

ADC No.57/2020/NTC/CAP
National Tariff Commission
Government of Pakistan

Notice of Preliminary Determination of Antidumping Investigation on Dumping of Certain Electrical Capacitors into Pakistan Originating in and/or Exported from the People's Republic of China

The National Tariff Commission (the "Commission") initiated an antidumping investigation on January 23, 2020 under Section 23 of the Anti-Dumping Duties Act, 2015 (the "Act") concerning dumping of certain electrical capacitors i.e. start capacitor, running capacitor, tubular capacitor, A.C capacitor etc. ("Certain Capacitors"), excluding power factor capacitors, from People's Republic of China ("China") into Pakistan and material injury caused by such dumped imports to the domestic industry manufacturing Certain Capacitors. The application for this investigation was lodged by Khawaja Electronics (Pvt) Limited, Lahore (the "Applicant"). The Applicant is a producer of Certain Capacitors. The Commission after investigation in accordance with provisions of the Act and the Anti-Dumping Duties Rules, 2001 (the "Rules") has determined the following on a preliminary basis:

Investigation Product: The investigated product is electrical capacitors which include start capacitor, running capacitor, tubular capacitor, and A.C capacitor but not includes power factor capacitors ("Certain Capacitors") imported from China. The investigated product is falling under Pakistan Customs Tariff Nos. 8532.1000, 8532.2200, 8532.2500, 8532.2900, and 8532.3090.

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: The Commission has not received any information from any of the exporter/ foreign producer from China in this investigation. Dumping of the investigated product is, therefore, determined on the basis of best information available in terms of Section 32 of the Act. As no exporter/ foreign producer from China has provided the requisite information, therefore, no individual dumping margin has been determined. Preliminary dumping margin has been determined for China, which works out 24.47 percent.

Injury to the Domestic Industry: The Commission, on preliminarily basis has determined that the volume of dumped imports decreased in absolute terms during the POI, however it increased as percentage of domestic production during the POI for dumping. Domestic industry faced price undercutting throughout the POI for injury, however, price undercutting declined significantly during the POI for dumping. The domestic industry did not suffer price suppression and depression during the POI due to dumped imports. Market share of the dumped imports remained at the same level despite decline in total market size during the POI, whereas market share of the domestic like product declined slightly and market share of other imports increased. The Applicant suffered losses on production and sales of the domestic like product, however, loss declined during the POI for dumping.

The Applicant is also producer of power factor capacitors, which is not the like product in this investigation. Power factor capacitors accounted for major share of the sales revenues during the year 2018-19. Applicant's published Audited Accounts are consolidated for all products, therefore, information provided in consolidated accounts could not be taken for the domestic like product. Further, there are certain discrepancies in the information provided by the Applicant for different types of the capacitors vis-à-vis audited accounts, which could only be clarified by checking relevant record of the Applicant. Due to COVID 19 lockdown the Commission could not carry out on-the-spot verification of data /information provided by the Applicant prior to the preliminary determination. Furthermore, information from other major domestic producer i.e. Amber Capacitors is still awaited due to COVID 19. Therefore, in this situation while making preliminary determination, the Commission could not make a clear causal relationship between material injury to the domestic industry during the POI for dumping and dumped imports of the investigated product.

Non-Imposition of Provisional Antidumping Duty: In view of the preliminary determination of material injury to the domestic industry and causation, the Commission is of the view that the imposition of provisional antidumping duty on dumped imports of the investigated product 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 the Secretary, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Telephone No. +92-51-9202839, Fax No.+92-519221205.

Final Determination: In terms of Section 39 of the Act, the Commission is required to make final determination within 180 days 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 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, NTC
July 16, 2020