

A.D.C No. 13/2008/NTC/PSF
National Tariff Commission
Government of Pakistan

NOTIFICATION

Final Determination and levy of Definitive Anti-dumping Duty on imports of Polyester Staple Fibre into Pakistan Originating in and/or Exported from the People's Republic of China

The National Tariff Commission (the "Commission") initiated an anti-dumping investigation on July 29, 2008 under Section 23 of Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") after establishing that the application lodged by Messrs. Dewan Salman Fibres Limited, Karachi; Ibrahim Fibres Limited, Faisalabad; and ICI Pakistan Limited, Lahore (hereinafter collectively referred to as the "Applicants") on behalf of the domestic industry manufacturing Polyester Staple Fibre not exceeding 2 denier ("PSF") was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of PSF, originating in and/or exported from the People's Republic of China ("China") into Pakistan and material injury to the domestic industry manufacturing PSF. The Commission made a preliminary determination in this case in terms of Section 37 of the Ordinance and a provisional anti-dumping duty was levied on imports of PSF from China at the rate ranging from 0% to 10.44% from February 6, 2009. In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission has made its affirmative final determination as follows:

Exporters and Foreign Producers: The Applicants identified 54 exporters/foreign producers involved in alleged dumping of PSF from China and provided the Commission complete addresses of 30 exporters/foreign producers. In terms of Sections 27 and 35 of the Ordinance, the Commission upon initiation of the investigation sent a copy of the notice of initiation of the investigation and questionnaire to all exporters/foreign producers whose complete addresses were available with the Commission. The Commission also forwarded notice of initiation and the questionnaire to the Embassy of China in Islamabad with a request to forward the same to all exporters/foreign producers of PSF based in China in order to respond to the Commission.

In response to the questionnaire, two exporters/foreign producers namely Jiangyin Huahong Chemical Fiber Co. Ltd. and Zhangjiagang Chengxin Chemical Fiber Co. Ltd. responded to the Commission and furnished necessary information for the purposes of this investigation.

Investigated Product: PSF exported by the Chinese exporters/foreign producers from China is the product under investigation ("investigated product"). It is classified under Pakistan Customs Tariff ("PCT") No. 5503.2010.

Like Product: The Commission's investigation has established that the investigated product and PSF produced by the domestic industry are produced with similar manufacturing process, and with the same/similar raw materials. Both products have the same physical characteristics, usage, and tariff classification. Thus the Commission has established that the investigated product and PSF produced by the domestic industry are "like products".

Period of Investigation ("POI"):

For investigation of dumping: From April 01, 2007 to March 31, 2008

For investigation of injury: From April 01, 2005 to March 31, 2008

Determination of Dumping: Normal value and export price of the investigated product for the exporters/foreign producers who cooperated and furnished necessary information have been determined on the basis of the information provided by these exporters/foreign producers in response to the Commission's questionnaire in accordance with Sections 5, 6 and 10 (1) of the Ordinance. Dumping for all other exporters from China, who did not cooperate, has been determined on the basis of best information available in accordance with Section 32 of the Ordinance.

Dumping Margin: Dumping margins have been calculated in accordance with Section 12(1) of the Ordinance by comparing weighted average normal value at ex-factory level with the weighted average export price at ex-factory level. The definitive dumping margins expressed as percentage of weighted average adjusted export price and weighted average C&F export price thus work out as follows:

<u>Exporter/Foreign Producer Name</u>	<u>Dumping margin as percentage of</u>	
	<u>Adjusted export price</u>	<u>C&F export price</u>
i. Jiangyin Huahong Chemical Fiber Co. Ltd. China	1.56%	1.42%
ii. Zhangjiagang Chengxin Chemical Fiber Co. Ltd. China	-0.17%	-0.14%
iii. All Others from China	11.47%	10.44%

Injury to the Domestic Industry: Injury to the domestic industry has been determined in accordance with Part VI of the Ordinance. The Commission has established that the domestic industry suffered material injury on account of significant increase in dumped imports relative to the domestic production of PSF; significant price undercutting, price suppression; loss in market share; significant decrease in sales; decrease in profits and profitability, and negative effects on cash flows, production and capacity utilization, and employment and wages.

Dumped Imports: Dumped imports of the investigated product increased by 105.48 percent in the year 2007-08 (the POI for dumping) over the imports of PSF during the year 2006-07 from China. While domestic production increased only by 2.62 percent in the same period.

Injury Factors other than Dumped Imports: The Commission has also examined factors other than dumped imports, which were causing injury to the domestic industry. Analysis revealed that the domestic industry also suffered some injury due to non-dumped imports of the investigated product and imports of PSF from sources other than the dumped source during the POI. However, injury caused by such other factors was not significant.

Imposition of Definitive Anti-dumping Duty: In reaching this affirmative final determination, the Commission is satisfied that the investigated product has been imported at dumped prices. This has caused material injury to domestic industry during the POI. In terms of Section 50 of the Ordinance, the Commission is required to impose definitive anti-dumping duty on dumped imports of the investigated product equal to dumping margin. Therefore, an anti-dumping duty at the rate of 10.44 percent on C&F value in *ad val.* terms is imposed on all imports of PSF not exceeding 2 denier importable from China for a period of five years effective from February 6, 2009 except imports from the following two exporters/foreign producers as the dumping margin for these two were found to be *de minimis* (less than 2%) in terms of Section 41 of the Ordinance during the POI:

- i. Jiangyin Huahong Chemical Fiber Co. Ltd., Huahong Industrial Park, Zhouzhuang Town, Jiangin, Jingsu, China
- ii. Zhangjiagang Chengxin Chemical Fiber Co. Ltd., Houcheng Industrial Development Zone, Jingang Town, Zhangjiagang City, Jiangsu Province, China.

The definitive antidumping duties shall be held in a Non-lapsable PLD Account No. 187, with Federal Treasury Office Islamabad, established and maintained by the Commission for the purpose. The antidumping duties would be collected in the same manner as customs duty under the Customs Act, 1969 (IV of 1969) and would be in addition to taxes and duties due otherwise under any other law.

Disclosure meeting: Pursuant to Rule 16 of the Rules, the exporters/foreign producers of the investigated product may request for a disclosure meeting within 15 days of the date of publication of this notice.

Further Information: A non-confidential version of the report on final determination has been placed on public file established and maintained by the Commission. It has also been posted on the Commission's website: www.ntc.gov.pk. The public file shall be available to the interested parties, registered with the Commission for the purposes of this investigation, for review and copying at the offices of the Commission, from Monday to Thursday between 1100 hrs to 1300 hrs.

Authority Under Law

This investigation has been conducted under the Ordinance (No. LXV of 2000). This notice is published pursuant to Section 39 of the Ordinance.

By Order of the Commission

(Omer Moin Chaudhry)
Director
June 5, 2009