

A.D.C No. 17/2009/NTC/PA
National Tariff Commission

Notice of Final Determination and levy of Definitive Anti-dumping Duty on import of PA into Pakistan Originating in and/or Exported from Brazil, China, Indonesia, Korea and Taiwan

The National Tariff Commission (the “Commission”) initiated an anti-dumping investigation on May 29, 2009 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the “Ordinance”) after establishing that the application lodged by the domestic industry manufacturing Phthalic Anhydride (“PA”) was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of PA originating in and/or exported from the Federal Republic of Brazil, People’s Republic of China, Republic of Indonesia, Republic of Korea and Republic of China (Taiwan), (the “Exporting Countries”) into Pakistan. The Commission made a preliminary determination without imposing any measures in this case in terms of Section 37 of the Ordinance on November 25, 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 Applicant identified 17 exporters involved in alleged dumping of PA from the Exporting Countries. However, the Applicant requested the Commission for imposition of anti-dumping duty on all imports of PA from the Exporting Countries. In terms of Section 27 of the Ordinance, the Commission, upon initiation, forwarded a copy of notice of initiation directly to all exporters/producers of PA based in the Exporting Countries whose addresses were available. The Commission also forwarded the notice of initiation to the Embassies/High Commissions of the Exporting Countries in Islamabad with a request to forward the same to all exporters/producers of PA in their countries in order to respond to the Commission. In response to the questionnaires, only one exporter/foreign producer from Indonesia (PT Petrowidada) responded.

Product Under Investigation: PA exported by the exporters from the Exporting Countries is the product under investigation (the “investigated product”). It is classified under Pakistan Customs Tariff (PCT) No. 2917.3500.

Like Product: In terms of Section 2 of the Ordinance, the examination revealed that the investigated product and PA produced by the domestic industry are produced with similar manufacturing process, and with the same or similar raw materials. Both have the same physical characteristics, usage, and tariff classification. Thus it is established that both the products are “like products”.

Period of Investigation (“POI”):

Investigation of dumping from January 1, 2008 to December 31, 2008
Investigation of injury from January 1, 2006 to December 31, 2008

Determination of Normal Value and Export Price: The normal value and the export price of the investigated product exported by the exporters from the Exporting Countries have been determined in accordance with Part III and Part IV of the Ordinance respectively.

Normal value and export price of the investigated product for the exporters/producers from the Exporting Countries (except for PT Petrowidada, Indonesia who provided information on questionnaire) has been determined on the basis of best available information pursuant to Section 32 and Schedule to the Ordinance.

Dumping Margin

The dumping margin for PT Petrowidada, Indonesia has been calculated in accordance with Section 12(1) of the Ordinance by comparing the weighted average normal value at ex-factory level, whereas for all exporters/producers from the Exporting Countries the dumping margins have been determined on the basis of the best information available with the Commission expressed as percentage of weighted average C&F export price. The dumping margins thus calculated are given below:

Exporting Countries	Dumping Margin as % of Export Price
Brazil	6.75
China	12.39
Indonesia	
i) PT Petrowidada	8.94
ii) All Others Rate	8.94

South Korea	7.73
Taiwan	28.72

Injury to the Domestic Industry

Injury to the domestic industry has been determined in accordance with Section 15 and 17 of the Ordinance. The injury analysis carried out by the Commission shows that the domestic industry suffered material injury during the POI on account of, significant increase in the volume of dumped imports, price suppression, decline in output, production, capacity utilization, profits, return on investment, negative effect on cash flows, employment, wages and salaries and ability to raise capital.

The Commission has therefore, determined that the domestic industry suffered material injury during the POI due to dumped imports from the exporting countries.

Injury Factors other than Dumped Imports: The Commission also examined whether there were factors other than dumped imports, which were causing injury to the domestic industry during the POI and the findings reveal that the factors other than dumped imports were not the main cause of injury to domestic industry.

Imposition of Definitive Anti-dumping Duty: In reaching this affirmative final determination, the Commission is satisfied that the investigated product has been imported into Pakistan at dumped prices. This has caused material injury to domestic industry during the POI. Therefore, the Commission, pursuant to the powers conferred upon it under Section 50 of the Ordinance, has decided to impose definitive anti-dumping duties on PA importable from the Exporting Countries as given in the following table for a period of five years effective from September 30, 2010. The anti-dumping duty rates are determined on C&F value in *ad val* terms and are set out as under:

Exporting Countries	Anti-dumping Duty Rate
Brazil	6.17
China	11.84
Indonesia	
i) PT Petrowidada	5.87
ii) All Others Rate	5.87
South Korea	7.36
Taiwan	27.28

The definitive anti-dumping duties shall be held in a Non-lapsable PLD Account No. 187, titled "National Tariff Commission", with Federal Treasury Office Islamabad, established and maintained by the Commission for the purpose. The anti-dumping 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 shall be placed on public file established and maintained by the Commission. It shall also be 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 Sections 39 and 50 of the Ordinance by Order of the Commission

(Muhammad Shahid)
Secretary
September 30, 2010