

CVD No. 2/2011/NTC/CP
National Tariff Commission
Government of Pakistan

**Notice of Initiation of an Investigation against Alleged Subsidized Imports of
Certain Writing/Printing Paper into Pakistan Originating in and/or Exported Indonesia and Thailand**

National Tariff Commission (the "Commission") has received an application under Section 11 of the Countervailing Duties Ordinance, 2001 (the "Ordinance") on October 8, 2011 from Packages Ltd., Lahore, (the Applicant). The Applicant has alleged that uncoated and coated writing/printing paper (excluding impregnated paper), produced from 100 percent wood pulp is being exported to Pakistan at subsidized prices from the Republic of Indonesia (Indonesia) and the Kingdom of Thailand (Thailand) (the Exporting Countries), which has caused and is causing material retardation in terms of Section 9 of the Ordinance to Pakistan's domestic industry producing writing/printing paper produced from 100 percent wood pulp.

Product under Investigation: The product allegedly being subsidized is uncoated writing/printing paper ranges from 50 grams per square meter to 130 grams per square meter and coated writing/printing paper ranges from 73 grams per square meter to 170 grams per square meter (excluding impregnated paper), produced from 100 percent wood pulp (Certain Paper) imported from the Exporting Countries. Uncoated Paper is imported under Pakistan Customs Tariff (PCT) heading nos. 4802.5510, 4802.5600, 4802.5700, 4802.6100 and 4802.6200 and Coated Paper is imported under PCT heading nos. 4810.1310, 4810.1320, 4810.1400, 4810.1910 and 4810.1990. Investigated product is cut in reels, sheets of different sizes. It is used for writing, printing, photocopying and other graphic purposes.

Allegation of subsidization

Indonesia: It is alleged that the producers of the investigated product in Indonesia have benefited from a number of subsidies granted by the Government of Indonesia. The subsidies consist of schemes conferring benefits to different industries including the pulp and paper industry. The subsidies schemes include, inter alia, provision of standing timber for less than adequate remuneration, ban on export of logs, debt forgiveness through acceptance of financial instruments, debt forgiveness through SMG/APP's buyback of its own debt, exemption of import duty for import of machines and spare parts, exemption from title transfer duty on ship registration deed in Indonesia, deferment of value added tax payment for capital goods, exemption of income tax on import of capital goods, tax holiday facility, written off non-performing loans by Indonesia Bank Restructuring Agency

Thailand: It is alleged that the producers of the investigated product in Thailand have benefited from a number of subsidies granted by the Government of Thailand. The subsidies consist of schemes conferring benefits to different industries including the pulp and paper industry. The subsidies schemes include, inter alia, exemption/reduction from import duty on machinery, exemption/reduction of corporate income tax, double deduction from taxable income of transportation cost, and double deduction from taxable income of water and electricity cost.

Initiation of Investigation: The Commission hereby initiates an investigation pursuant to Section 11 of the Ordinance. The investigation will determine the existence, degree and effect of alleged subsidies within the meaning of the Ordinance.

Period of Investigation (POI): For determination of subsidization and injury, the POI is fixed as follows:

For determination of subsidization	From July 01, 2010 to June 30, 2011
For determination of Injury	From July 01, 2008 to June 30, 2011

Investigation Schedule

Initiation date:	Date of publication of this notice in the press
Provisional determination:	Not earlier than 60 days and not later than 9 months from initiation.
Final determination:	Within 12 months of initiation of investigation.

Interested Parties: Interested parties, as defined in Section 2(m) of the Ordinance, are requested to identify themselves not later than 10 days after publication of this notice. An interested party applying for registration with the Commission should submit; the name of the company, its line of business, name of authorized person, address, telephone number and fax number. All interested parties are invited to make their views/comments and to submit information and documents (if any) to the Commission not later than 45 days of the date of publication of this notice.

Hearing: Any interested party, if it so wishes, request a hearing within 30 days of the publication of this notice by contacting Director Investigation-III, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Telephone No. +92-51-9218961, Fax No.+92-51-9221205.

Public File: A public file has been established and maintained at office of the Commission in this case, which shall be available to interested parties for review and copying from Monday to Thursday between 1100 hours to 1300 hours (except public holidays) throughout the investigation.

Further Information: For further information please contact, Director Investigation-III or visit www.ntc.gov.pk.
By order of the Commission.

(Muhammad Shahid)
Secretary
November 23, 2011