. It should be noted that all the information presented by the petitioner to demonstrate the existence of dumping in exports from the investigated origins to Brazil were checked by the investigating authority. Cases of divergence regarding the data or the proposed methodology are highlighted in the relevant topics, together with the solution adopted.

4.1 From China

4.1.1 China normal value for the purpose of starting the investigation

87. In accordance with item "iii" of Article 5.2 of the Antidumping Agreement, incorporated into the Brazilian legal system through 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, where 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.

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

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



90. Therefore, 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; It is
- f) profit margin.

91. It should be noted that the evidence provided of costing coefficients, presented as annexes to the petition, will be checked at the time of 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 Raw materials

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

93. According to the petitioner, these two raw materials [CONFIDENTIAL]. For pricing purposes for these components, Abrafas used quotations as published by IHS - Chemical Market Analytics. The common reference for all origins in question is the Northeast Asian 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.

94. Chemical Market Analytics information, however, is not public. Therefore, under contract, the company presented a confidential summary of the monthly quotations (P5) for both raw materials, as shown in the table below.

[CONFIDENTIAL]

95. As the price of the product is already on a CFR basis, the petitioner stated that it was only necessary to add any import tax. When questioned through the SEI Supplementary Information Letter No. 7617/2023/MDIC why the percentage referring to the import tax was included in the price of raw materials on a CFR basis for China, considering that the price of the materials primas was found in Northeast Asia, the petitioner clarified that, considering that Incoterm CFR includes cost and freight to the port of destination, the costs of importing the product, such as payment of import tax and other expenses to remove the product from the customs location are the buyer's. As Abrafas assumed that companies from these origins (which are different) would have to purchase the product from an independent buyer, it was assumed that each of them would import based on the quotes presented. Therefore, the CFR price base would not include the costs of importing the product, which is why the minimum value relative to any import tax was added.

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



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

98. Therefore, from the multiplication of raw material prices, already considering the respective import taxes, by the technical coefficients obtained from data from the [CONFIDENTIAL], the cost of the items "MEG" and "PTA" is arrived at for each of the sources investigated, according to the tables below.

[CONFIDENTIAL]

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

[CONFIDENTIAL]

PTA Cost / Origin	Value (US\$/t)* (A)	Coefficient (t/t) (B)	Cost (US\$/t) A*B
China	[CONFIG.]	[CONFIG.]	[CONFIG.]
Vietnam	[CONFIG.]	[CONFIG.]	[CONFIG.]
Thailand	[CONFIG.]	[CONFIG.]	[CONFIG.]
Malaysia	[CONFIG.]	[CONFIG.]	[CONFIG.]
India	[CONFIG.]	[CONFIG.]	[CONFIG.]

4.1.1.2 Labor

99. The technical coefficient for labor was obtained by the petitioner from the [CONFIDENTIAL]. Numbers of employees were taken from Appendix XIV, while data on production, from the cost appendices. This coefficient was [CONFIDENTIAL]. The table below summarizes the calculations:



[CONFIDENTIAL]

100. It should be noted that, after responding to the additional information letter no. 7617/2023/MDIC, in appendix II (normal value) there was a new calculation for the technical coefficient of labor, which he considered [CONFIDENTIAL]. No justifications were found for this change, so that, for the purposes of this analysis, the [CONFIDENTIAL] coefficient was considered, as previously presented.

101. To estimate the monthly value of labor in China, the petitioner used the amount corresponding to the "wages in manufacturing" indicator attributed to the country by the website <https://tradingeconomics.com>. According to the source, the annual salary (2022) in Chinese industry was around from 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) -, a monthly salary of US\$1,206.96 was reached for labor linked to production in China.

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

4.1.1.3 Other costs

103. For the other components of the constructed normal value, the petitioner was based on [CONFIDENTIAL] cost structure. Thus, a relationship was calculated between each item reported for the its production cost, according to appendix XVIII to the petition - except [CONFIDENTIAL] and labor - and the sum of the main raw materials ([CONFIDENTIAL]). The table below presents the results obtained.

[CONFIDENTIAL]

104. These percentages were applied to the PTA and MEG costs 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)
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Labor	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Manufacturing Cost –		-	1,239.30

4.1.1.4 Expenses and profit margin

105. For the purposes of calculating commercial, administrative and financial expenses for both China and 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 the production of product.

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

107. Although Far Eastern New Century is based 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 fiber polyester in that country); and Far Eastern Industries (Shanghai) Ltd (Polyester Business), a subsidiary company.

108. In the group's consolidated financial statements it is also possible to identify, in the 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 company's activities The first would be related to "Chemical fiber production" and the second would be related to "Chemical fiber and textile production".

109. The summary of the company's results was obtained from its own financial report. At the time of filing the petition, data for 2023 were not available, therefore, the petitioner used the result from the year 2022 to prepare its calculations. However, at the time of preparation of this document, data relating to P5 were already available. Thus, they were calculated the percentages referring to total operating expenses and updated operating profit for P5, according to the table below.

Far Eastern financial indicators at P5, in thousand NTD (New Taiwan Dollars)

Heading	Values	Proportion in relation to Operating Costs
Operating income	56,119,500 -	
Operational costs	1,362,889 -	
Gross profit	44,756,611 -	
Total operating expenses	3,961,287	16.1%



Operating profit	1,525,379 5.5%
Source: Far Eastern - P5 financial report.	
Elaboration: ABRAFAS.	

110. These percentages were applied to the manufacturing cost for manufacturing 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

4.1.1.5 The constructed normal value

111. Considering all the methodology mentioned above, the normal value constructed for the purposes of present analysis reached the amount of US\$ 1,506.01/ton (one thousand five hundred and six US dollars and one cent per ton), in delivered condition, as per the table below:

NORMAL BUILT VALUE - CHINA [CONFIDENTIAL]			
Headings		Price Technical Coefficient	Unit cost of the product
		US\$	several/t
			US\$/t
(A) Raw Material 1	[CONFIG.]	[CONF.] [CONF.]	[CONFIG.]
(A) Raw Material 2	[CONFIG.]	[CONF.] [CONF.]	[CONFIG.]
(A) Raw Material 3	[CONFIG.]		[CONFIG.]
(A) Raw Material 4 [CONF.]			[CONFIG.]
(A) Raw Material 5 [CONF.]			[CONFIG.]
(A) Raw Material 6 [CONF.]			[CONFIG.]
(B) Direct Labor		1,206.94 [CONF.]	[CONFIG.]
(C) Other costs 1	Depreciation		[CONFIG.]
(C) Other costs 2	Maintenance		[CONFIG.]
(C) Other costs 3	Other CFs		[CONFIG.]
(D) Production Cost (A+B+C)			1,239.30
(E) General and Administrative Expenses		16.1%	199.13
(F) Commercial 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

4.1.2 China's export price

112. The export price, if the producer is the exporter of the product subject to the investigation, is the value received, or to be received, for the product exported to Brazil, net of taxes, discounts or reductions actually granted and directly related to product sales under study.

113. 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 analysis of signs of dumping, that is, between July 2022 and June 2023.

114. Information regarding export prices was calculated based on detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue of Brazil (RFB), of the Ministry of Finance, on FOB condition, excluding imports of products identified as not being the product under investigation.

Export Price - China [RESTRICTED]



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

115. Thus, dividing the total FOB value of imports of the product under investigation, during the period of analysis of signs 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), in FOB condition.

4.1.3 China's dumping margin

116. 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.

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

118. The absolute and relative dumping margins found for China are presented below.

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

111. Therefore, 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 ton).

4.2 From Vietnam

4.2.1 Vietnam's normal value for the purpose of starting the investigation

119. 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; It is
- f) profit margin.

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

4.2.1.1 Raw materials

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

122. As the import tax for these items in Vietnam is equivalent 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 materials- cousins were those indicated in the previous paragraph.

4.2.1.2 Technical coefficients



123. The technical coefficients were obtained [CONFIDENTIAL], according to section 4.1.1.1 of this Seem. These technical coefficients corresponded to [CONFIDENTIAL] per ton of polyester fiber produced.

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

[CONFIDENTIAL]

4.2.1.3 Labor

125. 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, from the cost appendices. This coefficient was [CONFIDENTIAL]. The table below summarizes the calculations:

[CONFIDENTIAL]

126. 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 salary of P5 in manufacturing in Vietnam would have been order VND 7,700,000.00. The calculations were reviewed and the average of the four prices was considered constant 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), reaching a value of VND 7,768,750. Another adjustment made it was in relation to the exchange rate, with the use of sales parity, instead of purchase parity. With based on the average exchange rate of Vietnamese Dong x dollar at sales parity, published by the Central Bank from Brazil (VND 23,712.31) -, the monthly cost of labor was reached at US\$327.63.

127. Based on the technical coefficient and the monthly value of labor, the value of the labor item work for Vietnam was calculated at [CONFIDENTIAL]. The following table presents the calculation performed.

[CONFIDENTIAL]

Vietnam	
Monthly salary (local currency)	7,768,750.00
Exchange	23,712.31
Monthly salary (US\$)	327.63
Technical coefficient	[CONFIG.]
Cost (US\$/t)	[CONFIG.]



4.2.1.4 Other costs

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

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

[CONFIDENTIAL]

Vietnam			
	Price (US\$/t)	Technical Coefficient.	Cost (US\$/t)
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Labor	327.63	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]

[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Manufacturing Cost –		-	1,123.83

4.2.1.5 Expenses and profit margin

130. 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>), according to motivation and methodology set out in item 4.1.1.4.

131. The percentages obtained from the company's financial statements (also presented in item 4.1.1.4) were multiplied by the cost of manufacturing 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.

132. The following table presents the calculations performed and the results achieved.

Manufacturing Cost –		1,123.83
Operating expenses 16.1%	180.57	
Profit	5.5%	61.28

4.2.1.6 The constructed normal value

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

NORMAL BUILT VALUE - Vietnam			
[CONFIDENTIAL]			
Headings		Price Technical Coefficient	Unit cost of the product
		US\$ several/t	US\$/t
(A) Raw Material 1	[CONFIG.]	[CONF.] [CONF.]	[CONFIG.]
(A) Raw Material 2	[CONFIG.]	[CONF.] [CONF.]	[CONFIG.]
(A) Raw Material 3	[CONFIG.]	[CONF.] [CONF.]	[CONFIG.]
(A) Raw Material 4 [CONF.]		[CONF.] [CONF.]	[CONFIG.]
(A) Raw Material 5 [CONF.]		[CONF.] [CONF.]	[CONFIG.]
(A) Raw Material 6 [CONF.]		[CONF.] [CONF.]	[CONFIG.]
(B) Direct Labor		327.63 [CONF.]	[CONFIG.]
(C) Other costs 1	Depreciation [CONF.]	[CONF.]	[CONFIG.]
(C) Other costs 2 Maintenance	[CONF.] [CONF.]		[CONFIG.]
(C) Other costs 3 Other CFs		[CONF.] [CONF.]	[CONFIG.]
(D) Production Cost (A+B+C)			1,123.82
(E) General and Administrative Expenses		16.1%	180.57
(F) Commercial 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

4.2.2 Vietnam's export price

134. 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 analysis of signs of dumping, that is, between July 2022 and June 2023.



135. The information regarding export prices was calculated based on detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue of Brazil (RFB), of the Ministry of Finance, on FOB condition, excluding imports of products identified as not being the product under investigation.

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

136. Thus, dividing the total FOB value of imports of the product under investigation, during the period of analysis of signs of dumping, by the respective imported volume, in tons, the Vietnam export price was determined to be US\$980.44/t (nine hundred and eighty US dollars and forty-four cents per ton), in FOB condition.

4.2.3 Vietnam's dumping margin

137. 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.

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

139. The absolute and relative dumping margins found for Vietnam are presented below.

Therefore, for the purposes of starting 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).

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



4.3 From Thailand

4.3.1 Thailand's normal value for the purpose of starting the investigation

140. 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; It is
- f) profit margin.

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

4.3.1.1 Raw materials

142. As explained in item 4.1.1.1, the price of the main raw materials (PTA and MEG) was determined, for all sources investigated, from the publication Chemical Market Analytics, specifically taking into account the price published for Northeast Asia, which reached US\$

[CONFIDENTIAL] /t, in the case of MEG, and US\$ [CONFIDENTIAL] /t, in the case of PTA, both in CFR condition.

143. As the import tax for these items in Thailand is equivalent to 0.00% (according to data provided by the petitioner and checked by the investigating authority, through the World Trade Organization's electronic portal), the final prices considered for the materials-cousins were those indicated in the previous paragraph.

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

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

[CONFIDENTIAL]

4.3.1.2 Labor

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

[CONFIDENTIAL]

147. To estimate the monthly value of labor in Thailand, the petitioner used the website <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 in the order of THB 14,541.07. The calculations were reviewed and the average of the four prices constant in P5 (July 2022 to June 2023) on the trading economics website was considered (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 sales parity, instead of the purchase parity. Based on the average Thai exchange rate x dollar at sales parity, published by the Central Bank of Brazil (THB 35.29478) -, we arrived at a monthly value of US\$408.38 for labor.



148. Based on the technical coefficient and the monthly value of labor, the value of the labor item work for Thailand was calculated at [CONFIDENTIAL]. The following table presents the calculation performed.

[CONFIDENTIAL]

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

4.3.1.3 Other costs

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

150. These percentages were applied to the PTA and MEG costs for the manufacture of one ton of polyester fibers 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)
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]

Labor	408.38	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Manufacturing Cost –		-	1,128.06

4.3.1.4 Expenses and profit margin

151. For the purpose 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.

152. As seen on its website, the company reports manufacturing 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. (emphasis added)

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

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

Financial indicators of Indorama Ventures in 2022, in thousand Baht

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

4.3.1.5 The constructed normal value

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

NORMAL BUILT VALUE - Thailand [CONFIDENTIAL]			
Headings	Price Technical Coefficient		Unit cost of the product
	US\$ several/t		US\$/t
(A) Raw Material 1 [CONF.]	[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 2 [CONF.]	[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 3 [CONF.]		[CONFIG.]	[CONFIG.]
(A) Raw Material 4 [CONF.]		[CONFIG.]	[CONFIG.]

(A) Raw Material 5 [CONF.]		[CONFIG.]	[CONFIG.]
(A) Raw Material 6 [CONF.]		[CONFIG.]	[CONFIG.]
(B) Direct Labor	408.38 [CONF.]		[CONFIG.]
(C) Other costs 1 Depreciation		[CONFIG.]	[CONFIG.]
(C) Other costs 2 Maintenance		[CONFIG.]	[CONFIG.]
(C) Other costs 3 Other CFs		[CONFIG.]	[CONFIG.]
(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

4.3.2 Thailand's export price

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

157. The information regarding export prices was calculated based on the detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue of Brazil (RFB), of the Ministry of Finance, on FOB condition, excluding imports of products identified as not being the product under investigation.

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

158. Thus, dividing the total FOB value of imports of the product subject to investigation, during the period of analysis of signs of dumping, by the respective imported volume, in tons, Thailand's export price was found to be US\$1,071.67/ton (one thousand and seventy-one dollars US dollars and sixty-seven cents per ton), in FOB condition.



4.3.3 Thailand's dumping margin

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

160. 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 shipping expenses internal freight in the market of origin, with freight to customers, in the case of normal value, and freight to the port, in the case of the export price.

161. The absolute and relative dumping margins calculated for the Thailand.

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

113. Therefore, for the purposes of initiating this investigation, it was found that the dumping margin from Thailand reached US\$288.64/ton (two hundred and eighty-eight US dollars and sixty-four cents per ton).

4.4 From Malaysia

4.4.1 Malaysian normal value for the purpose of initiating investigation

162. 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; It is
- f) profit margin.

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

4.4.1.1 Raw materials

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

165. As the import tax for these items in Malaysia is equivalent to 0.00% (according to data provided by the petitioner and checked by the investigating authority, through the World Trade Organization's electronic portal), the final prices considered for the materials- cousins were those indicated in the previous paragraph.

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

167. The following table presents the cost of PTA and MEG for the manufacture of one ton of polyester fiber in Malaysia, according to the methodology described.

[CONFIDENTIAL]

4.4.1.2 Labor

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

[CONFIDENTIAL]

169. To estimate the monthly value of labor in Malaysia, the petitioner used the website <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 in the order of MYR 3,422.5. The calculations were reviewed and the average for all months of P5 (July 2022 to June 2023) on the trading economics website was considered, reaching an average of MYR 3,441.17. Another adjustment made was in relation to the exchange rate, using the sales parity, instead of the purchase parity. Based on the average Malaysian Ringgit x dollar exchange rate at sales parity, published by the Central Bank of Brazil (MYR 4.494068) -, a monthly value of US\$ 765.71 was reached as labor.

170. Based on the technical coefficient and the monthly value of labor, the value of the labor item work for Malaysia was calculated at [CONFIDENTIAL]. The following table presents the calculation performed.

[CONFIDENTIAL]

Malaysia
Monthly salary (local currency) 3,441.17



Exchange	4.494068
Monthly salary (US\$)	765.71
Technical coefficient	[CONFIG.]
Cost (US\$/t)	[CONFIG.]

4.4.1.3 Other costs

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

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

[CONFIDENTIAL]

Malaysia			
	Price (US\$/t)	Technical Coefficient	Cost (US\$/t)
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Labor	765.71	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Manufacturing Cost –		-	1,146.77

4.4.1.4 Expenses and profit margin

173. 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 informed 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>).

174. The summary of the company's results was obtained from its own financial report (annex art_48f, presented by the petitioner). Despite the petitioner not having informed the site corresponding electronic device for extracting the financial report, it was possible to find it publicly available through the following address: <https://www.ril.com/investors/subsidiaries-associates/financial-statements-of-subsidiaries/financial-statements-of-subsidiaries-2022-23>. Of the same way, considering that, at the time the petition was presented, the 2023 data were 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 additional information letter SEI No. 7617/2023/MDIC regarding the item "cost of materials consumed", it was considered unclear the correspondence between this item 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 per means of a "calculation from within" calculation methodology. Specific data is reproduced in the table below:

Recron Malaysia financial indicators in 2022, in MYR millions

Heading	Values	Relationship
Revenue from product sales	3,950.10	-
Sales and distribution expenses	429.59	10.9%



Profit	275.03 7.0%
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4.4.1.5 The constructed normal value

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

NORMAL BUILT VALUE - Malaysia [CONFIDENTIAL]				
Headings		Price	Technical Coefficient	Unit cost of the product
		US\$ several/t		US\$/t
(A) Raw Material 1	[CONFIG.]	[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 2	[CONFIG.]	[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 3	[CONFIG.]		[CONFIG.]	[CONFIG.]
(A) Raw Material 4	[CONFIG.]		[CONFIG.]	[CONFIG.]
(A) Raw Material 5	[CONFIG.]		[CONFIG.]	[CONFIG.]
(A) Raw Material 6	[CONFIG.]		[CONFIG.]	[CONFIG.]
(B) Direct Labor		765.71	[CONF.]	[CONFIG.]
(C) Other costs 1	Depreciation		[CONFIG.]	[CONFIG.]
(C) Other costs 2	Maintenance		[CONFIG.]	[CONFIG.]
(C) Other costs 3	Other CFs		[CONFIG.]	[CONFIG.]
(D) Production Cost (A+B+C)				1,146.77
(E) Operating Expenses* (*calculation "from the inside")			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

4.4.2 Malaysia's export price

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

177. Information regarding export prices was calculated based on detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue of Brazil (RFB), of the Ministry of Finance, on FOB condition, excluding imports of products identified as not being the product under investigation.

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

178. Thus, dividing the total FOB value of imports of the product subject to investigation, during the period of analysis of signs of dumping, by 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), in FOB condition.

4.4.3 Malaysia's dumping margin

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

180. 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 shipping expenses internal freight in the market of origin, with freight to customers, in the case of normal value, and freight to



the port, in the case of the export price.

181. The absolute and relative dumping margins calculated for the Malaysia.

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

114. Therefore, for the purposes of initiating this investigation, it was found that Malaysia's dumping margin reached US\$459.43/t (four hundred and fifty-nine US dollars and forty-three cents per ton).

4.5 From India

4.5.1 The normal value of India for the purpose of initiating the investigation

182. 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; It is
- f) profit margin.

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



4.5.1.1 Raw materials

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

185. The petitioner informed that the import tax 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, of the Indian Ministry of Commerce and Industry.

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

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

188. The following table presents the cost of PTA and MEG for the manufacture of one ton of polyester fiber in India, according to the methodology described.

[CONFIDENTIAL]

4.5.1.2 Labor

189. As presented in item 4.1.1.2, the technical coefficient was obtained by the petitioner from [CONFIDENTIAL]. Numbers of employees were taken from appendix XIV, while production data were taken from cost appendices. This coefficient was [CONFIDENTIAL]. The table below

summarizes the calculations:

[CONFIDENTIAL]

190. To estimate the monthly value of labor in India, the petitioner used the minimum wage in force during the dumping analysis period in the state of Gujarat, where the textile facilities of Reliance Industries, one of the main Indian producing companies, are located. of polyester threads, as informed in the petition. The petitioner clarified that this information is available on the company's website, according to <https://www.ril.com/OurCompany/Manufacturing.aspx>.

191. According to the petitioner, the minimum wage policy in India currently in force establishes biannual reviews; The data is organized by the Gujarat government and publicly released. The petitioner, however, presented the unofficial data source Paycheck.in. In internet searches, no official sources from the Indian government were found regarding data regarding labor.

192. Information relating to the Paycheck.in website, extracted 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 area geography of Gujarat. Furthermore, the salary is segregated into three bands, depending on the employee's qualifications (unskilled, semi-skilled, skilled). Minimum wages in Gujarat were extracted for the "Pre-weaving & Textile Processing Industries" segment.

193. ABRAFAS adopted the average of all six salary options (total per day) published for the months of Jul/2022 to Jun/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). Regarding the regular number of working days, it was found on the ILO website (<https://ilostat.ilo.org/resources/concepts-and-definitions/description-wages-and-working-time-statistics/>) methodology for calculating the monthly minimum wage that considers the daily wage 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).

194. The information extracted was compared with the unofficial data source Labor Law Reporter (<https://labourlawreporter.com/minimum-wages-gujarat/>), and the salaries in force as of 04/1/2022 corresponded to those presented by petitioner. Considering that the Paycheck.in data source had also previously been used in the investigation of textured polyester yarn (SEI Opinion No. 11277/2022/ME), the use of such a source in the present investigation was considered appropriate.



195. The calculation was adjusted to consider the weighted average between the two periods found within P5 (according to the source indicated, 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.

196. Another adjustment made was in relation to the exchange rate, using the sales parity, instead of the purchase parity. Based on the average exchange rate of Indian Rupee x dollar at sales parity, published by the Central Bank of Brazil (INR 81.57) -, a monthly value of US\$ 116.81 was reached as labor.

197. When asked why the source for extracting the data relating to the minimum wage in India was different from the source used for other sources, the petitioner explained that the data relating to the minimum wage in India are not available available on the Trading Economics website, source of minimum wage data from other sources. It was verified that there was no data for India in the "Indicators", "Wages in Manufacturing", "World" tab, and it was not possible to find India among the available countries.

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

4.5.1.3 Other costs

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

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

India			
	Price (US\$/t)	Technical Coefficient	Cost (US\$/t)
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Labor	116.81	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
[CONFIG.]	-	[CONFIG.]	[CONFIG.]
Manufacturing Cost –		-	1,168.13

4.5.1.4 Expenses and profit margin

201. 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 It would be the largest Indian producer, and one of the largest in the world, of polyester fibers.

202. According to checked at the place electronic from the company (<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).

203. The summary of the company's results was obtained from its own financial report (attachment art_48h, presented by the petitioner). In this case, the report covers the fiscal year ending in March 2023, that is, it covers the period from April 2022 to March 2023. An adjustment was made to the calculation, bearing in mind that, similarly to the calculation carried out for Malaysia, despite the answer given by the petitioner to the SEI Supplementary Information Letter No. 7617/2023/MDIC regarding the "cost of materials consumed" item, it was considered unclear the correspondence between this item and the cost of product sold concept. Thus, the percentages were calculated based on sales revenue of products and used in the construction of normal value through the calculation methodology "calculation inside". Furthermore, according to note 30 to the company's Income Statement, the amount referring to "other expenses" includes manufacturing costs and VAT on sales, which must be disregarded, as the components of the manufacturing cost have already been considered in the previous items and there is no VAT charge on export operations. It was also found that the petitioner did not consider the financial expenses, which were included ex officio in the calculation. The specific data is reproduced in the table below:

Financial indicators of Reliance (year ending 31/03/2023), in crore

Heading	Values	Relationship
Revenue from product sales	856,770	-
Operating expenses (distribution and storage expenses, other expenses sales, establishment expenses, financial expenses)	98,161	11.5%
Operating profit	94,022	11.0%



4.5.1.5 The constructed normal value

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

NORMAL BUILT VALUE - India [CONFIDENTIAL]				
Headings		Price	Technical Coefficient	Unit cost of the product
		[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 1	[CONFIG.]	[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 2	[CONFIG.]	[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 3	[CONFIG.]	[CONF.]	[CONF.]	[CONFIG.]
(A) Raw Material 4	[CONFIG.]		[CONFIG.]	[CONFIG.]
(A) Raw Material 5	[CONFIG.]		[CONFIG.]	[CONFIG.]
(A) Raw Material 6	[CONFIG.]		[CONFIG.]	[CONFIG.]
(B) Direct Labor		116.81	[CONF.]	[CONFIG.]
(C) Other costs 1	Depreciation		[CONFIG.]	[CONFIG.]
(C) Other costs 2	Maintenance		[CONFIG.]	[CONFIG.]
(C) Other costs 3	Other CFs		[CONFIG.]	[CONFIG.]
(D) Production Cost (A+B+C)				1,168.13
(E) Operating Expenses* (calculation from within)			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

4.5.2 India's export price

205. 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 analysis of signs of dumping, that is, between July 2022 and June 2023.

206. The information regarding export prices was calculated based on the detailed data on Brazilian imports, made available by the Special Secretariat of the Federal Revenue of Brazil (RFB), of the Ministry of Finance, on FOB condition, excluding imports of products identified as not being the product under investigation.

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

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

4.5.3 India's dumping margin

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

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

210. The absolute and relative dumping margins found for India are presented below.



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

115. Therefore, for the purposes of initiating this investigation, it was found that India's dumping margin reached US\$206.93/t (two hundred and six US dollars and ninety-three cents per ton).

4.6 Conclusion on signs of dumping

211. The dumping margins previously determined, based on the information presented by the petitioner, duly adjusted according to the calculation methodology adopted, demonstrate the existence of signs of dumping in exports of polyester fibers from China, India, Vietnam and Malaysia and from Thailand to Brazil, carried out from July 2022 to June 2023.

5 OF IMPORTS, THE BRAZILIAN MARKET AND APPARENT NATIONAL CONSUMPTION

5.1 Imports

5.1.1 Cumulative assessment of imports

212. Art. 31 of Decree No. 8,058 of 2013 establishes that, when imports of a product from more than one country are simultaneously the subject of 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 country 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 total imports by Brazil of the product under investigation and the similar product, in accordance with § 2 of art. 31 of the Brazilian Regulation; It is

(iii) the cumulative assessment of the effects of those imports is appropriate taking into account the conditions of competition between imported products and the conditions of competition between imported products and the similar domestic product.

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

214. Furthermore, the individual volumes of imports originating in China, Vietnam, Thailand, Malaysia and India corresponded, respectively, to [RESTRICTED]%, [RESTRICTED]%, [RESTRICTED]%, [RESTRICTED]% and [RESTRICTED]% of the total imported by Brazil in P5, therefore not being characterized as an insignificant volume.

215. Regarding the conditions of competition between imported products or between the product under investigation and the similar domestic product, no policy was evidenced that affected them. Furthermore, he stated that the domestic industry is a commodity.

216. Therefore, it was considered appropriate, for the purposes of initiating the investigation, to cumulatively evaluate the effects of imports from all sources investigated.

5.1.2 Import volumes and values

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

218. The product subject to investigation is commonly classified in subitem 5503.20.90 of the NCM, in which, it should be noted, different products that do not belong to the scope of the petition can be classified. For this reason, the information contained in the official data was purified, in order to obtain the import volumes referring to the product subject to the petition, with products that did not correspond to the descriptions presented in item 2.1 of this document being disregarded. In spite of



(*) Other Sources Total	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
(except under analysis)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(17.1%)	32.4%	13.0%	(21.7%)	(2.9%)
Grand total	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
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	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
India	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Malaysia	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Thailand	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Vietnam	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Total (under analysis)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(13.9%)	(10.4%)	36.9%	(13.2%)	(8.3%)
South Korea [REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Colombia	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Argentina	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Indonesia	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Nigeria	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Taiwan (Formosa)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Too much origins (*)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Total (except under analysis)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(13.5%)	(5.8%)	22.8%	(1.7%)	(1.7%)
Grand total	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(13.9%)	(9.5%)	34.1%	(11.7%)	(7.7%)
(*) Too much origins:	South Africa, Germany, Belarus, Cambodia, Egypt, United Arab Emirates, United States United States, Honduras, Hong Kong, Italy, Mexico, Myanmar (Burma), Pakistan, Paraguay, United Kingdom, Singapore, Tanzania.					



222. 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, there is an increase total of 52.2% 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 (45.7%) and between P4 and P5 (39.9%).

223. The CIF value of Brazilian imports of polyester fibers from the investigated origins showed similar behavior, recording an increase in [RESTRICTED] from P1 to P5 or 39.5%.

224. Regarding the prices of imports from the investigated origins, considering the extremes of the analysis series, there was a reduction of 8.3%. The period that showed the greatest decrease was P1 to P2, a reduction of 13.9%. From P3 to P4, there was an increase of 36.9% in this variable.

225. In relation to the volume imported from other sources, there was a significant increase from P2 to P3 (40.5%), followed by decreases, from P3 to P4 (-8.0%) and from P4 to P5 (-20.3%). When considering the entire series analyzed, the volume of Brazilian imports of similar products from other origins showed reduction by 1.2%.

226. With regard to the value of total imports from other origins, it was observed alternation throughout the analyzed period, with a reduction of 2.9% in the total analyzed period. From period P2 for P3 there was a significant increase of 32.4%, offset by a reduction from P4 to P5, of 21.7%.

227. The price of other origins also showed similar behavior, with a decrease of 1.7% from P1 to P5.

228. During the period analyzed, there was an increase of 42.1% in the total volume of imports of polyester fibers into Brazil. Notably, imports originating from the origins investigated recorded a significant increase of 52.2%. In P5, imports from the investigated origins corresponded to approximately 87% of the total imported polyester fibers by Brazil.

229. When evaluating the variation in the value of total Brazilian imports during the period analyzed, there were successive increases from P2 onwards. The most relevant increase occurred from P2 to P3, equivalent to 30.9% in the period. In the period analyzed, there was an accumulated increase of 31.1% in P5 compared to P1.

230. The average price of total Brazilian imports of polyester fibers decreased 13.9% between P1 and P2 and, between P4 and P5, 11.7%. A significant increase was observed in P4, in relation to P3, 34.1%. When considering the extremes of the series, there was an accumulated reduction of 7.7%.

231. 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 signs of damage, except in P4, the period in which prices were similar (origins investigated - [RESTRICTED]/t and other origins - [RESTRICTED]/t).

5.2 The Brazilian market, apparent national consumption and the evolution of imports

232. To size the Brazilian market for polyester fibers, the following were considered: quantities sold, manufactured in-house, on 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 RFB, presented in the previous item.

233. Resales of imported products were not included in the sales column domestic imports as they are already included in the data relating to imports.

234. For the composition of apparent national consumption, the market Brazilian the volumes referring to the captive consumption of the domestic product similar to the object of investigation.



Brazilian Market, Apparent National Consumption and Evolution of Imports (in t)						
[RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Brazilian market						
Brazilian Market {A+B+C}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(6.8%)	37.4%	(12.6%)	6.1%	+ 18.8%
A. Inside Sales - Home Industry	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(13.9%)	25.5%	4.1%	(23.9%)	(14.4%)
B. Domestic Sales - Other Companies Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
C. Total	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Imports C1. Imports - Origins under Analysis	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(1.3%)	45.7%	(24.3%)	39.9%	+ 52.2%
C2. Imports - Other Origins Variation Share in the	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
	-	(4.2%)	40.5%	(8.0%)	(20.3%)	(1.2%)
Brazilian Market						
Participation of Industry Internal Sales Domestic {A/(A+B+C)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Participation in Internal Sales of Other Companies {B/(A+B+C)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Share of Total Imports {C/(A+B+C)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Share of Imports - Origins under Analysis {C1/(A+B+C)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Share of Imports - Other Origins {C2/(A+B+C)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Apparent National Consumption (CNA)						

CNA {A+B+C+D+E}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	-	(6.5%)	32.9%	(11.2%)	5.7%		+ 16.6%
D. Captive Consumption	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	-	(4.8%)	1.6%	1.7%	2.4%	+ 0.8%	
E. Industrialization for Third Parties (Tolling)	-	-	-	-	-	-	-
Variation	-	-	-	-	-	-	-
in Participation in Apparent National Consumption (CNA)							
Share of Internal Sales ID {A/(A+B+C+D+E)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Share of Total Imports {C/(A+B+C+D+E)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Share of Imports - Origins Investigated {C1/(A+B+C+D+E)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Share of Imports - Other Origins {C2/(A+B+C+D+E)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Share of Captive Consumption {D/(A+B+C+D+E)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Tolling Participation {E/(A+B+C+D+E)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Representativeness of Imports of Origins Under Analysis							
Share in the Brazilian Market {C1/(A+B+C)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
in participation in the CNA {C1/(A+B+C+D+E)}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Change in	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Share in Total Imports {C1/C}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
F. National Production Volume {F1+F2}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	-	(17.3%)	20.6%	3.7%	(14.8%)	(11.9%)	
F1. Production Volume - Domestic Industry Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
	-	(21.2%)	27.7%	4.2%	(19.8%)	(15.8%)	
F2. Production Volume - Other Companies Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Relationship	-	(4.8%)	1.6%	1.7%	2.4%	+ 0.8%	
with National Production Volume {C1/F}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	



235. There was a 6.8% reduction in the Brazilian market between P1 and P2. This decrease was accompanied by a reduction in imports, both those under analysis (1.3% reduction) and other origins (reduction of 4.2%). In P4 there was also a greater reduction in the Brazilian market (12.6%), in relation to P3, also accompanied by a reduction in imports from the investigated origins (24.3%) and of imports from other origins (8.0%).

236. When considering the entire period of analysis, there is an increase of 18.8% in the market Brazilian polyester fibers in P5 compared to P1. This result was strongly driven due to the increase in imports from the sources investigated throughout the period, which increased by 52.2%, taking into account the reduction in domestic sales of the domestic industry of 14.4%, as will be analyzed forward. Thus, the increase in total imports from the investigated origins exceeded the drop in sales domestic industry.

237. As explained previously, to measure apparent national consumption (CNA) of polyester fibers, the quantities corresponding to the captive consumption reported in the petition, with no volume related to industrialization being presented to third parties (tolling) for the period.

238. It was observed that the apparent national consumption of polyester fibers in Brazil showed trajectory similar to that of the Brazilian market, with a decrease from P1 to P2, followed by an increase in P2 for P3, a further drop from P3 to P4 and ending with an increase of 5.7% from P4 to P5. When considering all During the analysis period, the apparent national consumption of polyester fibers increased by 16.6% in P5, compared to P1, which represents a slightly less significant increase than the observed in the Brazilian market (18.8%).

239. With regard to captive consumption, there was a reduction only from P1 to P2, followed by successive increases in the remaining periods. Considering the entire period, captive consumption increased by 0.8%, thus explaining the apparent increase in national consumption that was slightly less significant than that observed in the Brazilian market.

240. It was observed that the share of total imports in relation to the Brazilian market increased, with the exception of P4, throughout the entire period of analysis, mainly due to the increase in imports from the investigated origins. From P1 to P5, there was an increase of [RESTRICTED] pp in the share of imports from the investigated origins in the Brazilian market, accompanied by a decrease in imports from other origins in the Brazilian market of [RESTRICTED] pp 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.

241. It was found that imports originating from the sources investigated represented [RESTRICTED] of the Brazilian polyester fiber market in P1, reaching [RESTRICTED]% in P5.

242. 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 complete period of analysis, that is, from P1 to P5, a growth of [RESTRICTED] pp was observed in the participation of the investigated origins in total Brazilian imports of polyester fibers.

243. It was noted that the share of total imports in the CNA increased [RESTRICTED] pp when considering the entire period (P1 to P5). At the same time, the participation in the CNA of imports from the investigated origins grew [RESTRICTED] pp between P1 and P5. The share of imports from other origins decreased [RESTRICTED] pp in the same period.

244. Finally, the relationship between imports from the investigated origins and the national production of polyester fibers increased successively throughout the researched period, except for an observed decrease of [RESTRICTED] pp in P4, in relation to P3, offset by the increase in 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 Conclusion regarding imports

245. Based on the data previously presented, it was concluded that:

a) During the period from P1 to P5, imports of polyester fibers from the investigated origins registered an accumulated growth of 52.2%. The most significant growth in imports from these origins occurred between P2 and P3 (45.7%) and between P4 and P5 (39.9%). In relation to the volume imported from other sources, when considering the entire series analyzed, there was a reduction of 1.2%. In P5, imports from the investigated origins corresponded to approximately 87% of the total imports of polyester fibers by Brazil;

b) In relation to import prices from the investigated origins, considering the extremes of the analysis series, there was a reduction of 8.3%, as a result of successive drops in all intervals, with the exception of P3 to P4. As for origins not investigated, a reduction in the prices of imported products was also observed in the period from P1 to P5 (1.7%). 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 signs of damage, 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 participation increased [RESTRICTED] pp;

d) Similarly, the share of imports from the investigated origins in apparent national consumption grew throughout the entire 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 participation reached [RESTRICTED] pp

e) The relationship between imports from the investigated origins and national production of polyester fibers showed a significant positive variation of [RESTRICTED] pp, from P1 to P5.



246. Given this scenario, there was an increase in imports from the sources investigated with prices with signs of dumping, whether in absolute terms, whether in relation to the Brazilian market or the apparent national consumption, highlighting, throughout the series, the increases observed from P2 to P3 and from P4 to P5. Furthermore, the imports subject to investigation were made at average CIF prices weighted lower than other Brazilian imports in all periods, except P4.

247. Regarding other origins, imported volumes were always lower than those originating from the sources investigated, with this difference becoming especially accentuated from P4 to P5.

6 ANALYSIS OF INDICATORS OF DAMAGE

248. In accordance with the provisions of art. 30 of Decree No. 8,058, of 2013, the damage analysis must be based on the objective examination of the volume of imports at prices showing signs of dumping, in its possible effect on the prices of similar products in the Brazilian market and the consequent impact of these imports on domestic industry.

249. As explained in item 5 of this document, for the purposes of the analysis relating to the determining the start of the investigation, the period from July 2018 to June 2023 was considered.

6.1 Domestic industry indicators

250. For an adequate assessment of the evolution of data in national currency, the current values based on the Broad Producer Price Index - Origin - Industrialized Products (IPA-OG-PI), from Fundação Getúlio Vargas, [RESTRICTED].

251. 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 price index Average prices of P5. This methodology was applied to all monetary values presented in reais.

252. It should be noted that the economic-financial indicators presented in this document refer exclusively to the production and sales of the domestic polyester fiber industry in the internal market, unless expressly provided otherwise.

6.1.1 Global evolution of the domestic industry

6.1.1.1 Sales indicators and participation in the Brazilian market and national consumption apparent

253. The following table presents, among other information, the sales of the domestic self-made polyester fibers, destined for the domestic market, as informed by petitioner. It should be noted that sales are presented net of returns.

Sales and Participation Indicators in the Brazilian Market and Apparent National Consumption (in t)						
[RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Sales Indicators						
A. Total Domestic Industry Sales	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(14.7%)	26.5%	4.6%		(26.1%) (16.6%)
TO 1. Sales in the Domestic Market	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(13.9%)	25.5%	4.1%		(23.9%) (14.4%)
A2. Sales in the Foreign Market	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(33.1%)	56.2%	16.9%	(68.8%)	(62.0%)
Brazilian Market and Apparent National Consumption (CNA)						
B. Brazilian Market	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(6.8%)	37.4%	(12.6%)	6.1%	+ 18.8%
C. CNA	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(6.5%)	32.9%	(11.2%)	5.7%	+ 16.6%
Representativeness of Sales in the Domestic Market						
Share in Total Sales {A1/A}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]



Participation in the Brazilian Market {A1/B}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Participation in the CNA {A1/C}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	
Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	

254. It was observed that there was a decrease in the total sales volume of polyester fibers between P1 and P5 (16.6%), showing a reduction between P1 and P2, of 14.7%, and from P4 to P5, of 26.1%. The sales total domestic industry achieved a volume of [RESTRICTED] tons in P5.

255. 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 a marked reduction of 68.8% compared to P4. It should be noted that external sales grew by P2 to P3, 56.2%, and from P3 to P4, 16.9%. Considering the extremes of the analysis series, it was observed accumulated reduction: 62.0%.

256. Sales destined for the domestic market increased from P2 to P3 and from P3 to P4, 25.5% and 4.1% respectively, and retraction in the other periods: 13.9% from P1 to P2 and 23.9% from P4 to P5. In the comparison between P1 and P5 there was a 14.4% drop in the total volume of sales in the market internal.

257. As explained in the previous section, the Brazilian market experienced an increase in 18.8% between P1 and P5. There was market growth of 37.4% from P2 to P3, and 6.1% from P4 to P5. At the In the remaining periods, there were decreases of 6.8% from P1 to P2 and 12.6% from P3 to P4.

258. 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 and P2, [RESTRICTED] pp decreased, [RESTRICTED] pp between P2 and P3 and [RESTRICTED] pp from P4 to P5. Considering the range from P1 to P5, there was a retraction of [RESTRICTED] pp

259. Regarding participation in apparent national consumption, a tendency was observed similar, registering an increase only from P3 to P4 and a reduction in the other periods. From P1 to P5, there was a decrease in [RESTRICTED] pp



6.1.1.2 Production, capacity and stock indicators

To calculate Ecofabril's nominal capacity, for each of the production lines, the The petitioner reported the following calculation, in response to the additional information letter: [CONFIDENTIAL]. The petitioner further clarified that the production bottleneck is [CONFIDENTIAL]. You calculations are presented below: [CONFIDENTIAL].

260. To calculate the effective capacity, the petitioner clarified that the [CONFIDENTIAL].

261. In the case of Indorama, the nominal capacity per production line was calculated based on [CONFIDENTIAL]. The calculations are shown below: [CONFIDENTIAL].

262. The effective capacity of the plants was calculated [CONFIDENTIAL]. The calculations are demonstrated below: [CONFIDENTIAL].

263. In the petition, the domestic industry provided data regarding production, capacity installed and the stock of polyester fibers throughout the period under analysis, as shown in the following table:

Production, Installed Capacity and Stock Indicators (in index number/t)						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Production Volumes						
A. Production Volume - Similar Product Variation B.	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Production	-	(21.2%)	27.7%	4.2%	(19.8%)	(15.8%)
Volume - Other Products Variation	100.0	90.8	99.8		107.6	104.1 [CONF.]
	-	(9.2%)	9.8%	7.9%		(3.3%) + 4.1%

C. Industrialization for Third Parties - Tolling Variation	-	-	-	-	-	-
Installed	-	-	-	-	-	-
Capacity (in index number/t)						
D. Effective Installed Capacity Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
E.	-	0.2%	(0.2%)	-	-	-
Occupancy Degree {(A+B)/D}	100.0	81.0		100.6	105.5	88.1
Stock	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation						
F. Stock	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(7.0%)	5.8%	(0.3%)	83.2%	+ 79.7%
G. Relationship between Stock and Production Volume (AND THE)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]

264. The production volume of similar products in the domestic industry showed a decrease 21.2% between P1 and P2, and 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 decrease in production volume of 15.8% from P1 to P5.

265. It was observed that the effective installed capacity revealed a positive variation of 0.2%, from P1 for P2, and negative 0.2% in P3, compared to P2, remaining constant when analyzing the entire period, from P1 to P5. In the same period - P1 to P5, the degree of occupancy of installed capacity decreased [CONFIDENTIAL] pp

266. The volume of polyester fiber stocks decreased by 7.0% between P1 and P2, increased by 5.8% between P2 and P3 and 83.2% between P4 and P5. From P3 to P4 there was a reduction of 0.3%. Considering the extremes of the series (P1 to P5), the volume of domestic industry inventories increased by 79.7%.

267. As a result of the variations presented, the stock/production ratio reached accumulated increase of [RESTRICTED] pp from P1 to P5.

6.1.1.3 Employment, productivity and wage bill indicators

268. The following table presents the values and variations related to employment, productivity and to the wage bill over the period under analysis:

Employment, Productivity and Wage Mass						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Employment (in index numbers)						
A. Number of Employees - Total Variation	100.0	98.7	97.7		103.5	90.4 [CONF.]
A1. Number of Employees - Production Variation	-	(1.3%)	(1.0%)	5.9%	(12.6%)	(9.6%)
A2. Number of Employees - Administration and Sales Variation	100.0	97.8	96.6	102.7	88.6	[CONF.]
	-	(2.2%)	(1.2%)	6.4%	(13.7%)	(11.4%)
	100.0	103.1	102.9	106.9	98.6	[CONF.]
	-	3.1%	(0.2%)	4.0%	(7.8%)	(1.4%)
Productivity (in index numbers)						
B. Productivity per Employee Production Volume (similar product) / {A1}	100.0	80.6	104.2	102.1	95.0	(8.98)
Variation	-	(19.4%)	29.3%	(2.0%)	(7.0%)	(5.0%)
Wage Mass (in index numbers)						
C. Wage Mass - Total	100.0	95.5		81.4	73.8	76.3 [CONFIG.]
Variation	-	(4.5%)	(14.8%)	(9.4%)	3.5%	(23.7%)
C1. Wage Mass - Production	100.0	84.8	76.2		69.1	73.1 [CONFIG.]
Variation	-	(15.2%)	(10.2%)	(9.4%)	5.9%	(26.9%)
C2. Salary Mass - Administration and Sales	100.0	132.1	98.9	89.8	87.3	[CONFIG.]
Variation	-	32.1%	(25.1%)	(9.2%)	(2.8%)	(12.7%)



269. The number of employees working on the production line decreased by 11.4% 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 a drop of 1.4% (the equivalent to [CONFIDENTIAL] job position). Thus, the total number of employees decreased by 9.6% ([CONFIDENTIAL] jobs).

270. Productivity per employee linked to production revealed a negative variation of 5.0% considering the entire investigation period, from P1 to P5.

271. The salary mass of employees linked to the production line, when considering the entire period of investigation of signs of damage, from P1 to P5, fell 26.9%, while the wage bill of employees in the administration and sales areas fell by 12.7%. As a result, the total wage bill, of P1 to P5, fell 23.7%.

6.1.2 Domestic industry financial indicators

6.1.2.1 Net revenue and weighted average prices

272. Initially, it is important to clarify that the net revenue of the domestic industry refers to net sales of self-produced polyester fibers, deducting rebates, discounts, taxes, returns and internal shipping costs.

Net Revenue and Weighted Average Prices						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Net Revenue (in index numbers)						
A. Total Net Revenue Change	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
TO 1. Net Revenue Domestic Market Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Share	-	(20.6%)	13.4%	8.6%	(23.7%)	(25.4%)
{A1/A}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
A2. Net Revenue Foreign Market Variation	100.0	57.7	83.6	107.8	28.6	[CONFIG.]
Share {A2/	-	(42.3%)	44.8%	28.9%	(73.5%)	(71.4%)
A}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Weighted Average Prices (in Reais/t)						
B. Price in the Domestic Market {A1/Market Sales Internal}	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(7.8%)	(9.6%)	4.4%	0.2%	(12.8%)
C. Price in the Foreign Market {A2/Sales in the External market}	100.0	86.3	80.1	88.3	75.1	[CONFIG.]
Variation	-	(13.7%)	(7.3%)	10.3%	(14.9%)	(24.9%)

273. Regarding the variation in net revenue from sales of polyester fibers in the domestic market, retractions were observed in P2 (20.6%) and P5 (23.7%) in the analysis of signs of damage, unlike P3 and P4 (increases of 13.4% and 8.6% respectively). When considering the extremes of the investigation (P1 to P5), the net revenue obtained from sales of polyester fibers in the domestic market decreased by 25.4%.

274. Regarding the variation in net revenue in the foreign market, there was a decrease in the comparison between P1 and P5, equivalent to 71.4%. Increases (P3 and P4) and declines (P2 and P5) were observed in the price of the external market throughout the damage analysis period.

275. Thus, considering the proportional relevance of sales in the domestic market in relation to total sales, total net revenue decreased by [CONFIDENTIAL]% from P1 to P5.

276. Average sales prices refer to self-manufactured sales and were obtained by the ratio between net revenues and quantities sold on the domestic and foreign markets, according to the case.



277. The average selling price of polyester fibers on the domestic market decreased by 7.8% from P1 to P2 and 9.6% from P2 to P3. In the other periods, an increase was observed: from P3 to P4 (4.4%) and from P4 to P5 (0.2%). Comparing P5 to P1, this price decreased by 12.8%.

278. The average sales price in the foreign market, in turn, reduced 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 24.9%.

6.1.2.2 Results and margins

279. The following table presents the income statement and profit margins associated, for the period of analysis, obtained from the sale of the similar product on 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 numbers)						
A. Net Revenue Domestic Market Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
	-	(20.6%)	13.4%	8.6%		(23.7%) (25.4%)
B. Cost of Product Sold - COGS	100.0	78.0	81.1	86.5	72.5	[CONFIG.]
Variation	-	(22.0%)	4.0%	6.7%		(16.2%) (27.5%)
C. Gross Profit {AB}	100.0	96.9	204.8	243.1	101.5	[CONF.]
Variation	-	(3.1%)	111.3%	18.7%		(58.3%) + 1.5%
D. Operating Expenses Variation	100.0	128.3	266.6	51.0	131.1	[CONFIG.]
D1.	-	28.3%	107.7%	(80.9%)	156.9%	+ 31.1%
General and Administrative Expenses D2.	100.0	185.1	508.8	136.2	138.8	[CONF.]
Sales Expenses	100.0	124.5	147.4	123.8	117.1	[CONFIG.]
D3. Financial Result (RF)	100.0	64.4	73.7	65.7	111.4	[CONFIG.]
D4. Other Operating Expenses (Income) (OD) - E. Operating Result		(100.0)	11.7	(22,568.3)	2,815.3	[CONF.]
{CD}	100.0	60.5	133.1	465.8	67.1	[CONFIG.]
Variation	-	(39.5%)	120.0%	249.9%	(85.6%)	(32.9%)
F. Operating Result (except RF) {C-D1-D2-D4}	100.0	61.6	116.6	354.3	79.4	[CONFIG.]
Result	-	(38.4%)	89.2%	203.9%	(77.6%)	(20.6%)
(except RF and OD) {C-D1-D2}	100.0	61.4	116.6	305.5	85.5	[CONFIG.]
Profitability	-	(38.6%)	89.9%	162.1%		(72.0%) (14.5%)
Margin Variation (in index numbers)						
H. Gross Margin {C/A}	100.0	122.2	227.8	250.0	136.1	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
I. Operating Margin (AND THE)	100.0	78.8	148.5	481.8	90.9	[CONFIG.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
J. Operating Margin (except RF) {F/A}	100.0	78.3	130.4	365.2	106.5	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
K. Operating Margin (except RF and OD) {G/A}	100.0	78.3	130.4	315.2	115.2	[CONFIG.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]

280. Regarding the income statement and associated profit margins, obtained with the sale of self-made polyester fibers on the domestic market, it should be noted that the revenue net sales in the domestic market increased from P2 to P3 and from P3 to P4, 13.4% and 8.6%, respectively. In the other periods, there was a drop: 20.6% in P2 and 23.7% in P5, in relation to immediately preceding periods, culminating in a 25.4% drop throughout the entire period analyzed.

281. COGS presented reductions of 22.0% from P1 to P2 and 16.2% from P4 to P5, while P2 to P3 and P3 to P4 this indicator showed increases of 4.0% and 6.7%, respectively. Considering the entire period analyzed, there was a drop of 27.5%.



282. From P1 to P2, the gross result decreased by 3.1% and the respective margin increased [CONFIDENTIAL] pp In P3, there was a recovery of these indicators in relation to P2, reaching the biggest increases in the series: the gross result increased by 111.3%, and the gross margin, [CONFIDENTIAL] pp In P4 there was still a positive variation of 18.7% in the gross result, in relation to P3, and the respective margin increased [CONFIDENTIAL] pp In P5, the gross result deteriorated again, falling by 58.3%, in relation to P4, while the gross margin fell [CONFIDENTIAL] pp Considering the extremes of series (P1 to P5), the gross result increased by 1.5% and the gross margin increased by [CONFIDENTIAL] pp

283. The operating result and operating margin of the domestic industry behaved similarly: decrease from P1 to P2 (39.5% and [CONFIDENTIAL] pp, respectively). In P4, had the best performance, and deteriorated in P5, in relation to P4 (drop of 85.6% in the result operational and [CONFIDENTIAL] pp in the respective margin), reaching the second worst level observed in the analysis series (only surpassing P2). Considering the entire investigation period, the result operating margin decreased by 32.9% and the operating margin, [CONFIDENTIAL] pp

284. Regarding the operating result, excluding financial results and respective margin, the best performance was observed in P4, with an abrupt reduction from P4 to P5. Considering P5 in relation to P1, a 20.6% drop in operating income was observed excluding the results and an increase of [CONFIDENTIAL] pp in the respective margin.

285. The operating result excluding financial income and expenses and other income and operating expenses and the respective margin also reached their best level in P4, deteriorating in P5. Between P1 and P5, a 14.5% drop in this result was observed, while the respective margin showed an increase of [CONFIDENTIAL] pp

Income Statement in the Domestic Market by Unit (R\$/t / index numbers)						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
A. Net Revenue Domestic Market Variation	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
	-	(7.8%)	(9.6%)	4.4%	0.2%	(12.8%)
B. Cost of Product Sold - COGS	100.0	90.6	75.1	76.9	84.8	[CONFIG.]
Variation	-	(9.4%)	(17.1%)	2.5%	10.2%	(15.2%)
C. Gross Profit {AB}	100.0	112.5	189.5	216.2	118.6	[CONF.]
Variation	-	12.5%	68.4%	14.1%	(45.1%)	+ 18.6%
D. Operating Expenses Variation	100.0	149.0	246.7	45.4	153.2	[CONF.]
	-	49.0%	65.5%	(81.6%)	237.6%	+ 53.2%
D1. General and Administrative Expenses D2.	100.0	214.9	470.8	121.1	162.3	[CONF.]
Sales Expenses	100.0	144.6	136.4	110.1	136.9	[CONF.]
D3. Financial Result (RF)	100.0	74.8	68.2	58.4	130.2	[CONF.]
D4. Other Operating Expenses (Income) (OD)	-	(100.0)	9.4	(17,285.8)	2,834.3	[CONF.]
E. Operating Result {CD}	100.0	70.2	123.2	414.2	78.4	[CONFIG.]
Variation	-	(29.8%)	75.4%	236.2%	(81.1%)	(21.6%)
F. Operating Result (except RF) {C-D1-D2-D4} 100.0 71.5 Variation			107.9	315.0	92.8	[CONFIG.]
Result	-	(28.5%)	50.8%	192.1%	(70.5%)	(7.2%)
(except RF and OD) {C-D1-D2} 100.0 71.3 Variation			107.9	271.7	100.0	[CONF.]
	-	(28.7%)	51.4%	151.8%	(63.2%)	(0.0%)

286. Unit COGS fluctuated throughout the analysis period: there was an increase of 2.5% between P3 and P4 and 10.2% from P4 to P5. From P1 to P2 there was a decrease of 9.4% and 17.1% from P2 to P3. Over During the period of analysis of signs of damage, there was a negative variation of 15.2% from P1 to P5.

287. Regarding 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 45.1%. Considering all the time series (P1 to P5), there was an increase of 18.6%.

288. Regarding the unit operating result, reductions were recorded from P1 to P2, from 29.8%, and from P4 to P5, 81.1%. From P2 to P3 there was a positive variation of 75.4% and, from P3 to P4, 236.2%. These positive variations were not able to reverse the reductions when considering the extremes



of the series, with the unit operating result showing a decline of 21.6% from P1 to P5.

289. The unit operating result excludes the financial result and the operating result exclusive unit, the financial result and other operating expenses/revenues presented similar behavior, with negative variations in P2 and P5, in relation to the periods immediately preceding. Considering the entire period of analysis of signs of damage, the result exclusive unitary operational result, the financial result showed a reduction of 7.2%, while the operating unit excluding the financial result and other operating expenses/revenues remained stable.

6.1.2.3 Cash flow, return on investment and ability to raise funds

290. Regarding the next indicators to be analyzed, it should be noted that refer to the total activities of the domestic industry and not just operations related to fiber fibers. polyester.

Cash Flow, Return on Investment and Capacity to Raise Funds						
[CONFIDENTIAL]						
	P1	P2	P3	P4	P5	P1 - P5
Cash Flow (in index numbers)						
A. Cash Flow	(100.0)	1,065.2	(38.3)	2,350.7	(3,350.1)	[CONFIG.]
Variation	-	1,165.2%	(103.6%)	6,239.6%	(242.5%)	(3,250.1%)
Return on Investment (in index numbers)						
B. Net Income	100.0	121.8	1,344.4	1,496.7	(176.2)	[CONFIG.]
Variation	-	15.5%	746.4%	(7.8%)	(111.6%)	(204.3%)
C. Total Assets	100.0	107.7	166.7	254.9	189.2	[CONFIG.]
Variation	-	2.2%	18.6%	26.7%	(27.1%)	+ 12.0%
D. Return on Investment Total (ROI)	100.0	113.0	806.3	587.2	(93.1)	[CONFIG.]
Variation	[CONF.]	[CONF.]	[CONFIG.]	[CONFIG.]	[CONFIG.]	[CONFIG.]
Capacity to Raise Resources (in index numbers)						
E. General Liquidity Index (ILG) (100.0)		(57.9)	(123.3)	(86.6)	(69.3)	[CONFIG.]
Variation	-	42.1%	(112.8%)	29.7%	20.0%	+ 30.7%
F. Current Liquidity Index (ILC)	100.0	(28.3)	(51.4)	(38.6)	(18.8)	[CONFIG.]
Variation	-	(128.3%)	(81.5%)	25.0%	51.2%	(118.8%)
Note: ROI = Net Profit / Total Assets; ILC = Current Assets / Current Liabilities; ILG = (Current Assets + Long-Term Realizable Assets)/(Current Liabilities + Non-Current Liabilities)						



291. There was a retraction in the cash flow related to the total activities of the domestic industry of 3,250.1% throughout the period of analysis of signs of damage. An increase was observed from P1 to P2, from 1,165.2%, and from P3 to P4, 6,239.6%. However, from P2 to P3 and from P4 to P5 there was a reduction of 103.6% and 242.5% respectively.

292. Regarding return on investment, there was a retraction when considering the extremes of the series, from P1 to P5, from [CONFIDENTIAL] pp, with the biggest drop occurring from P4 to P5 ([CONFIDENTIAL] pp) and there is a positive variation between the periods from P1 to P2 and between P2 and P3, of [CONFIDENTIAL] pp and [CONFIDENTIAL] pp, respectively.

293. Regarding the ability to raise funds, the General Liquidity Index (ILG) presented positive variations throughout the analysis series: 42.1% in P2, 29.7% in P4 and 20.0% in P5, presenting negative variation in P3 (112.8%), always in relation to the previous period. Considering the extremes, the ILG changed positively by 30.7%. Regarding the Current Liquidity Index (ILC), the indicator decreased from P1 to P2 and from P2 to P3, by 128.3% and 81.5%, respectively. In the remaining periods, it varied positively in 25.0%, from P3 to P4, and in 51.2% from P4 to P5. Considering the extremes of the series, the ILC changed negatively by 118.8%.

6.1.2.4 Growth of domestic industry

294. Domestic industry domestic sales decreased by 14.4% 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 registered an increase were between P2 and P3 (25.5%) and from P3 to P4 (4.1%).

295. The Brazilian market saw a retraction from P1 to P2 and from P3 to P4, recording decreases 6.8% and 12.6%, respectively. In the other periods, increases of 37.4% were observed, from P2 to P3, and 6.1%, from P4 to P5. Considering the extremes of the series, the Brazilian market showed an increase in 18.8%.

296. The participation of the domestic industry 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 other periods, drops of [RESTRICTED] pp, [RESTRICTED] pp and [RESTRICTED] pp were observed, in chronological order. In this way, the participation of the domestic industry in the Brazilian market decreased [RESTRICTED] pp in P5 compared to P1.

297. Given the evolution of the indicators presented above, it is concluded that the industry household declined throughout the damage analysis period, whether in absolute terms or in relation to the Brazilian market.

6.1.3 Factors that affect domestic prices

6.1.3.1 Costs and cost/price relationship

298. The following table presents 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 period of analysis.

Costs and the Cost/Price Relationship						
[CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Production Costs (in R\$/t)						
Production Cost (in R\$/t) {A + B}	100.0 86.5		75.0	77.5	82.8	[CONFIG.]
Variation	-	(13.5%)	(13.3%)	3.4%	6.8%	(17.2%)
A. Variable Costs	100.0 85.9		76.7	79.8	84.8	[CONFIG.]
TO 1. Feedstock	100.0 82.2		75.4	78.4	84.1	[CONFIG.]
A2. Other Inputs	100.0 99.7		93.8	97.9	107.4	[CONF.]
A3. Utilities	100.0 99.8		83.3	100.1	91.6	[CONFIG.]
A4. Other Variable Costs	100.0 101.7	73.7		66.2	72.2	[CONFIG.]
B. Fixed Costs	100.0 93.0		57.6	54.1	62.2	[CONFIG.]
B1. B2 Depreciation.	100.0 110.6	52.1		47.9	56.2	[CONFIG.]
Maintenance	100.0 107.1		77.4	67.6	82.7	[CONFIG.]
B3. Other Fixed Costs	100.0 72.5		43.1	45.3	47.4	[CONFIG.]
Unit Cost (in R\$/t and index numbers) and Cost/Price Relationship (in index numbers)						
C. Unit Production Cost Variation D.	100.0 86.5		75.0	77.5	82.8	[CONFIG.]
Price in	-	(13.5%)	(13.3%)	3.4%	6.8%	(17.2%)
the Domestic Market	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Variation	-	(7.8%)	(9.6%)	4.4%	0.2%	(12.8%)
E. Cost / Price Ratio {C/D}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]

299. 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 13.3%. From P3 to P4 the cost unit increased by 3.4% and, from P4 to P5, by 6.8%.

300. The relationship between the production cost 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). To the considering the period as a whole (P1 to P5), the relationship between production cost and price reduced by [CONFIDENTIAL] pp



6.1.3.2 Comparison between the price of the product under analysis and the similar national price

301. The effect of imports at prices with signs of dumping on domestic industry prices must be assessed under three aspects, as provided for in § 2 of art. 30 of Decree No. 8,058, of 2013. Initially, the existence of significant undercutting of the price of the imported product at prices with signs of dumping in relation to the similar product in Brazil must be verified, that is, if the domestic price of the product under investigation is lower to the price of the Brazilian product. Next, a possible price depression is examined, 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.

302. In order to compare the price of polyester fibers imported from the investigated origins with the average sales price of the domestic industry in the domestic market, the domestic CIF price of the product imported from these origins in the Brazilian market was calculated. The sales price of the domestic industry on the domestic market was obtained by the ratio between net revenue, in updated reais, and the quantity sold, in tons, on the domestic market during the period of investigation of signs of damage.

303. To calculate the domestic prices in Brazil of the product imported from China, India, Malaysia, Thailand and Vietnam, the total import values of the product under investigation were considered, in CIF condition, in reais, obtained from Brazilian import data, provided by RFB.

To these values were added: a) Import Tax (II), considering the values actually collected; b) the Freight Additional for Merchant Marine Renewal (AFRMM); and c) the unit values of hospitalization expenses, considering the percentage of 1.77% on the CIF value, as suggested by the petitioner, since it was adopted by the investigating authority within the scope of SEI Opinion no.

11277/2022/ME, regarding the investigation of the practice of dumping in exports from China and India to Brazil of textured synthetic polyester filament yarns.

304. The AFRMM was calculated at the rate of 25% of the value of international freight until the entry into force of Law No. 14,301, of January 7, 2022. Subsequently, the rate of 8% was adopted on the same calculation basis.



305. 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.

306. Finally, each total value mentioned above was divided by the total volume of imports subject to investigation, in order to obtain the value per ton of each of these headings, and the sum of the unit headings was carried out, arriving at the CIF domestic price of the investigated imports.

307. The internal prices of the product from the investigated origins, thus obtained, were updated based on the IPA-OG-Produtos Industriais, in order to obtain the updated values in reais and compare them with domestic industry prices.

308. The following table demonstrates the calculations performed and the undercutting values obtained for each period of investigation of signs of damage.

Average CIF domestic price and undercutting - China, Thailand, Vietnam, Malaysia and India [RESTRICTED]					
	P1	P2	P3	P4	P5
CIF price (R\$/t)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Import Tax (R\$/t)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
AFRMM (R\$/t)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Hospitalization expenses (R\$/t) [1.77%]	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
CIF Internal (R\$/t)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Updated Internal CIF (R\$/t) (A)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]
Updated Domestic Industry Price (R\$/t) (B) [REST.] [REST.] [REST.]	[REST.]	[REST.]			
Undercutting (BA) updated (R\$/t)	[REST.]	[REST.]	[REST.]	[REST.]	[REST.]

309. From the analysis of the previous table, it was found that the weighted average price of the imported product from the investigated origins, imported into Brazil, was undercut in relation to the price of the domestic industry only during the last period analyzed, P5. In other periods, there was overpricing.

310. Regarding the average sales prices of the domestic industry, there was initially a 7.8% drop in price, from P1 to P2. Then there was a further drop of 9.6% from P2 to P3. Subsequently, there was an increase of 4.4% from P3 to P4. Finally, a small increase of 0.2% from P4 to P5 was observed. Considering the extremes of the series, there was a fall in the sales price on the domestic market of around 12.8%, thus resulting in a depression in these prices.

311. It is worth noting that there was a suppression of domestic industry sales prices only from P4 to P5, a period in which, despite the 6.8% increase in cost, the petitioner increased the price by only 0.2%.

312. The relationship between the production cost and the sales price of the domestic industry on the domestic market, with the exception of P4 to P5 when it increased [CONFIDENTIAL] pp, recorded a drop in the other periods: from [CONFIDENTIAL] pp between P1 and P2, of [CONFIDENTIAL] pp between P2 and P3 and of [CONFIDENTIAL] pp between P3 and P4. Considering the extremes of the series, it was found that the average production cost fell by 17.2%, resulting in a negative variation in this relationship of the order of [CONFIDENTIAL] pp

313. It should be noted that the cost/price ratio was [CONFIDENTIAL], reaching [CONFIDENTIAL]% in P1, a situation that must be clarified during the investigation, and that the evidence provided in relation to the cost, presented as annexes to the petition, will be checked during the on-site verification with the domestic industry, in order to certify the accuracy of the information provided by the petitioner.

6.1.3.3 The magnitude of the dumping margin

314. The aim was to assess the extent to which the magnitude of the dumping margin from the investigated origins affected the domestic industry. To this end, we examined what the impact would be on domestic industry prices if exports of the product under investigation to Brazil had not been carried out at prices showing signs of dumping.



315. To this end, the normal value used to calculate the dumping margin was used, in US dollars per ton, and the international freight and insurance values obtained from data on Brazilian imports of polyester fibers originating from China, India, Malaysia, Thailand, Vietnam. In this way, the CIF value was obtained.

316. The amounts of international freight and insurance and AFRMM were calculated based on actual data obtained from the RFB, and it is important to emphasize that it was taken into account that the AFRMM does not apply to certain import operations, such as, for example, via air transport, those destined for the Manaus Free Trade Zone and those carried out under the special drawback regime. Based on these data, the import tax rate in force at P5 for the origins investigated was determined, as well as its weighted average, which was multiplied by the normal value on a CIF basis.

317. Hospitalization expenses were calculated at the rate of 1.77% of the CIF value.

318. Thus, adding the normal value on a CIF basis with the import tax values, AFRMM and hospitalization expenses, the normal value was reached in the CIF hospitalized condition.

319. In turn, the price of the similar product from the domestic industry was converted from Brazilian real (R\$) to United States dollar (US\$) using the average exchange rate of P5 (R\$5.16/US\$), calculated based on data released by the Central Bank of Brazil (Bacen), respecting the conditions established in art. 23 of Decree No. 8,058, of 2013.

320. Considering the normal internal value determined, that is, the minimum price at which the product under investigation would be sold to Brazil in the absence of dumping, Brazilian imports from the investigated origins would be imported into the Brazilian market at the values shown in the table Next:

[RESTRICTED]	
Imported volume (t)	109,984.32
Normal delivered value (US\$/t)	1,453.15
International freight (US\$/t)	[REST.]
International insurance (US\$/t)	[REST.]
CIF normal value (US\$/t)	[REST.]
Import tax (US\$/t)	[REST.]
AFRMM (US\$/t)	[REST.]
Hospitalization expenses (US\$/t)	[REST.]
CIF normal value admitted (US\$/t) [A]	[REST.]
Domestic Industry Price (US\$/t) [B] [REST.]	
Magnitude (US\$/t) [A - B]	[REST.]

321. Based on the methodology described above, it was concluded that the normal value of the origins under analysis, on a CIF basis, internalized in Brazil, would exceed the ex-factory domestic industry price in US\$ [RESTRICTED] by P5.

322. Thus, when comparing the internal normal value obtained above with the ex-factory price of the domestic industry at 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 Conclusion on signs of damage

323. From the analysis of domestic industry indicators, it was observed that, with the exception of the period from P2 to P3 and from P3 to P4, the domestic industry's domestic market sales volume decreased, which resulted in a drop of 14.4% when considering the extremes of the analysis series.

324. This significant drop in domestic industry sales from P1 to P5 occurred in the same scenario in which the Brazilian market expanded by 18.8%. Considering that, simultaneously with this movement, the domestic industry's domestic sales reduced significantly, there was a loss of [RESTRICTED] pp of share in the Brazilian market between P1 and P5, reaching [RESTRICTED]% share in P5, lower threshold of the damage analysis period.



325. Regarding the production volume of polyester fibers produced by the domestic industry, an increase was observed from P2 to P3 (27.7%), and from P3 to P4 (4.2%), with a drop in the other periods, culminating in a reduction between P1 and P5 of 15.8%.

326. Installed capacity remained constant, remaining at the same level during the analyzed period, and the degree of occupancy of installed capacity decreased [CONFIDENTIAL] pp, reaching [CONFIDENTIAL] % in P5.

327. Regarding the volume of polyester fiber stocks, there were reductions of 7.0% from P1 to P2 and 0.3% from P3 to P4. There was an increase of 5.8% between P2 and P3 and 83.2% from P4 to P5. These combined variations resulted in an increase of 79.7% when considering the extremes of the series (P1 to P5). As a result, the stock/production ratio increased [RESTRICTED]pp in P5 compared to P1.

328. Regarding employees in the production lines of similar products in the domestic industry, there was a reduction of 11.4% between P1 and P5 and the production wage bill fell by 26.9%. The number of employees responsible for administration and sales decreased by 1.4%, while the respective wage bill fell by 12.7%.

329. It was found that the price of similar products from the domestic industry showed a more significant decline between P2 and P3 (9.6%). When considering the extremes of the series, domestic industry prices fell by 12.8%, representing a depression in these prices.

330. It was also found that the unit production cost presented reductions between P1 and P2 (13.5%) and between P2 and P3 (13.3%). In the other periods, there was an increase of 3.4% between P3 and P4 and 6.8% between P4 and P5. When considering the period for analyzing signs of damage, the production cost was reduced by

17.2%. In P5, in parallel with a 6.8% increase in production costs, there was a 0.2% increase in the price on the domestic market, characterizing a suppression movement. In P5, compared to P1, there was an improvement in the production cost/sales price ratio ([CONFIDENTIAL] pp).

331. Regarding the income statement and associated profit margins obtained from the sale of self-made 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 price increase in proportion to the increase in cost prevented the recovery of financial indicators.

332. Considering the extremes of the series, that is, between P1 and P5, the gross result increased by 1.5%, while the operating result fell by 32.9% and there was also a drop in the operating results excluding financial results and operating results excluding financial results and other operating expenses/revenues, of 20.6% and 14.5%, respectively.

333. Regarding profit margins, when considering the entire period analyzed, the gross margin increased [CONFIDENTIAL] pp, the operating margin decreased [CONFIDENTIAL] pp, the operating margin excluding financial result increased [CONFIDENTIAL] pp and the operating margin exclusive financial result and other operating expenses/income increased by [CONFIDENTIAL] pp

334. 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 25.4% between P1 and P5.

335. Still regarding the effects of imports at prices with signs of dumping on domestic industry prices, it is important to note that the weighted average price of the imported product from the investigated origins admitted to Brazil was undercut in relation to the domestic industry price only during the last period analyzed, P5. In other periods, there was overpricing.

336. In addition to the analyzes above, it is important to consider that the deterioration of economic-financial resources is especially significant from P1 to P2 and from P4 to P5. However, the damage observed from P1 to P2 was, in general, compensated by improvements in the two subsequent intervals, that is, from P2 to P3 and from P3 to P4.

337. In the last interval (P4 to P5), there was a drop in sales volume (23.9%), in production volume (19.8), in the degree of occupancy of installed capacity ([CONFIDENTIAL] pp), in net revenue (23.7%), in gross result (58.3%), in gross margin ([CONFIDENTIAL] pp), in operating result (85.6%), in operating margin ([CONFIDENTIAL] pp), in the operating result, excluding financial expenses and income, and in the respective margin (77.6% and [CONFIDENTIAL] pp, in that order), in the operating result, excluding financial expenses and income and other operating expenses and income, and in the respective margin (72% and [CONFIDENTIAL] pp, in that order), in the number of employees in all areas (production, administration and sales) and in the wage bill related to administration and sales (2.8%).

338. Furthermore, there was an accumulation of stocks (83.2%), causing an increase in the ratio stock/production ([RESTRICTED] 11 pp).

339. Regarding the sales price in the domestic market, although there was an increase of 0.2%, this did not follow the increase in the unit cost of production (6.8%), leading to an increase of [CONFIDENTIAL] pp in the cost ratio /price.

340. Finally, it is worth highlighting that the cost/price relationship [CONFIDENTIAL]. For the others periods, the best result achieved with the indicator corresponded to [CONFIDENTIAL] %.

341. For all of the above, it was observed that the domestic industry showed a deterioration in financial indicators, which was consolidated throughout the analyzed period, especially from P4 to P5.

Therefore, for the purposes of beginning the investigation, it can be concluded that there is evidence of damage to the domestic industry.

7 OF CAUSALITY

7.1 The impact of dumped imports on the domestic industry

342. According to 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 investigation contributed significantly to the damage experienced by the domestic industry.



343. In view of the indicators analyzed in items 5 (imports) and 6 (damage), it is worth highlighting that, in general, signs of damage to the domestic industry caused by imports originating in China, India, Malaysia, Thailand and Vietnam throughout the period analyzed.

344. The volume of Brazilian imports of polyester fibers from the investigated origins showed an accumulated increase of 52.2% in the period between P1 and P5.

345. Between P1 and P2, there was a 1.3% reduction in imports from the investigated origins, accompanied by a 13.9% price reduction, in the CIF condition. In the referenced periods, P1 and P2, imports entered the Brazilian market at over-quoted prices in relation to the prices charged by the domestic industry. During the period, even with the observed reduction, such imports gained [RESTRICTED] pp and [RESTRICTED] pp of share in the Brazilian market and in the CNA, respectively.

346. Simultaneously, the domestic industry lost share in the Brazilian market and in the CNA ([RESTRICTED] pp and [RESTRICTED] pp, respectively), accompanied by a 13.9% reduction in sales in the domestic market. The production volume of the domestic industry also decreased (21.2%), as did the net revenue of the domestic market (20.6%), with a [CONFIDENTIAL] pp decrease in the level of occupancy of installed capacity. As for stocks, there was a reduction of around 7.0%, resulting, however, in an increase in the stock/production ratio by [RESTRICTED] pp, as production decreased in a proportion lower than the level of stocks.

347. In terms of financial indicators, there was a reduction in price (7.8%), associated with a decrease in unit production cost (13.5%), generating an improvement in the cost/price ratio, which was reduced in [CONFIDENTIAL] pp

348. Regarding domestic industry result indicators, in parallel with the small drop in imports investigated from P1 to P2, there were reductions: 3.1% in gross result; 39.5% in operating results; 38.4% in operating results except financial results and 38.6% in operating results except financial results and other operating income and expenses.

349. 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).

350. In the following period (from P2 to P3), it was observed that the volume of imports from the investigated origins grew significantly, by 45.7%, the highest level of growth observed during the period analyzed. The CIF price of these imports continued on a downward trend: 10.4%.

351. As a consequence, imports from the investigated origins increased the share in the Brazilian market and in the CNA in the order of [RESTRICTED] pp and [RESTRICTED] pp, respectively.

352. At this juncture, the domestic industry decreased its price again (9.6%), to a lesser extent than the sources investigated. During this period, there was an increase in the volume of domestic sales, by 25.5%. Even so, given the high increase in imports from the investigated origins, there was a loss in share in the Brazilian market ([RESTRICTED] pp) and in the CNA ([RESTRICTED] pp).

353. From P2 to P3, there was an accumulation of stocks (5.8%), accompanied by an increase in the volume of production in 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 occupancy of installed capacity increases, in turn, [CONFIDENTIAL] pp

354. Net revenue in the domestic market of the domestic industry increased by 13.4%, as consequence of the increase in internal sales volume (25.5%).

355. Unlike the previous interregnum, 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 cost of production (13.3%) in a proportion greater than the decrease in the sales price (9.6%), combined with the increase in volume sold in the domestic market (25.5%). All result indicators increased



considerable: 111.3% in gross result; 120.0% in operating income; 89.2% in operating results except financial results and 89.9% in operating results except financial results and other operating income and expenses.

356. All profitability indicators - gross margin, operating margin, operating margin except financial result and operating margin except financial result and other operating income and expenses - also increased: [CONFIDENTIAL] pp, [CONFIDENTIAL] pp, [CONFIDENTIAL] pp and [CONFIDENTIAL] pp, respectively.

357. In the subsequent period, from P3 to P4, there was a significant increase in the CIF price of the imports investigated (36.9%), while the domestic industry also promoted an increase, but to a lesser extent, in the price charged on the domestic market (4.4%). In both periods, overquotes continued to be observed, with the difference between prices reaching P4 [RESTRICTED] (R\$/t), the second highest level after P1 [RESTRICTED] (R\$/t).

358. Opposite to the previous interval, in this interval there was a reduction in the volume imported from the investigated origins (24.3%). As a result, this was the only interval in which there was a reduction in the share of these imports in the Brazilian market, by [RESTRICTED] pp, starting to occupy [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).

359. Domestic sales in the domestic industry increased by 4.1%, accompanied by an increase in the price charged by 4.4%. The range showed an increase in production costs of around 3.4%, which led to a reduction of [CONFIDENTIAL] pp in the cost/price ratio.

360. Production increased by 4.2%, as well as a small reduction in the level of stocks (0.3%). The stock/production ratio decreased [RESTRICTED] pp, with the degree of occupancy of installed capacity increasing by [CONFIDENTIAL] pp

361. Regarding financial indicators, this was the best range for the domestic industry, with an improvement in all indicators: net revenue in the domestic market at 8.6%, gross result at 18.7%, operational result at 249.9%), operating result except financial result at 203.9%, operating result except financial result and other operating income and expenses at 162.1%, gross margin ([CONFIDENTIAL] pp), 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).



362. The balance of the DRE item [CONFIDENTIAL] should be highlighted. Throughout the investigation, look for We will delve deeper into the reasons that led to such behavior.

363. Finally, in the period from P4 to P5, imports from the investigated origins accentuated the growth trajectory, increasing 39.9%, which culminated in [RESTRICTED]t of polyester fibers imported from these origins, the highest volume recorded in the period analyzed.

364. Thus, the investigated imports had an increase in participation in the Brazilian market by [RESTRICTED] pp, the greatest increase observed during the analyzed period, while the domestic industry reached the lowest level of participation in the same market during the analyzed period ([RESTRICTED] %), decreasing [RESTRICTED] pp in share in the Brazilian market and [RESTRICTED]pp in CNA.

365. The CIF price of imports of the product under investigation fell by 13.2% in the period analyzed. The price charged by the domestic industry in the domestic market had a small increase of 0.2%, accompanied by an increase in the cost of production, in the order of 6.8% and an increase of [CONFIDENTIAL] pp in the cost/price ratio.

366. The last period analyzed was the only one that showed undercutting, in an amount of [RESTRICTED] R\$/t. It is worth noting that this variable showed a substantive increase in relation to the previous period, in the order of 146.6%.

367. Production from P4 to P5 also showed the second biggest drop in the period analyzed, decreasing by 19.8%. There was an accumulation of stocks of around 83.2%, with an increase in the stock/production ratio of [RESTRICTED] pp

368. Regarding financial and profitability indicators, the biggest drop in net revenue in the domestic market was observed in the period investigated: 23.7%. All result and profitability indicators suffered significant drops: gross result (58.3%), operating result (85.6%), operating result except financial result (77.6%), operating result except financial result and other income and operating expenses (72.0%), gross margin ([CONFIDENTIAL] pp), 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).

369. It was found that, from P1 to P5, the total CIF value of imports from the investigated origins increased by 39.5%, while the CIF price of these imports reduced by 8.3%. The respective volume grew 52.2%, as previously mentioned. Given the expansion of the Brazilian market (18.8%) and the CNA (16.6%), the share of these imports grew [RESTRICTED] pp and [RESTRICTED] pp, respectively, remaining overpriced throughout P1 to P4 and becoming if undercut by P5.

370. The domestic industry responded by contracting its sales price by 12.8%. Considering the concomitant reduction in its unit production cost of 17.2%, there was a reduction of [CONFIDENTIAL] pp in the cost/price ratio.

371. In the period analyzed, the domestic industry lost 14.4% of its domestic sales volume, while the market grew 18.8% and the CNA, 16.6%. Thus, the domestic industry lost [RESTRICTED] pp of share in the Brazilian market and [RESTRICTED] pp in the CNA. As a consequence of the drop in both price and domestic sales volume, the domestic industry's net revenue on the domestic market fell by 25.4%.

372. Given the reduction in total COGS of 27.5%, the gross result of the domestic industry increased by 1.5%. Operating results, operating results excluding financial income and expenses and operating results excluding financial income and expenses and other operating expenses and income were reduced, respectively: 32.9%, 20.6% and 14.5%.

373. The associated profit margins varied relatively little from P1 to P5, 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).



374. In view of the above, for initial purposes, there are signs of deterioration in the economic-financial indicators of the domestic industry concomitantly with a significant increase in the volume of imports of the product under investigation, with special emphasis on the interval between P4 and P5 .

7.2 Possible other factors causing damage and non-attribution

7.2.1 Import volume and price from other sources

375. From the analysis of Brazilian imports of polyester fibers, it was found that imports from other origins only increased from P2 to P3, by 40.5%. In the other periods, consecutive falls were recorded.

376. Between P1 and P2, the volume of total imports of polyester fibers decreased by 1.8%. While imports from the investigated origins decreased by 1.3%, imports from other origins decreased even more significantly, by 4.2%. Still during this period, the share of imports investigated in the Brazilian market went from [RESTRICTED] % to [RESTRICTED] %, while that of other origins remained practically at the same level, varying from [RESTRICTED] % to [RESTRICTED] %.

377. In P1, imports from other origins represented [RESTRICTED]% of total Brazilian imports of polyester fibers, while those from the investigated origins, [RESTRICTED]%. In P2, the imports investigated began to represent [RESTRICTED]% of the total imported, while the other origins, [RESTRICTED]%

378. From P2 to P3, there is a significant increase of 40.5% in imports from other origins, however, accompanied by an increase in imports from the investigated origins, by 45.7%, followed by successive drops in imports from other origins of 8.0% from P3 to P4 and from

20.3% from P4 to P5 (a period, in fact, in which the damage suffered by the domestic industry intensifies). When considering the extremes of the series, these imports decreased by 1.2%.

379. This behavior could also be observed in the representation of imports in the total volume of polyester fibers imported by Brazil: in P3, uninvestigated imports were equivalent to [RESTRICTED] %, decreasing to [RESTRICTED] % in the last period of analysis (P5) .

380. The share of imports from uninvestigated origins in the Brazilian market increased slightly from P2 to P3 ([RESTRICTED] pp) and from P3 to P4 ([RESTRICTED]pp). From P4 to P5, there was a drop in [RESTRICTED] pp), culminating in an accumulated drop in [RESTRICTED] pp from P1 to P5.

381. In P3, imports from the investigated origins corresponded to [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 that market and in P5 they started to represent [RESTRICTED] %. From P1 to P5, the share of investigated imports in the Brazilian market increased [RESTRICTED] pp The share of these imports in the CNA followed a similar trajectory.

382. In the Brazilian market, the share of uninvestigated imports was lower than the share of sales in the domestic industry and imports originating from investigated sources in all periods.

383. Furthermore, it was observed that import prices from other origins were higher than the weighted prices of the investigated origins in all periods of analysis, except in P4, a period in which prices were very similar to each other.

384. However, it is worth highlighting that the price of imports from other origins followed the same trend as the price of the imports investigated: a drop from P1 to P3, an increase from P3 to P4 and a further decrease from P4 to P5, in addition to an accumulated decrease in P1 to P5.

385. Even so, we sought to analyze the effect of the price of these imports on the price of the domestic industry. To this end, the CIF domestic price of the product imported from other sources in the Brazilian market was calculated. To calculate the domestic prices of the product imported into Brazil from other origins, the same methodology described in item 6.1.3.2 of this document was used.



386. The following table demonstrates the calculations performed and the values obtained for each period damage analysis:

Average CIF internal price and undercutting - Other Sources [RESTRICTED]					
	P1	P2	P3	P4	P5
CIF price (R\$/t)	[REST.	[REST.	[REST.	[REST.	[REST.
Import Tax (R\$/t)	[REST.	[REST.	[REST.	[REST.	[REST.
AFRMM (R\$/t)	[REST.	[REST.	[REST.	[REST.	[REST.
Hospitalization expenses (R\$/t) [1.77%]	[REST.	[REST.	[REST.	[REST.	[REST.
CIF Internal (R\$/t)	[REST.	[REST.	[REST.	[REST.	[REST.
Updated Internal CIF (R\$/t) (A)	[REST.	[REST.	[REST.	[REST.	[REST.
Updated Domestic Industry Price (R\$/t) (B) [REST.	[REST.	[REST.	[REST.	[REST.	[REST.
Undercutting (BA) updated (R\$/t)	[REST.	[REST.	[REST.	[REST.	[REST.

387. From the data presented, it was observed that there was overquoting of prices for imports from other sources in relation to the domestic industry price in all periods.

388. During the entire period analyzed, with the exception of P4, the overpricing of other origins was higher than that of the investigated origins.

389. It should be noted that from P1 to P5 these imports decreased by 1.2%, a behavior accompanied by a price decrease of around 1.7%. The imports investigated grew by 52.2% from P1 to P5 and also decreased in price, by 8.3% in the same period. Furthermore, imports from investigated origins were, throughout the entire historical series analyzed, significantly higher than those from non-investigated origins, representing, in P5, more than [RESTRICTED] their volume.

390. From P4 to P5, when the damage to the domestic industry intensifies, imports from other origins fall by 20.3%, while those from the investigated origins increase by 39.9%. The drop in the price of investigated origins during this period (13.2%) is also significantly higher than that of non-investigated origins (1.7%). Finally, it should be noted that, in P5, there was an undercutting of the price of polyester fibers imported from the investigated origins, while imports from other origins entered the Brazilian market at overquoted prices.

391. Therefore, it can be concluded, for the purposes of starting the investigation, that imports from other origins do not eliminate the causality between imports from the investigated origins and the damage caused by the domestic industry.

392. It is also worth remembering that there are other aspects that influence the behavior of import prices that must be further explored throughout the investigation, such as: product characteristics and customer category, in addition to the existence of relationships between foreign producers and importers.

7.2.2 Impact of possible import liberalization processes on prices domestic

393. 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.

394. Regarding the reduction promoted by GECEX Resolution No. 269/2021, it is observed that its effects took effect from P3 onwards, a period in which the domestic industry showed a recovery in its economic-financial indicators, which, it must be said, continued in P4. Therefore, a harmful effect cannot be attributed to the tariff change made by the standard.

395. The last reduction in import tax (from 14.4% to 12.8%, according to GECEX Resolution No. 353/2022, that is, a decrease of 11.11%) took place practically at the beginning of P5, remaining until its end. Seeking to remove the effects of such a reduction in the effective import tax rate calculated for P5 ([RESTRICTED]%), which considers the amounts actually collected, taking into account the effects of possible tax suspensions and exemptions, it is estimated that, in the absence of the reduction promoted, the effective import tax rate at P5 would be equivalent to [RESTRICTED]. Applying this percentage to the CIF price of imports investigated in P5 (R\$ [RESTRICTED]/t), it appears that, in the absence of the aforementioned tariff reduction, the effective import tax levied on these operations would correspond to R\$ [RESTRICTED]/t, value R\$ [RESTRICTED]/t higher than the import tax actually collected (R\$ [RESTRICTED]/t). Therefore, in the scenario analyzed, undercutting of R\$ [RESTRICTED]/t would still be observed.



396. Therefore, for the purposes of initiating the investigation, the aforementioned liberalization does not rule out the existence of causality between exports at dumped prices and the damage suffered by the domestic industry.

397. Please note that the analysis of the impact of the import liberalization process on domestic prices may be deepened throughout the process investigation period, based on contributions from interested parties in the case files.

7.2.3 Contraction in demand or changes in consumption patterns

398. It was observed that the Brazilian polyester fiber market had increases interspersed with falls, 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 18.8%.

399. As for domestic industry domestic sales, they showed a reduction of 14.4% between P1 and P5, that is, they decreased in parallel with the expansion observed in the Brazilian market. In this way, the domestic industry lost share in the Brazilian market in the order of [RESTRICTED] pp between P1 and P5.

400. From P4 to P5, the period in which the damage to the domestic industry intensifies, also occurs increase in the Brazilian market and CNA (6.1% and 5.7%, respectively).

401. Thus, the contractions observed in the Brazilian market from P1 to P2 and from P3 to P4 do not eliminate the evidence of a causal link between exports at dumped prices and the damage sustained by domestic industry.

7.2.4 Restrictive practices on trade between domestic and foreign producers and competition between them

402. No restrictive practices on the trade of polyester fibers by domestic or foreign producers were identified, nor were there any factors that affected competition between them.

7.2.5 Technological progress

403. The adoption of technological developments that could result in in the preference of the imported product over the national one.

7.2.6 Export Performance

404. As presented in this document, the volume of sales of polyester fibers to the foreign market by the domestic industry decreased from P1 to P5 (62.0%), due to P1 to P2 (33.1%) and from P4 to P5 (68.8%). It should also be noted that exports reached a maximum of [RESTRICTED] % of total sales of similar products manufactured in-house by the domestic industry, at P4. In other periods, exports represented on average only [RESTRICTED]% of total sales.

405. 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 total sales of similar products manufactured in-house by the domestic industry.

406. Furthermore, it was observed that the degree of occupancy of installed capacity decreased by [CONFIDENTIAL] pp over the period, meaning that, in P5, domestic industry production represented [CONFIDENTIAL] % of effective installed capacity, which which refutes any thesis of prioritizing exports to the detriment of the Brazilian domestic market.

407. Therefore, it cannot be said that export performance had a significant effect on domestic industry indicators.



7.2.7 Domestic Industry Productivity

408. 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 5.0% from P1 to P5. The drop in productivity resulted from the decrease in the number of employees in production (11.4%), accompanied by a drop in the volume produced (15.8%) in the same period, the latter in a higher proportion.

409. It should be noted that polyester fiber is a raw material-intensive product, so the cost of labor has little representation in its production cost. In the domestic industry, the cost of direct and indirect labor represented [CONFIDENTIAL] % of the total cost of the product in P5.

410. Therefore, the damage cannot be attributed to the decline in the company's productivity indicator. domestic industry.

7.2.8 Captive Consumption

411. No captive consumption was reported by the domestic industry. Therefore, this cannot be considered another factor causing damage.

7.2.9 Imports or resales of the imported product by the domestic industry

412. According to the volumes reported by the RFB, the proportion of imports of polyester fibers carried out by the domestic industry, in relation to the total volume imported of said product from the investigated origins, reached [CONFIDENTIAL]% in P1, [CONFIDENTIAL]% in P2, [CONFIDENTIAL]% on P3, [CONFIDENTIAL]% on P4 and [CONFIDENTIAL]% on P5.

413. In relation to the volume of net domestic sales of the domestic industry, resales of imported products represented [CONFIDENTIAL]% in P1, [CONFIDENTIAL]% in P2, [CONFIDENTIAL]% in P3, [CONFIDENTIAL]% in P4 and [CONFIDENTIAL] % in P5.

414. Therefore, given the relative proportion of imports and resales carried out by the domestic industry in the period analyzed, considering their low representation, such variables cannot be considered as factors causing damage.

7.2.10 Competition with other domestic producers

415. As for the other domestic producers (Ober, Etúria, Global Pet and Inylbra), according to information available in the case file, all of their production is destined for captive consumption, so that there was no competition between these companies and the domestic industry for sale on the market Brazilian.

416. 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%).

417. Therefore, the damage suffered by the domestic industry cannot be attributed to possible competition with other national producers.

7.3 Conclusion about causality

418. For the purposes of starting this investigation, considering the analysis of the factors provided for in art. 32 of Decree No. 8,058, of 2013, there were signs of deterioration in the economic-financial indicators of the domestic industry.

419. Concomitantly with the worsening in the performance indicators of the domestic industry throughout the period of analysis of signs of damage, there was significant growth in the volume of Brazilian imports of polyester fibers originating in China, India, Thailand, Malaysia and of Vietnam, both in absolute terms and in relation to the Brazilian market and the CNA.

420. It was also found that the price of polyester fibers imported from China, India, Thailand, Malaysia and Vietnam was undercut by P5 in relation to the price charged by the domestic industry in the Brazilian market.

421. The damage experienced by the domestic industry and its causal relationship with imports to Dumping prices proves especially noticeable from P4 to P5.

422. In addition, other factors potentially causing damage to the domestic industry do not rule out the significant contribution of imports at dumped prices to the injury found.

8 OF THE RECOMMENDATION

423. Once there is sufficient evidence that imports of polyester fibers from China, India, Thailand, Malaysia and Vietnam at prices showing signs of dumping contributed significantly to the damage to the domestic industry, it is recommended the beginning of the investigation.

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