

ADC No. 56/2019/NTC/PA
Government of Pakistan
National Tariff Commission

Notice of Preliminary Determination in Antidumping Investigation against dumped Imports of Phthalic Anhydride into Pakistan originating in and / or Exported from China, Chinese Taipei, South Korea and Russian Federation.

The National Tariff Commission (the “Commission”) initiated an anti-dumping investigation on December 07, 2019, under Section 23 of the Anti-Dumping Duties Act, 2015 (the “Act”) after establishing that the application lodged by M/ Nimir Chemicals Pakistan Limited, Lahore (the “Applicant”), on behalf of domestic industry producing Phthalic Anhydride (“PA”) was in accordance with Section 20 and 24 of the Act. The investigation concerns dumping of PA originating in and/or exported from China, Chinese Taipei, South Korea and Russian Federation (the “Exporting Countries”) has caused and is causing material injury to Pakistan’s domestic industry producing PA. In accordance with provisions of the Act, and Anti-Dumping Duties Rules, 2001 (the “Rules”), the Commission has, after investigation, determined the following on preliminary basis: -

Product under Investigation: The product being dumped into Pakistan is Phthalic Anhydride imported from China, Chinese Taipei, Korea and Russian Federation classified under Pakistan Customs Tariff (“PCT”) Heading No. 2917.3500 (the “Investigated Product”).

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

For determination of dumping:	From July 01, 2018 to June 30, 2019
For determination of injury:	From July 01, 2016 to June 30, 2019

Determination of Dumping: Individual dumping margin in this preliminary determination has been determined for Nan Ya Plastics Corporation, exporter/producer of PA from Chinese Taipei and Hanwha Solution Corporation, exporter/producer of PA from Korea, on the basis of the information provided by them in response to the Exporter’s Questionnaire. For determination of dumping margin for the non-cooperating exporters/producers of the Exporting Countries, the Commission has relied on the Best Information Available in terms of Section 32 of the Act, which includes information provided by the co-operating exporters/producers from Chinese Taipei, and South Korea, the Applicant and data obtained from Pakistan Revenue Automation Limited (PRAL) the IT arm of the Federal Board of Revenue.

Injury to the domestic industry: - The Commission has on preliminary basis established that there was an increase in volume of dumped imports of the investigated product. The applicant suffered *prima facie* price undercutting during the POI and price suppression during 2018-19. Resultantly the domestic industry *prima facie* suffered material injury on account of decline in market share, profits, production and capacity utilization. Domestic industry, *prima facie*, faced negative effect on sales, cash flow, return on investment, productivity, wages and salaries/MT and ability to raise capital. There are certain issues in the data/information provided by the Applicant relating to injury factors that need to be verified before making a determination that domestic industry has suffered material injury during the POI due mainly to dumped imports of investigated product from the Exporting countries. On-the-Spot verification in this investigation could not be conducted before preliminary determination due to lockdown imposed because of outbreak of Covid-19 pandemic

Non-Imposition of Provisional Anti-Dumping Duty: In reaching this preliminary determination, the Commission is of the view that the imposition of provisional antidumping duties on dumped imports of the investigated product from the Exporting Countries is not necessary to prevent injury being caused

to the domestic industry during the course of investigation till final determination, in accordance with Section 43 of the Act.

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 Secretary, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Telephone No. +92-51-9202839, Fax No. +92-51-9221205.

Final Determination: In terms of Section 39 of the Act, the Commission is required to make final determination within 180 days from the date of publication of notice of preliminary determination.

Further Information: A non-confidential version of the detailed report of preliminary determination is placed on the public file established and maintained by the Commission. The same is also posted on the Commission's website *www.ntc.gov.pk*.

Authority under Law: This notice is published pursuant to Section 37 of the Act by order of the Commission.

(Ali Muhammad Shah)
Secretary
June 05, 2020