

A.D.C No. 05/2004/NTC/PVCR  
**National Tariff Commission**

**Preliminary Determination and Levy of Provisional Antidumping Duty on Import of PVC Resin (Suspension Grade) into Pakistan Originating in and/or Exported from the Republic of Korea and the Islamic Republic of Iran**

The National Tariff Commission (the "Commission") initiated an investigation on June 25, 2004 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") after establishing that the application lodged by Engro Asahi Polymer and Chemicals Limited, Karachi (the "Applicant") on behalf of the domestic industry was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of PVC Resin (suspension grade), originating in and/ or exported from the Republic of Korea ("Korea") and the Islamic Republic of Iran ("Iran") to Pakistan. In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission has, after investigation, determined the following on a preliminary basis :

**Name of Exporters and Foreign Producers:** (i) L.G International Corporation, LG Twin Towers, 20, Yoido-dong, Youngdungpo- gu, Seoul 150-721, Korea (exporter), (ii) LG Chem, Ltd., LG Twin Towers, 20, Yoido-dong Youngdungpo-gu, Seoul, Korea (producer/exporter), (iii) Iran Petrochemical Commercial Company, No. 1339, Valiasr Ave., Vanak Sq, Tehran, Iran (exporter), and (iv) Bandar Imam Petrochemical Company Ltd., No. 310, Kargar Shomali Ave, Tehran, Iran (producer)

**Product Under Investigation** PVC Resin (suspension grade) exported by the exporters (the "investigated product"). It is classified under Harmonized System (H.S) Code 3904.1000.

**Like Product** In terms of Section 2 of the Ordinance, the examination revealed that the investigated product and PVC Resin (suspension grade) produced by the domestic industry are produced with same manufacturing process, and the same raw material. 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 01, 2003 to March 31, 2004; and
Investigation of injury	from July 01, 2001 to March 31, 2004.

**Determination of Normal Value** The Commission has relied on best information available in terms of Section 32 and schedule to the Ordinance for determination of normal value of the investigated product for the Korean exporter as the Commission did not receive any information from the Korean exporter/producer relating to their domestic sales of PVC Resin (suspension grade) or cost of production. The Commission has determined normal value for the investigated product based on the prices prevailing in Korea during the POI, published in a Chemical Journal Harriman Chemsult Limited, a magazine published monthly from London.

The normal value for the investigated product exported by the Iranian exporter ("IPCC") has been determined on the basis of the information provided by IPCC and the Iranian producer ("BIPC"). All sales of PVC Resin (suspension grade) made by IPCC in its domestic market during the POI were at loss (below cost). The investigation showed that the sales at loss (below cost) were: (i) in extended period of time, (ii) in substantial quantities, and (iii) at prices which did not provide for the recovery of all costs within a reasonable period of time. Thus the Commission determined that, during the POI, IPCC sales of PVC Resin (suspension grade) in its domestic market were not in ordinary course of trade in terms of Section 7 of the Ordinance and hence disregarded. The Commission established normal value for IPCC on the basis of cost to make and sell (cost of production plus administrative, selling, general costs) and profit of the PVC Resin (suspension grade) in Iran in terms of Section 6 of the Ordinance. The cost to make and sell of PVC Resin (suspension grade) in Iran was obtained during on-the-spot investigation conducted at the premises of BIPC

**Determination of Export Price** Export price has been calculated in accordance with Section 10(1) of the Ordinance. For this purpose data obtained from Pakistan Revenue Automation Limited ("PRAL"), the data

processing arm of the Central Board of Revenue, Government of Pakistan, and the information/data submitted by IPCC has been used.

**Dumping Margin** The dumping margins have been calculated in accordance with Section 12(1) of the Ordinance by comparing the normal value at ex-factory level with the weighted average export price at ex-factory level. The provisional dumping margins expressed as percentage of weighted average C&F export price thus works out to 40.18% and 31.06% for Korean exporter and Iranian exporter respectively.

**Injury to the Domestic Industry** Injury to the domestic industry has been determined in accordance with Part VI of the Ordinance. The Commission has on preliminary basis established that the domestic industry suffered material injury due to dumped imports on account of volume of dumped imports, price undercutting, loss in market share and increase in inventories and significant magnitude of dumping margin.

**Dumped Imports** Volume of dumped imports (from both Korea and Iran) increased by 3574 MT in the year 2003 over the year 2002 while production of the domestic like product increased by 6689 MT in the year 2003 over the year 2002. Based on these facts, the Commission has concluded that increase in production of the domestic like product in absolute terms when compared with increase in the dumped imports during the same period was more.

**Injury Factors Other than Dumped Imports** The Commission also examined factors other than dumped imports, which were causing injury to the domestic industry. One such reason caused injury to the domestic industry was payment of deferred customs duties in the years 2002 and 2003.

**Imposition of Provisional Antidumping Duty** In reaching this preliminary affirmative 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 order to prevent material injury in course of this investigation, the Commission, pursuant to the powers conferred upon it under Section 43 of the Ordinance, has decided to impose a provisional antidumping duties @ 40.18% and 30.06% ad val of C&F price on import of PVC Resin (suspension grade), importable from LG International Corporation, Korea and Iran Petrochemical Commercial Company, Iran respectively, for a period of four months effective from October 26, 2004. The provisional antidumping duties shall take the form of security by way of cash deposit in Commission's Non-lapsable PLD Account No. 187 with Federal Treasury Office Islamabad. The provisional antidumping duties would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969).

**Disclosure meeting** Pursuant to Rule 11 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.

**Hearing** Any party registered as an interested party in this case may, if it so wishes, request a hearing in accordance with Rule 14 of the Rules within 30 days of the publication of this notice by contacting Mrs. Batool Iqbal Qureshi, Secretary, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Telephone No. 0092-51-9202839, Fax No.0092-51-9221205.

**Further Information** A non-confidential version of the report on preliminary 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](http://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.

(Batool Iqbal Qureshi)  
Secretary

A.D.C No. 05/2004/NTC/PVCR  
**National Tariff Commission**

**Preliminary Determination on dumping of PVC Resin (Suspension Grade) into Pakistan Originating in and/or Exported from the Republic of Korea and the Islamic Republic of Iran**

The National Tariff Commission (the “Commission”) initiated an investigation on June 25, 2004 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the “Ordinance”) after establishing that the application lodged by Engro Asahi Polymer and Chemicals Limited, Karachi (the “Applicant”) on behalf of the domestic industry was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of PVC Resin (suspension grade), originating in and/ or exported from the Republic of Korea (“Korea”) and the Islamic Republic of Iran (“Iran”) to Pakistan. In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the “Rules”), the Commission has, after investigation, determined the following on a preliminary basis:

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**Product Under Investigation** PVC Resin (suspension grade) exported by the exporters (the “investigated product”). It is classified under Harmonized System (H.S) Code 3904.1000.

**Like Product** In terms of Section 2 of the Ordinance, the examination revealed that the investigated product and PVC Resin (suspension grade) produced by the domestic industry are produced with same manufacturing process, the same raw material, 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 01, 2003 to March 31, 2004; and  
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**Determination of Normal Value** The Commission has relied on best information available in terms of Section 32 and schedule to the Ordinance for determination of normal value of the investigated product for the Korean exporter as the Commission did not receive any information from the Korean exporter/producer relating to their domestic sales of PVC Resin (suspension grade) or cost of production. The Commission has determined normal value for the investigated product based on the prices prevailing in Korea during the POI, published in a Chemical Journal Harriman Chemsult Limited, a magazine published monthly from London.

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**Dumped Imports** Volume of dumped imports (from both Korea and Iran) increased by 3574 MT in the year 2003 over the year 2002 while production of the domestic like product increased by 6689 MT in the year 2003 over the year 2002. Based on these facts, the Commission has concluded that increase in production of the domestic like product in absolute terms when compared with increase in the dumped imports during the same period was more. Further during the last quarter of the POI (January to March 2004) there was no import of the investigated product into Pakistan.

**Injury Factors Other than Dumped Imports** The Commission also examined factors other than dumped imports, which were causing injury to the domestic industry. One such reason caused injury to the domestic industry was payment of deferred customs duties in the years 2002 and 2003.

**Imposition of Provisional Antidumping Duty** In terms of Section 43 of the Ordinance, the Commission may impose the provisional measures if it determines that provisional measures are necessary to prevent injury being caused during the course of an investigation. In view of the analysis and determination of dumping, material injury, and causation therefrom, imposition of provisional antidumping duty on the investigated product is not warranted.

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**(Batool Iqbal Qureshi)**  
Secretary