

(NON-CONFIDENTIAL)



**Government of Pakistan  
National Tariff Commission**

**Report**

**On**

**Preliminary Determination in Anti-Dumping Investigation  
on Dumped Imports of Cold Rolled Coils/Sheets into  
Pakistan Originating in and/or Exported from the  
European Union, Republic of Korea, Chinese Taipei  
and Vietnam**

**ADC NO 60/2021/NTC/CRC  
August 17, 2021**

The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (the "Act"), the Anti-Dumping Duties Rules, 2001 (the "Rules") and the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement").

2. The Commission is responsible for conducting anti-dumping investigations for determination of dumping of the imported products, injury to the domestic industry and imposition of anti-dumping duties to offset injurious impact of dumped imports on domestic industry and to ensure fair competition thereof.

3. The Commission is conducting an investigation on alleged dumped imports of flat-rolled products of iron or non- alloy steel of a width of 600mm or more, cold- rolled (cold- reduced), not clad, plated or coated ("CR Coils/Sheets), of prime and secondary quality, of a thickness ranging from 0.15 mm to 3.00 mm in rolls or slit to length sheets, excluding CR Coils/ Sheets used in auto skin/auto grade into Pakistan originating in and/or exported from the European Union, Republic of Korea, Chinese Taipei and Vietnam (the "Exporting Countries"), under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with Rule 10 of the Rules.

4. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on February 25, 2021. The preliminary determination is based on the information available to the Commission at this time.

#### **A. PROCEDURE**

5. The procedure set out below has been followed with regard to this investigation.

##### **6. Receipt of Application**

6.1 On December 28, 2020, the Commission received a written application under Section 20 and 24 of the Act from M/s Aisha Steel Mills Limited, Karachi and M/s International Steel Limited, Karachi (the "Applicants"). The Applicants are producers of flat- rolled products of iron or non- alloy steel, cold- rolled (cold- reduced), not clad, plated or coated coils and sheets ("CR Coils/Sheets"). The Applicants alleged that CR Coils/Sheets originating in and/or exported from the Exporting Countries are being dumped into Pakistan, which have caused and are causing material injury to the domestic industry producing CR Coils/Sheets.

6.2 The Commission informed Diplomatic Missions of the Exporting Countries in Islamabad through note verbal dated December 30, 2020, of the receipt of application

in accordance with the requirements of Section 21 of the Act.

7. **Evaluation and Examination of the Application**

Examination of the application showed that it met requirements of Section 20 of the Act as it contained sufficient evidence of alleged dumping of CR Coils/Sheets into Pakistan from the Exporting Countries and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

8. **The Domestic Industry**

8.1 Section 2(d) of the Act defines domestic industry as follows:

*“Domestic industry” means the domestic producers as a whole of a domestic like product or those of them whose collective output of that product constitutes a major proportion of the total domestic production of that product, except that when any such domestic producers are related to the exporters or importers, or are themselves importers of the allegedly dumped investigated product in such a case “domestic industry” may mean the rest of the domestic producers.*

*“Explanation:- For the purposes of this clause, producers shall be deemed to be related to exporters or importers only if*

- (i) one of them directly or indirectly controls the other;*
- (ii) both of them are directly or indirectly controlled by the same third person; or*
- (iii) together they directly or indirectly control a third person:*

*“Provided that there are grounds for believing or suspecting that the effect of the relationship is such as to cause the producer concerned to behave differently from non-related producers and for that purpose one shall be deemed to control another when the former is legally or operationally in a position to exercise restraint or direction over the latter.*

8.2 According to the information available with the Commission, the domestic industry producing CR Coils/Sheets consists of following five units:

- i. Aisha Steel Mills Limited (“ASL”), Karachi;
- ii. International Steel Limited (“ISL”), Karachi;
- iii. AHN Steel Pvt. Limited, Lahore; and
- iv. Pakistan Steel Mills Limited, Karachi.
- v. Hadeed Pakistan Pvt. Limited, Lahore

Out of these five units, two units i.e. M/s Aisha Steel Mills Limited, Karachi and M/s International Steel Limited, Karachi are Applicants in this investigation. The Commission on February 25, 2021 and May 25, 2021 sent questionnaire to AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd. respectively for necessary information. In response, AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd provided limited information only relating to production and installed capacity during POI for dumping .

8.3 On the basis of available information, the total installed production capacity CR Coils/Sheets in Pakistan is 2,260,000 MT per annum. However, Pakistan Steel Mills Ltd. is not in operation since 2015, therefore, operational capacity of the domestic industry is 2,050,000 MT per annum. Further, both the Applicants also used CR Coils/Sheets inhouse for production of galvanized and coloured coils/ sheets. Their installed capacity for galvanized and coloured coils/ sheets is 796,000 MT per annum, therefore, domestic industry's current operational installed capacity for production and sale of CR Coils/ Sheets in the market is 1,254,000 MT:

8.4 Following table shows unit-wise installed capacity of the domestic industry:

**Table-I**  
**Unit-wise Current Installed Production Capacity (MT)**

S. No.	Unit Name	Installed Capacity*
i.	Aisha Steel Mills Limited	700,000
ii.	International Steel Limited	1,000,000
iii.	AHN Steel Limited	50,000
iv.	Pakistan Steel Mills Limited	210,000
v.	Hadeed Pakistan Pvt. Ltd.	300,000
vi.	Total	2,260,000

\*Installed capacity is determined on the basis of CR coils of 0.5/0.6 mm thickness on triple shift basis

\*Sources: the Applicants, AHN Steel Pvt. Ltd. and Hadeed Pakistan Ltd.

## 9. **Standing of the Application**

9.1 Section 24 of the Act enjoins upon the Commission to assess the standing of the domestic industry on the basis of the degree of support for or opposition to the application expressed by the domestic producers of the domestic like product. Section 24(1) of the Act states as follows:

*“... an application shall be considered to have been made by or on behalf of the domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing either support for or opposition to the application.”*

9.2 Furthermore, Section 24(2) of the Act provides that:

*"..... no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty five percent of the total production of the domestic like product produced by the domestic industry."*

9.3 The application is filed by the Applicants, who are major producers of CR Coils/ Sheets in Pakistan. The other units in operation (AHN Steel Pvt. Limited and Hadeed Pakistan Pvt. Ltd.) are minor units, whereas the fifth unit in the industry, i.e. Pakistan Steel Mills Ltd. is not in operation since 2015. According to the information available with the Commission, the Applicants produced 89.34 percent of CR coils/ sheets of the total domestic production during October 01, 2019 to September 30, 2020. Therefore, the application fulfills standing requirements of Section 24 of the Act. Following table shows production share of each unit of the domestic industry during POI for dumping:

**Table-II  
Standing of Application**

S. No	Unit Name	Share in total production		Status
		Volume (MT)	% of total	
i.	Aisha Steel Mills Limited	165,256	43.20	Applicant
ii.	International Steel Limited	176,505	46.14	Applicant
iii.	AHN Steel Pvt. Limited	4,787	1.25	Indifferent
iv.	Hadeed Pakistan Pvt. Ltd.	35,963	9.40	indifferent
v.	Pakistan Steel Mills Limited	---	---	Closed
	Total	382,511	100.00	

Source: the Applicants, AHN Steel Pvt. Ltd. and Hadeed Pakistan Ltd.

9.4 None of the domestic producers have opposed the application. The application is made by the domestic producers who account for 89.34 percent of the total production of the domestic like product. Thus, the application fulfills both requirements of Section 24 of the Act (paragraphs 9.1 and 9.2 supra). Therefore, it is determined that the application is made by the domestic industry.

## 10. **Applicants' Views**

10.1 The Applicants, *inter alia*, raised the following issues in application regarding dumping of CR Coils/Sheets and material injury to the domestic industry caused therefrom:

- i. CR Coils/Sheets imported from the Exporting Countries into Pakistan and CR Coils/Sheets produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from the Exporting Countries are exporting CR Coils/ Sheets to Pakistan at dumped prices; and

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- iii. Exports of CR Coils/Sheets by the exporters/producers from the Exporting Countries to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing CR Coils/ Sheets mainly through:
  - (a) Increase in volume of dumped imports;
  - (b) price undercutting;
  - (c) price suppression;
  - (d) decline in productivity;
  - (e) decline in capacity utilization;
  - (f) decline in sales;
  - (g) decline in profits;
  - (h) decline in return on investment;
  - (i) negative effect on inventories;
  - (j) negative effect on cash flows;
  - (k) magnitude of dumping margins

10.2 The Applicants also claimed that there is threat of material injury to the domestic industry.

10.3 The Applicants made following requests to the Commission:

- i. Initiate an investigation on dumping of CR Coils/Sheets from the Exporting Countries under Section 23 of the Act;
- ii. Impose appropriate antidumping duties on dumped imports of CR Coils/ Sheets in accordance with Section 50 of the Act; and
- iii. Impose provisional measures under Section 43 of the Act to prevent injury being caused during the investigation.

**11. Anti-dumping Duties In-place on Dumped Imports of CR Coils/Sheets:**

11.1 The Commission has imposed following definitive anti-dumping duties on dumped imports of CR Coils/Sheets from the People's Republic of China ("China") and Ukraine for a period of five years effective from January 13, 2016:

**Table-III  
Definitive Antidumping Duty Rates**

<b>Country</b>	<b>Exporter / Producer Name</b>	<b>Antidumping Duty Rate (%)</b>
<b>China</b>		
	Shougang Casey Steel Company Ltd.	19.04
	Shougang Jingtang United Iron & Steel Co. Ltd.	19.04
	Beijing Shougang Cold Rolling Company Ltd.	16.27
	Handan Iron & Steel Group Han-Bao Co. Ltd.	13.17
	Maanshan Iron & Steel Company Ltd.	19.04
	All others	19.04
<b>Ukraine</b>		
	Zaporizhstal Integrated Iron-and-Steel Works	18.92
	Ilyich Iron and Steel Works of Mariupol	18.36
	All others	18.92

11.2 On request of the Applicants, a sunset review of anti-dumping duties on dumped imports of CR Coils/Sheets from China and Ukraine is initiated on January 08, 2020 under Section 58 of the Act.

11.3 On request of the Applicants, the Commission has also conducted an antidumping investigation on imports of Cold Rolled Coils/Sheets/Strips into Pakistan originating in and/or exported from Canada and Russian Federation and has imposed definitive anti-dumping duty at the rate of 13.94 percent with effect from September 20, 2019.

## **12. Exporters/ Producers of CR Coils/Sheets from the Exporting Countries**

In application, the Applicants have identified 43 exporters/producers involved in dumping of the investigated product from the Exporting Countries. The Applicants have also stated that there may be other exporters/producers of CR Coils/ Sheet in the Exporting Countries, which are not known to them. Therefore, the Applicants have requested for imposition of antidumping duties on all imports of CR Coils/Sheets originating in and/or exported from the Exporting Countries.

## **13. Initiation of Investigation**

13.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 23 of the Act and determined that there was sufficient evidence of dumping of CR Coils/ Sheets into Pakistan from exporting countries and consequent material injury to the domestic industry. Therefore, the Commission decided to initiate an investigation in this case on February 23, 2021.

13.2 The Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one in English language and one in Urdu Language) on February 25, 2021. Investigation concerning alleged dumped imports of CR Coils/ Sheets into Pakistan originating in and/or exported from the Exporting Countries was thus initiated on February 25, 2021 in accordance with Section 27(2) of the Act.

13.3 In pursuance of Section 27 of the Act, the Commission notified Diplomatic Missions of the Exporting Countries in Islamabad of initiation of the investigation (by sending a copy of the notice of initiation) on February 25, 2021 with a request to forward it to all exporters/ producers involved in production, sales and export of CR Coils/Sheets in the Exporting Countries. Copy of the notice of initiation was also sent to exporters/ producers directly (whose addresses were available with the Commission), Pakistani importers, the Applicants and other domestic producers on February 25, 2021.

13.4 In accordance with Section 28 of the Act copies of full text of the written application (non-confidential version) were sent on February 25, 2021 to all exporters/ producers, whose complete addresses were available with the Commission and to the Diplomatic Missions of the Exporting Countries in Islamabad with a request to forward it to their respective exporters/ producers involved in production, sale and/or export of CR Coils/ Sheets.

#### 14. **Investigated Product, Domestic Like Product and Like Product**

14.1 Sub-sections (k), (e) and (m) of Section 2 of the Act defines investigated product, domestic like product and like product as follows:

- i. **Investigated Product:**  
*“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.*
- ii. **Domestic Like Product:**  
*“means a like product that is produced by the domestic industry”.*
- iii. **Like Product:**  
*“a product which is alike in all respects to an investigated product or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product”.*

14.2 For the purposes of this investigation and given the definitions set out above,

<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated February 25, 2021.

<sup>2</sup> The daily 'Nation' and 'Express' of February 25, 2021 issues.



investigated product, domestic like product and like product are defined in the following paragraphs.

### **14.3 Investigated Product:**

14.3.1 The investigated product as defined in notice of initiation is flat-rolled products of iron or non- alloy steel of a width of 600mm or more, cold- rolled (cold- reduced), not clad, plated or coated (“CR Coils/Sheets”), of prime and secondary quality, of a thickness ranging from 0.15 mm to 3.00 mm in rolls or slit to length sheets, excluding CR Coils/ Sheets used in auto skin/ grade (the “investigated product”). The investigated product is classified under Pakistan Customs Tariff<sup>1</sup> (“PCT”) Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

14.3.2 The Investigated product is generally used in production of automotive parts, sub-assembly/inner body parts, fabrication of goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc etc.

14.3.3 CR Coils/Sheets that meet technical requirements, which are specified in the standards, are categorized as prime quality product and which do not meet technical requirements and specified criteria of the standards are termed as non-prime or secondary quality product, such as variation in specifications, chemical composition, deviation in mechanical properties i.e. tensile strength, yield strength, hardness surface imperfections, scratches, dents, cross break marks, rust, oxidation marks, wrinkles, metal sticking, damaged/torn/bent edges etc. Therefore, secondary quality CR Coils/Sheets are generated during production, slitting as well as sales of the product.

14.3.4 After the initiation of the investigation, M/S Siddiq Sons Tin Plate, a manufacturer of tinsplate approached the Commission and submitted that the Applicants do not possess capability to produce Tin Mill Black Plate (“TMBP”) which is used in production of tinsplate. The issue was discussed with the Applicants during the on-spot verification visit. The Applicants submitted that they have the capability to produce TMBP on its production facility and during the POI they had sold the CRC to Siddiq Sons Tinsplate meant to use for production of Tinsplate. To verify this, the Commission obtained record of sales made to Siddiq Sons Tinsplate Ltd. by the Applicants during the POI. Details of the Applicants’ sales to M/s Siddiq Sons Tinsplate Ltd. are reported in on-the-spot investigations reports, which were made available to interested parties including M/s Siddiq Sons Tinsplate Ltd. by placing the same on the public file. In order to ascertain whether the domestic industry is producing the Tin Mill Black Plate (“TMBP”) which is used in production of tinsplate, the Commission has requested the Engineering Development Board, Ministry of Industries and production (“EDB”) to carry

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<sup>1</sup> PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

out a technical assessment. Response/report of the EDB is awaited. Therefore, for the purposes of this preliminary determination the TMBP is part of the investigated product, however, the Commission will review claim of M/s Siddique Sons Ltd. after receipt of response/report of EDB and will decide accordingly.

14.3.5 After initiation of the investigation different automotive manufacturers, OEMs, the Pakistan Auto parts Manufacturers Association (“PAMA”) and Pakistan Association of Automotive Parts and Accessories Manufacturers (“PAAPAM”) submitted that apart from the CR Coils/Sheets meant for automotive outer skin/ outer body , which are already excluded from the purview of this investigation, several grades of CR Coils/Sheets that are used in automobiles are also not being produced by the domestic industry. During the on spot verification visit, the Applicants were asked to provide list of grades that they produced and sold to the automotive sector during POI. In response, the Applicants submitted that CRC used in auto parts is of various grades and they produce and supply CRC to auto parts manufacturers. However, CRC used in outer skin parts, structures and other high-end applications such as trunk boot, door panels, pillars etc. in four wheeler vehicles is high grade high tensile material which is not produced by the domestic industry during the POI. To validate this, the Commission obtained sales records of the Applicants to the auto parts manufacturers in the domestic industry. This fact as well as details of the Applicants’ sales to Automotive Sector are reported in on-the-spot investigations reports, which were made available to interested parties by placing the same on the public file. However, no contradictory comments from any interested party has been received so far.

14.3.6 Currently, the domestic industry is producing different automotive grades of CRC which includes SPCC, SPCD, SPCE and SPCG. However, the following auto grades of CRC have not been produced by the domestic industry during POI:

**Table-IV  
Auto Grades not Produced Locally**

<b>S.No</b>	<b>Grade Description</b>
i.	JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-45
ii.	SPCD-S, SECC-0/20, SPCC Deep Drawing Quality, SPEN, SEHC-0/20,
iii.	JSC26OGN-2 (SPCX), JAH59ORN 45/45
iv.	SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
v.	SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
vi.	HFS 429M, HFS 436L, HSS 441
vii.	SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
viii.	MSM-CC-DZC-90/90

14.3.7 Accordingly, the above mentioned grades have been excluded from the scope of the investigated product. Further, during on-the-spot investigations at Applicants premises the Commission also found that the domestic industry can only produce CR Coils/ Sheets of a thickness of 0.15 to 03 mm and of a width up to 1250 mm. Therefore, the Commission has revisited the scope of the investigated product and has

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defined the investigated product as: flat-rolled products of iron or non-alloy steel of a thickness ranging from 0.15 mm to 3.00 mm and a width up to 1250mm, cold-rolled (cold-reduced), not clad, plated or coated, of prime and secondary quality ("CR Coils/Sheets"), of in rolls or slit to length sheets, excluding CR Coils/ Sheets used in automotive outer skins of four wheeler vehicles and following auto grades (the "investigated product") imported from the Exporting Countries:

**S.No Grade**

- i. JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-4
- ii. SPCD-S, SECC-0/20, SPCC Deep Drawing Quality, SPCEN, SEHC-0/20,
- iii. JSC26OGN-2 (SPCX), JAH59ORN 45/45
- iv. SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
- v. SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
- vi. HFS 429M, HFS 436L, HSS 441
- vii. SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
- vii. MSM-CC-DZC-90/90

14.3.8 The investigated product is classified under Pakistan Customs Tariff Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

14.3.9 Following table shows customs tariff structure of 2020-21 applicable on imports of Cold Rolled Coils/Sheets:

**Table-V  
Tariff Structure of Cold Rolled Coils/Sheets (%)**

PCT Heading	Description	Customs + Add. Duty	RD	FTAs/PTAs	Concession under SROs
Chapter 72	Iron and Steel				
72.09	Flat- rolled products of iron or non- alloy steel, of a width of 600mm or more, cold-rolled (cold-reduced), not clad, plated or coated.				
	- In coils, not further worked than cold-rolled (cold-reduced)				
	- - Of a thickness exceeding 1mm but less than 3mm				
7209.1510	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1590	- - - Others	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
7209.1610	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1690	- - - Others	11+2	5	CN_5; MY=10;	CD 1% and RD

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				SAFTA=5; LK_FTA Conc. = 100%	0% under SRO 655(I)/2006 for Auto Sector
	- - Of a thickness of 0.5mm or more but not exceeding 1mm				
7209.1710	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1790	- - - Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
	- - Of a thickness of less than 0.5mm				
7209.1810	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1891	--- Tin mill black plate of thickness 0.33 mm or less	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1899	- - - Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
	- Not in coils, not further worked than cold- rolled (cold-reduced)				
	- - Of a thickness exceeding 1mm but less than 3mm				
7209.2610	- - - Of secondary quality	20+7	5	CN_16; MY=10; LK_FTA Conc. = 100%	---
7209.2690	- - - Other	11+2	5	CN_5; MY=10; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
	- - Of a thickness exceeding 0.5mm but not exceeding 1mm				
7209.2710	- - - Of secondary quality	20+7	5	CN_16; MY=10; LK_FTA Conc. = 100%	---
7209.2790	- - - Other	11+2	5	CN_5; MY=10; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
	- - Of a thickness of less than 0.5 mm				
7209.2810	- - - Of secondary quality	20+7	5	CN_16; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.2890	- - - Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector

#### **14.4 Domestic Like Product**

14.4.1 Domestic like product means the like product that is produced by the domestic industry. The domestically produced product is flat-rolled products of iron or non-alloy steel, cold-rolled (cold-reduced), not clad, plated or coated, of prime and secondary quality, of a thickness ranging from 0.15 mm to 3.00 mm and a width up to 1250 mm, in rolls or slit to length sheets, excluding CR Coils/ Sheets used in automotive skins of four wheelers and auto grades mentioned at Table-IV supra. The domestic like product is

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classified under Pakistan Customs Tariff<sup>1</sup> (“PCT”) Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

14.4.2 The domestic like product is also used for used in production of automotive parts, sub-assembly/inner body parts, fabrication of goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc etc.

**14.5 Like Products:**

14.5.1 In terms of Section 2(m) of the Act, like product means a product, which is alike to an investigated product in all respects or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product.

14.5.2 For the purposes of determination of dumping of the investigated product the like product is CR coils/sheets produced and sold by the exporters/producers of the Exporting Countries in their domestic market as well as exported to the countries other than Pakistan. For the purposes of determination of injury to the domestic industry the like product is the investigated product and the CR Coils/Sheets imported into Pakistan from countries other than the Exporting Countries.

14.5.3 There is no difference between the investigated product, the domestic like product and the CR coils/sheets imported from sources other than the Exporting Countries as all the three products are:

- i. produced with same/similar inputs and manufacturing process;
- ii. have same/similar appearance;
- iii. are substitutable in use and application.

14.5.4 Therefore, the Commission is satisfied that the investigated product, domestic like product and CR coils/sheets imported from sources other than the Exporting Countries are like products.

**15. Period of Investigation**

15.1 In terms of Section 36 of the Act, Period of Investigation (“POI”) is:

- i. *“for the purposes of an investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of*

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<sup>1</sup> PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

*the investigation for which data is available and in no case the investigation period shall be shorter than six months.”*

- ii. *“for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:  
“Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product”.*

15.2 The POI for the purposes of this investigation for dumping and injury are, as follows:

For determination of dumping: From October 01, 2019 to September 30, 2020  
For determination of injury: From October 01, 2017 to September 30, 2020

## **16. Information/Data Gathering**

16.1 The Commission sent questionnaires on February 25, 2021 to the known exporters/ producers of CR Coils/Sheets from the Exporting Countries, asking them to respond within 37 days of the dispatch of the questionnaires. The Commission also sent a copy of the Questionnaire to the Diplomatic Missions of the Exporting Countries in Pakistan on February 25, 2021 with a request to forward it to all known exporters/ producers of Cold Rolled Coils/Sheets in the Exporting Countries.

16.2 The deadline for the submission of the data/information on the prescribed Exporter’s Questionnaire was April 03, 2021. No response from any exporter/ foreign producer was received within the prescribed time period. Therefore, reminders were issued to the exporters/foreign producers on April 29, 2021 explaining them in case of no response of the questionnaire, the Commission will be constrained to make determination of dumping of the investigated product on the basis of “Best Information Available” including those contained in the application submitted by the domestic industry. In response only one exporter/trader namely COFID Stahl-Handelsgesellschaft mbH from Germany provided very limited information in response to the questionnaire, which was not sufficient to determine individual dumping margin. Therefore, deficiencies were communicated to the exporter/trader, however it did not provide the requisite data/information. Thus, none of the exporters/ producers from the Exporting Countries has responded to the Commission’s questionnaire and did not provide requisite information necessary for determination of dumping margins.

16.3 Questionnaires were also sent to known importers of the investigated product on February 25, 2021, followed by the reminder on April 29, 2021. In response to the Questionnaire, Agriauto Stamping Company Ltd., Dawood Engineering Pvt Ltd. and Pakistan Electronics Manufacturers Association have provided certain information relating to their imports of the investigated product , which is taken into account by the

Commission in this investigation.

16.4 On February 25, 2021 and May 25, 2021 questionnaire was also sent to the other domestic producer i.e. AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd. for necessary information. AHN Steel Pvt., Ltd. and Hadeed Pakistan Ltd. have provided information for their capacities and production for the POI of dumping only.

16.5 The Commission has access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this investigation, the Commission has also used import data obtained PRAL/Pakistan Customs in addition to the information provided by the Applicants in the application and the other parties. In addition to this, the Commission has also obtained certain information from publicly available sources, which, *inter-alia*, includes articles published in different journals and International Trade Centre database etc.

16.6 Interested parties were invited to offer their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. The Commission has received written submissions/comments from the following parties:

- i. European Commission, Directorate-General for Trade, Brussels
- ii. POSCO, South Korea
- iii. Siddique Sons Tin Plate Ltd. Pakistan
- iv. Pirani Engineering Pvt. Ltd. Pakistan
- v. Pakistan Electronics Manufacturers Association, Pakistan
- vi. MGA Industries Pvt. Ltd.
- vii. Indus Motor Company Pvt. Ltd.
- viii. Agri Auto Stamping Company Ltd.
- ix. PAK Suzuki Motor Company Ltd.
- x. Hyundai Steel Company, South Korea
- xi. Pakistan Iron and Steel Merchant Association, Pakistan
- xii. Karachi Iron and Steel Merchant Association, Pakistan
- xiii. Dawood Engineering Pvt. Ltd
- xiv. Pakistan Automotive Manufacturers Association. Pakistan
- xv. Pakistan Association of Automotive Parts and Accessories Manufacturers Association, Pakistan.

16.7 Views/comments and the information submitted by the above-mentioned interested parties have been considered in making this preliminary determination. Views/ comments of the interested parties germane to this investigation and response of the Commission are given in annotated form at Annexure-I.

16.3 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation. Therefore, this preliminary determination is based on the information available to the Commission.

16.4 In terms of Rule 12 of the Rules, during the course of this investigation, the Commission also satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

## **17. Verification of the Information**

17.1 In terms of Sections 32(4) and 35 of the Act and Rule 12 of the Rules, during the course of an investigation, the Commission shall satisfy itself to the accuracy of the information. Accordingly, the Commission has satisfied itself to the accuracy and adequacy of information and evidence supplied by the interested parties to the extent possible for the purposes of this preliminary determination.

17.2 In order to verify the information/data provided by the Applicants and to obtain further information (if any), officers of the Commission conducted on-the-spot investigations at offices and plants of the Applicants from May 24 to 29, 2021.

17.3 The reports of on the spot investigations/verifications conducted at premises of the Applicants were provided in full to the Applicants. Non-confidential versions of the on-the-spot investigations/verifications reports are made available to other interested parties by placing the same on the public.

## **18. Public File**

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file at its office. This file remains available to the interested parties for review and copying from Monday to Thursday between 11.00 hours to 13.00 hours throughout the investigation (except public holidays). This file contains non-confidential versions of the application, responses to the questionnaires, submissions, notices, correspondence, and other documents for disclosure to the interested parties.

## **19. Confidentiality**

19.1 In terms of Section 31 of the Act, the Commission shall keep confidential any information submitted to it, which is by nature confidential, or determined by the Commission to be of confidential nature for any other reason or provided as confidential by parties to an investigation upon good cause shown to be kept confidential.

19.2 The Applicants have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries & wages, number of employees etc. In



addition to this, the Applicants have also provided certain other information on confidential basis under Section 31(2)(c), as such information, e.g. export or import price and import volume of the investigated product, may lead to the disclosure of the by nature confidential information of the Applicants by way of reverse calculations. However, the Applicants have submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in the confidence.

19.3 Pursuant to requests made by the Applicants and other interested parties to treat certain information as confidential, the Commission has determined the confidentiality in light of Section 31 of the Act, and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information.

19.4 However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in non-confidential file (public file).

## **B. DETERMINATION OF DUMPING**

### **20. Dumping**

In terms of Section 4 of the Act, dumping is defined as follows:

*“an investigated product shall be considered to be dumped if it is introduced into the commerce of Pakistan at a price which is less than its normal value”.*

### **21. Normal Value**

21.1 In terms of Section 5 of the Act, normal value is defined as follows:

*“a comparable price paid or payable, in the ordinary course of trade, for sales of a like product when destined for consumption in an exporting country”.*

21.2 Further, Section 6 of the Act states:

*“(1) when there are no sales of like product in the ordinary course of trade in domestic market of an exporting country, or when such sales do not permit a proper comparison because of any particular market situation or low volume of the sales in the domestic market of the exporting country, the Commission shall establish normal value of an investigated product on the basis of either:*

*“a) the comparable price of the like product when exported to an*

*appropriate third country provided that this price is representative; or*

*“b) the cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and for profits.*

*“(2) Sales of a like product destined for consumption in domestic market of an exporting country or sales to an appropriate third country may be considered to be a sufficient quantity for the determination of normal value if such sales constitute five per cent or more of the sales of an investigated product to Pakistan.”.*

21.3 Ordinary course of trade is defined in Section 7 of the Act as follows:

*“(1) The Commission may treat sales of a like product in domestic market of an exporting country or sales to a third country at prices below per unit, fixed and variable, cost of production plus administrative, selling and other costs as not being in the ordinary course of trade by reason of price and may disregard such sales in determining normal value only if the Commission determines that such sales were made –*

- “(a) within an extended period of time which shall normally be a period of one year and in no case less than a period of six months;*
- “(b) in substantial quantities; and*
- “(c) at prices which do not provide for the recovery of all costs within a reasonable period of time.*

*“(2) For the purposes of sub-clause (b) of sub-section (1), sales below per unit cost shall be deemed to be in substantial quantities if the Commission establishes that –*

- “(a) a weighted average selling price of transactions under consideration for the determination of normal value is below a weighted average cost; or*
- “(b) the volume of sales below per unit cost represents twenty per cent or more of the volume sold in transactions under consideration for the determination of normal value.*

*“(3) If prices which are below per unit cost at the time of sale are above the weighted average cost for the period of investigation, the Commission shall consider such prices as providing for recovery of costs within a reasonable period of time.”*

## **22. Export Price**

The export price is defined in Section 10 of the Act as “*a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan*”.

## **23. Dumping Determination**

As stated earlier (paragraphs 16.1 and 16.2 supra) the Commission sent questionnaires to exporters/ producers whose complete addresses were available with the Commission. A copy of the questionnaire was also provided to the embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/ foreign producers of the investigated product to submit information to the Commission. However, the Commission did not receive information in response to the questionnaire from any of the exporter/ foreign producer of the investigated product in this investigation. Therefore, dumping of the investigated product in this preliminary determination is determined on the basis of best information available in accordance with Section 32 of the Act. Details of determination of normal value, export price and dumping margin are provided in the following paragraphs.

## **24. Determination of Normal Values for the Exporting Countries**

24.1 The Commission has determined normal value for EU, South Korea and Chinese Taipei on the basis of information obtained from an online portal of MEPS International limited (“MEPS”), United Kingdom ([www.meps.co.uk](http://www.meps.co.uk)). MEPS International Ltd. is a leading steel market analysis and information providing company on global steel prices, indices etc. The normal values have been worked out on the basis of yearly average prices for the POI for dumping obtained from MEPS. The prices data provided the MEPS shows that the prices are reported at ex-works level in EU, South Korea and Chinese Taipei’s markets.

24.2 Domestic prices of CR Coils/Sheets in Vietnam are not available in MEPS, therefore, normal value for Vietnam has been constructed on the basis of the cost of production in Vietnam plus a reasonable amount for administrative, selling and general costs and profits in accordance with Section 6 of the Act. Normal value for Vietnam is constructed on the following basis :

- i. Raw materials cost is determined on the basis of the Applicants’ import price of raw materials at C&F level.
- ii. C&F prices are multiplied with the per unit consumption rate of the raw materials to arrive at material cost per ton. Consumption of raw material per unit is based on the yearly average of the Applicants. Inland freight is added to C&F prices to arrive at ex-factory prices of raw and packing materials.

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- iii. Labor hours employed by the domestic industry to produce one metric ton of CR Coils/Sheets have been multiplied by labour rate applicable in the Vietnam to work out labour cost.
- iv. Variable overhead cost of domestic industry has been converted into equivalent fuel /petrol consumption. The same has been multiplied by fuel/petrol rate applicable in the Vietnam to arrive at variable overhead cost in Vietnam.
- v. Other fixed charges including depreciation of the Applicants on per metric ton basis have been taken as it is in construction of normal value.
- vi. In construction of the normal value, financial charges are calculated by using actual financial charges of the Applicants and the same has been deflated by difference between interest rate of the Vietnam and Pakistan.
- vii. Profit mark up of 5% has been applied on cost to make & sell to reach at constructed normal value for the investigated product

24.3 Normal values determined for the Exporting Countries as per paragraphs 24.1 and 24.2 supra are for prime quality CR Coils/Sheets. However, analysis of the import data obtained from Pakistan Customs/ PRAL has revealed that about 34 percent of imports of the investigated product from the Exporting Countries was of secondary quality during the POI for dumping i.e. From October 01, 2019 to September 30, 2020. Analysis of the import prices of the investigated product shows that weighted average C&F price of secondary quality CR Coils/Sheets was 21.62 percent lower than the weighted average C&F price of prime quality CR Coils/Sheets. Therefore, to reach at secondary quality's normal values, the prime quality prices/normal values are discounted with the same ratio that pertains to the import prices of prime and secondary CR coils/sheets imported from the Exporting Countries POI for dumping. This difference works out 21.62 percent. Therefore, to determine normal value of the investigated product for the imports under "secondary quality" the respective prices/normal values are lowered by 21.62 percent.

24.4 Normal values of the investigated product determined on the fore-going basis for the Exporting Countries are provided in the following table:

**Table-VI  
Normal Values (amount/MT)**

Country	Normal Values for:	
	Prime CRC	Secondary CRC
Chinese Taipei	100.00	78.38
European Union	102.64	80.45
South Korea	102.86	80.62
Vietnam	100.69	78.92

Note: To keep confidentiality, the actual figures have been indexed w.r.t normal value of Prime CRC from Chinese Taipei by taking it equal to 100

**25. Determination of Export Prices of the Investigated Product**

25.1 In terms of section 10 of the Act, export price shall be a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan.

25.2 As stated earlier (paragraph 16 supra) none of the exporter/ foreign producers from the Exporting Countries provided information in response to the questionnaire, therefore, export price has been worked out on the basis of the information/data obtained from PRAL on imports of the investigated product during the POI.

25.3 The data obtained from PRAL shows prices at C & F level. To reach at ex-factory level the adjustments on account of ocean freight, inland freight, and insurance have been made in the C&F prices.

25.4 Evidence of ocean freight has been provided by the Applicants by taking a quotation from a local shipping company from ports of the Exporting Countries to Karachi Pakistan. Inland freight has been assumed as USD \*\*/MT and insurance has been taken as 0.9 percent of the C & F price.

25.5 Based on the above information, export prices of the investigated product for the Exporting Countries during the POI are given in the following table.

**Table-VII  
Export Prices (amount/MT)**

Country	European Union			South Korea			Chinese Taipei			Vietnam		
	Prime	Secondary	Total	Prime	Secondary	Total	Prime	Secondary	Total	Prime	Secondary	Total
C&F Price	100.00	105.17	104.97	123.56	108.13	123.09	131.26	97.95	125.09	114.69	--	114.69
Ocean freight	9.19	9.19	9.19	11.04	11.04	11.04	12.04	12.04	12.04	8.03	--	8.03
Inland freight	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01	--	2.01
Insurance	0.90	0.95	0.95	1.11	0.97	1.11	1.18	0.88	1.13	1.03	--	1.03
Adjusted Price	87.90	93.02	92.82	109.40	94.11	108.93	116.03	83.01	109.91	103.62	--	103.62

Sources: PRAL and the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t Normal value of prime quality CRC from Chinese Taipei by taking it equal to 100

**26. Dumping Margin**

26.1 Section 2(f) of the Act defines dumping margin in relation to a product as “*the amount by which normal value exceeds its export price*”.

26.2 Section 12 of the Act provides three methods for fair comparison of normal value and export price in order to establish dumping margin. The Commission has calculated dumping margin by comparing normal value with export price at ex-factory level.

26.3 The Commission has also complied with the requirements of Section 11 of the

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Act which states that the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade, time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place.

26.2 Taking into account the requirements of Section 11 of the Act, dumping margins for the Exporting Countries work out as follows:

**Table-VIII**

<b>Country Name</b>	<b>Dumping Margin in</b>	
	<b>Absolute</b>	<b>%age</b>
Chinese Taipei	6.31	7.04
European Union	5.57	7.35
South Korea	13.30	14.96
Vietnam	16.14	19.09

**27. De minimis Dumping Margins and Negligible Volume of Dumped Imports**

27.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins, set out in paragraph 26.2 supra, are above the *de minimis* level.

27.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the dumped imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports of a like product, collectively account for more than seven per cent of the imports of like product. The information/data on dumped imports of the investigated product and other imports of CR Coils/Sheets has been obtained from PRAL. Volume of dumped imports of the investigated product and the CR Coils/ Sheets imported from other sources during the POI (October 01, 2019 to September 30, 2020) is given in the table below:

**Table-IX**

**Volume of Imports of CR Coils/Sheets**

<b>Source of import</b>	<b>% of total</b>
European Union	19.53
South Korea	20.48
Chinese Taipei	28.87
Vietnam	4.50
Other Dumped Sources*	5.96
Other sources	20.65
<b>Total</b>	<b>100.00</b>

\* Canada, Russia, China and Ukraine. Source: PRAL

27.3 On the basis of above information, the Commission has determined that the volume of dumped imports of the investigated product from the Exporting Countries during the POI was well above the negligible threshold setout in Section 41(3) of the Act.

### **C. INJURY TO THE DOMESTIC INDUSTRY**

#### **28. Determination of Injury**

28.1 Section 15 of the Act sets out the principles for determination of material injury to the domestic industry in the following words:

*“A determination of injury shall be based on an objective examination of all relevant factors by the Commission which may include but shall not be limited to:*

- a. volume of dumped imports;*
- b. effect of dumped imports on prices in domestic market for like products; and*
- c. Consequent impact of dumped imports on domestic producers of such products...”*

28.2 Section 15 of the Act further provides that:

*“No one or several of the factors identified shall be deemed to necessarily give decisive guidance and the Commission may take into account such other factors as it considers relevant for the determination of injury”.*

28.3 The Commission has taken into account all factors in order to determine whether domestic industry suffered material injury during the POI. Material injury to the domestic industry has been analyzed in the following paragraphs in accordance with Part VI of the Act.

28.4 As stated earlier that there are five units in the domestic industry (paragraph 8 supra). Out of five, two major units are the Applicants in this case. The other units in operation AHN Steel Pvt. Limited and Hadeed Pakistan Pvt. Ltd were asked to provide the requisite data/information on the prescribed questionnaire, however they did not provide the data/information on the prescribed questionnaire. Whereas the fifth unit in the industry, Pakistan Steel Mills Ltd. is not in operation since 2015. Therefore, analysis of the injury factors is based on the Applicants information. As the Applicants produced 89.34 percent of the total domestic production of CR Coils/ Sheets during the POI (paragraph 9.4 supra), therefore the Applicants are considered as domestic industry for the purposes of this investigation.

**29. Cumulation of Dumped Imports**

29.1 Section 16 of the Act states that:

*“where imports of a like product from more than one country are the subject of simultaneous investigation under this Act, the Commission may cumulatively assess the effects of such imports on the domestic industry only if it determines that*

*“(a) dumping margin in relation to an investigated product from each country is more than the negligible amount as specified....., and volume of dumped imports from each investigated country is not less than the negligible quantity as specified.....; and*

*“(b) a cumulative assessment of the effects of the imports is appropriate in the light of*

*(i) the conditions of competition between the imports; and*

*(ii) the conditions of competition between the imports and a domestic like product”.*

29.2 Dumping margin for each Exporting Country is more than the negligible amount (paragraph 26.2 supra). Further, the volume of dumped imports during the POI from each Exporting Country individually was also well above the negligible quantity (paragraph 27.2 supra).

29.3 Information obtained from PRAL showed that, during the POI, landed cost of the investigated product from the Exporting Countries was in the same range. Therefore, there was a competition between dumped imports of the investigated product. Volume of imports and weighted average landed cost of the investigated product from the Exporting Countries during the POI for dumping is provided in the table below:

**Table-X  
Volume and Landed Cost of Dumped Imports**

<b>Description</b>	<b>EU</b>	<b>South Korea</b>	<b>Chinese Taipei</b>	<b>Vietnam</b>
Import volume	100.00	104.85	147.78	23.05
Wtd. Avg. C&F price (per MT)	100.00	117.27	119.17	109.26
Wtd. Avg. Landed cost (per MT)	134.18	129.65	145.59	132.20

Source: PRAL

Landed cost= customs duty+additional duty+regulatory duty+incidentals

Note: To keep confidentiality, the actual figures have been indexed w.r.t volume and weighted average C&F price of CRC from EU by taking it equal to 100

29.4 The information provided in the above table shows that there was a competition between dumped imports of the investigated product from the Exporting Countries



during the POI.

29.5 The investigation has also revealed that there was a competition between investigated product and the domestic like product. Conditions of competition between imports of the investigated product and the domestic like product are discussed in detail in the following paragraphs.

29.6 For the reasons given above, the effects of dumped imports on the domestic industry have been cumulatively assessed in the following paragraphs.

### **30. Volume of Dumped Imports**

30.1 In order to ascertain the increase in the volume of dumped imports of the investigated product, the Commission has obtained import data from PRAL. It is worth mentioning that the imports data has been sorted carefully and the grades which are not being produced by the domestic industry have been excluded from imports data for purposes of this investigation.

30.2 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act, the Commission considered whether there has been a significant increase in volume of dumped imports, either in absolute terms or relative to the production of the domestic like product in Pakistan. The following table shows imports of the investigated product, imports from other sources and production of domestic like product during the POI:

**Table-XI  
Volume of Dumped Imports**

Year	Sources of Imports:				Domestic production	Dumped imports as % of:	
	Dumped	Other Dumped	Other Sources	Total		Total imports	Domestic production
2017-18	16.47	24.68	7.02	48.17	100.00	34.19	16.47
2018-19	14.75	11.84	3.92	30.51	103.20	48.35	14.3
2019-20	20.69	1.68	5.82	28.20	84.28	73.39	24.55

Sources: PRAL and the Applicants

\* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 11 supra).

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic production figures during year 2017-18 by taking it equal to 100

30.3 Above table shows that the volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to the production of the domestic like product during the POI for dumping. Dumped imports of the investigated product decreased by 10.42 percent in the year 2018-19 and increased significantly by 40.26 percent in the POI for dumping i.e. 2019-20.

30.3 Dumped imports of the investigated product, which were 16.47 percent of the domestic production in the year 2017-18 decreased slightly to 14.30 percent of domestic production in the year 2018-19 and increased to 24.55 percent of domestic production in the POI for dumping i.e. 2019-20.

30.4 Due to imposition of antidumping duties on other dumped sources (Canada, Russia, China and Ukraine) imports from these sources have declined sharply by 85 percent. Imports from other sources increased by 48.54 percent whereas imports from dumped sources increased by 40.26 percent in the year 2019-20. However, domestic production declined by 18.33 percent in the year 2019-20.

30.5 On the basis of above information, the Commission has determined that the dumped imports of the investigated product increased significantly in absolute terms as well as relative to the production of domestic like product during the POI.

**31. Price Effects:**

31.1 Effect of dumped imports on sales price of the domestic like product in the domestic market has been examined to establish whether there was significant price undercutting (the extent to which the price of the investigated product was lower than the price of the domestic like product), price depression (the extent to which the domestic industry experienced a decrease in its selling prices of domestic like product over time), or price suppression (the extent to which increased cost could not be recovered by way of increase in selling price of the domestic like product). Effects of dumped imports on price of the domestic like product are analyzed in following paragraphs.

**31.2 Price Undercutting**

31.2.1 Weighted average ex-factory price of the domestic like product has been calculated from the information submitted by the Applicants on quantity and value of their sales during the POI. Landed cost of the investigated product has been calculated from the information obtained from PRAL. Comparison of weighted average ex-factory price of the domestic like product with the weighted average landed cost of the investigated product during the POI is given in following table:

**Table-XII**  
**Price Undercutting (per MT)**

Year	Domestic like product's price	Landed cost of dumped imports	Price undercutting:	
			absolute	percentage
Oct 17-Sep 18	100.00	106.30	---	---
Oct 18-Sep 19	111.39	128.32	---	---
Oct 19-Sep 20	122.45	132.29	---	---

Note: Domestic price and landed cost are without sales tax Sources: the Applicants and PRAL  
To keep confidentiality, the actual figures have been indexed w.r.t domestic like product's price during year 2017-18 by taking it equal to 100

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31.2.2 The information provided in the above table shows that the weighted average landed cost of the investigated product remained higher than the prices of the domestic like product during the POI for injury. Therefore, the domestic industry did not face price under cutting during the POI.

**31.3 Price Depression**

31.3.1 Sales prices of the domestic like product during the POI are given in table below;

**Table–XIII  
Price Depression (per/MT)**

Year	Domestic like product's price	Price Depression
Oct 17-Sep 18	100.00	---
Oct 18-Sep 19	111.39	---
Oct 19-Sep 20	122.45	---

Source: The Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic like product's price figures during year 2017-18 by taking it equal to 100

31.3.2 The above table shows that the price of the domestic like product increased throughout the POI. Therefore, domestic industry did not face price depression during the POI for injury.

**31.4 Price Suppression**

31.4.1 Weighted average cost to make & sell and weighted average ex-factory prices of the domestic like product for the POI are given in the following table:

**Table-XIV  
Price Suppression**

Year	Domestic like product's:		Increase in domestic like product's:				Price suppression	
	Cost to make & sell	price	Cost to make & sell		Price		Price suppression	
	Per MT	Per MT	Per MT	%	Per MT	%	Per MT	%
Oct 17-Sep 18	89.03	100.00	-	--	0	--	-	--
Oct 18-Sep 19	109.54	111.39	20.51	23.00	11.39	11.30	9.12	8.20
Oct 19-Sep 20	118.24	122.45	8.70	7.90	11.06	9.90	-	--

Source: The Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic like product's price figures during year 2017-18 by taking it equal to 100

31.4.2 Above table shows that the weighted average cost to make and sell of the domestic like product, increased by 23 percent and 7.9 percent in the years 2018-19 and 2019-20 respectively, whereas weighted average prices of the domestic like

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product increased by 11.3 percent and 9.9 percent in the years 2018-19 and 2019-20 respectively. Therefore, the domestic industry, faced price suppression in the year 2018-19 as it was unable to recover increased cost to make and sell by way of an increase in price. However, investigation has revealed that this price suppression suffered by the domestic industry was due to the dumped imports of CR Coils/ Sheets from Russia and Canada. After levy of antidumping duty on these sources with effect from 20 September 2019 (paragraph 11.3 supra), the domestic industry was able to increase its prices to cover increase in cost during the year 2019-20.

**32. Effects on Market Share**

32.1 Total domestic demand of CR Coils/ Sheets in Pakistan is met through local production and imports. Size of the domestic market is established by adding sales of domestic like product and imports of the investigated product from dumped sources and imports of CR Coils/ Sheets from other sources. Following table shows the market share from each source of supply during the POI:

**Table-XV  
Market Share**

Year	Domestic industry's sales		Sources of Imports:						Total domestic market	
			Dumped Sources		Other Dumped Sources*		Other Imports			
	Volume	%share	Volume	%share	Volume	%share	Volume	%share	Volume	%change
Oct 17-Sep 18	65.98	65.98	11.63	11.63	17.43	17.43	4.96	4.96	100.00	
Oct 18-Sep 19	69.49	69.49	10.42	10.42	8.36	8.36	2.77	2.77	91.04	(8.96)
Oct 19-Sep 20	59.26	59.26	14.62	14.62	1.19	1.19	4.11	4.11	79.18	(13.03)

Sources: PRAL and the Applicants

\* Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 11 supra), however, there are no imports from Ukraine

To keep confidentiality, the actual figures have been indexed w.r.t total domestic market figures during year 2017-18

32.2 The above table shows that the domestic market of CR Coils/Sheets decreased by 8.96 percent in year 2018-19 and by 13.03 percent during the year 2019-20.

32.3 Domestic industry's market share increased from 65.98 percent during the year 2017-18 to 69.49 percent during the year 2018-19 and decreased to 59.26 percent during the year 2019-20. Market share of the dumped imports of the investigated product slightly decreased from 11.63 percent in the year 2017-18 to 10.42 percent during the year 2018-19 and increased to 14.62 percent in the year 2019-20 despite the decline in total domestic market. Market share of imports from other dumped sources, which are subject to antidumping duty, decreased from 17.43 percent in the year 2017-18 to 8.36 percent in the year 2018-19 and to 1.19% in the year 2019-20. This significant decline in imports was a result of imposition of anti-dumping duty on imports from Russia and Canada (paragraph 11 supra). Market share of imports from other sources decreased from 4.96 percent in the year 2017-18 to 2.77 percent in the year 2018-19 and increased again to 4.11 percent in the year 2019-20.

32.4 As stated earlier, the Commission has imposed anti-dumping duty on dumped imports of CR Coils/Sheets from Russia and Canada with effect from 20 September 2019 (paragraph 11 supra), therefore, imports from these sources declined significantly. However, the domestic industry could not benefited from decline in volume from other dumped sources as this gap was filled by the exporters of the dumped imports from the Exporting Countries, which increased significantly by 40.26 percent during POI for dumping. Resultantly, market share of the dumped imports of the investigated product increased from 10.42 percent in 2018-19 to 14.62 percent in 2019-20, whereas domestic industry's market share decreased by 10.23 percent in the year 2019-20.

**33. Effect on Sales of the Domestic Like Product**

33.1 Information on domestic sales of the domestic like product by the Applicants during the POI is given in the following table:

**Table-XVI  
Domestic Sales of the Applicants**

Year	Volume	% change
Oct 17-Sep 18	100.00	--
Oct 18-Sep 19	105.31	5.31
Oct 19-Sep 20	89.82	(14.72)

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t sales volume figures during year 2017-18 by taking it equal to 100

33.2 The above table shows that domestic sales of the domestic like product increased by 5.31 percent during the year 2018-19 and decreased by 14.72 percent in the year 2019-20. This decline in sales of the domestic like product is apparently due to significant increase in volume of dumped imports of the investigated product.

**34. Effects on Production and Capacity Utilization**

34.1 The Applicants are multi product companies. During the POI they also produced galvanized and coloured coils/sheets in addition to the CR Coils/Sheets. CR Coils in hard form are also used in manufacturing for Galvanized Coils/ Sheets as well as Color Coated Coils/ Sheets. As per accounting system and production flow of the Applicants, each production batch is separately identifiable with its finished product from the very start of the production process. Therefore, instead of recording production of such CR Coils in hard form as production of CR Coils, it is recorded as work in process inventory of the Galvanized or Coloured Coils. Since as per process flow, such CR Coils in hard form are not recorded as production of the CR Coils, no internal transfer arises. As production figures provided by the Applicants for CR Coils/Sheets do not include the CR Coils/Sheets produced for galvanized and coloured coils/sheets, therefore, installed production capacities of the Applicants for CR Coils have also adjusted downward in accordance with quantity of galvanized and coloured coils/sheets produced during the

POI. The installed capacity, quantity produced and the capacity utilization of the Applicants during the POI were as:

**Table-XVII  
Capacity, Production and Capacity Utilization**

Year	Installed Capacity	Production	Capacity Utilization
Oct 17-Sep 18	100.00	79.96	79.96%
Oct 18-Sep 19	188.24	82.52	43.84%
Oct 19-Sep 20	215.98	67.39	31.20%

Source: Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t installed capacity figures during year 2017-18 by taking it equal to 100

34.2 The above table shows that the installed production capacity of the domestic industry increased during the POI. Current installed production capacity is considerably higher than the total demand of the country (Table-XV supra). Production of the domestic like product increased by 3.2 percent during the year 2018-19 and decreased by 18.6 percent during the year 2019-20. Decline in production coupled with increased installed capacity of the domestic industry resulted decline in capacity utilization. However, domestic industry would have been benefited from imposition of antidumping duty imposed on imports from other dumped sources (para 11. supra), but due to significant increase in volume of dumped imports of the investigated product from the Exporting Countries barred the domestic industry for more production and capacity utilization.

### **35. Effects on Inventories**

35.1 The data relating to inventories of the domestic like product during the POI is given in the table below:

**Table-XVIII  
Inventories of the Domestic Like Product (Volume)**

Year	Opening inventory	Production	Sales		Closing Inventory
			Domestic	Exports	
Oct 17-Sep 18	6.08	100.00	93.43	0.22	12.43
Oct 18-Sep 19	12.43	103.20	98.39	2.89	14.35
Oct 19-Sep 20	14.35	84.28	83.91	9.67	5.05

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t production figures during year 2017-18 by taking it equal to 100

35.2 The above table shows that the closing inventory of the domestic like product increased in the year 2018-19 and then decreased in year 2019-20. This decline in inventories is a result of decline in production and significant increase in exports of the domestic like product.

**36. Effects on Profits and Profitability**

36.1 The table given below shows the profits and profitability of the domestic industry for the POI:

**Table-XVIX  
Profit and Profitability**

Year	Net Profits*	
	(Amount)	Per MT
Oct 17-Sep 18	100.00	100.00
Oct 18-Sep 19	17.23	15.93
Oct 19-Sep 20	16.76	16.78

Source: the Applicants \* Including export sales profits  
Note: To keep confidentiality, the actual figures have been indexed w.r.t respective figures during year 2017-18 by taking them equal to 100

36.2 It appears from the above table that the Applicants profitability remained positive during the POI. However, net profits are at declining trends during the POI.

**37. Effects on Return on Investment**

37.1 As the Applicants are multi-product companies and the investment and return on investment cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, the return on investment of the Applicants is assessed for the entire their operations during the POI. Information relating to investments and return on investment of the Applicants during the POI is provided in the following table:

**Table XX  
Return on Investment**

Year	*Investments (amount)	**Returns (amount)	ROI (%)
Oct 17-Sep 18	100.00	24.64	24.64
Oct 18-Sep 19	105.69	9.96	9.42
Oct 19-Sep 20	113.04	8.65	7.65

Source: the Applicants  
\*Investment = Equity + Long term Loans  
\*\*Return = Profit before taxation + interest paid on Long term loan  
Note: To keep confidentiality, the actual figures have been indexed w.r.t investment figures during year 2017-18 by taking it equal to 100

37.4 The above table shows that the investments in domestic industry increased throughout the POI. However, return on investment decreased during POI. Decline in ROI was mainly due to decrease in profits .

### 38. **Effects on Cash Flows**

38.1 As the Applicants are multi-product companies and the cash flow cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, cash flow position has been assessed for entire operations of the Applicants. Information relating to net cash flows from operations of the Applicants is provided in the following table:

**Table-XXI**  
**Net Cash Flows**

Year	Amount
Oct 17-Sep 18	(100.00)
Oct 18-Sep 19	(3.81)
Oct 19-Sep 20	123.30

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t cashflow figures during year 2017-18 by taking it equal to 100

38.2 The above table shows that the domestic industry's net cash flows from operations remained negative in 2017-18 which improved in 2018-19. In 2019-20 the cash flows of domestic industry improved significantly and became positive. The cash flows turned positive due to sharp decrease in inventories (paragraph 35 supra), significant increase in exports and increase in price (paragraph 31.3 supra) of the domestic like product due to imposition of the anti-dumping duties on Canada and Russia.

### 39. **Effects on Employment, Productivity and Salaries & Wages**

39.1 The data relating to the employment, salaries & Wages and productivity of the domestic industry for the domestic like product during the POI is given in the following table:

**Table – XXII**  
**Employment, Wages and Productivity**

Year	Number of Employees	Salaries & Wages (amount)	Domestic Production (volume)	Productivity per worker	Salaries & Wages (per MT)
Oct 17-Sep 18	100.00	100.00	100.00	100.00	100.00
Oct 18-Sep 19	110.29	91.52	103.20	93.57	88.69
Oct 19-Sep 20	100.72	86.84	84.28	83.68	103.02

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t corresponding figures during year 2017-18 by taking them equal to 100

39.2 The above table shows that the employment in the domestic industry increased during the year 2018-19 due to increase in production and capacity (paragraph 34 supra). However, employment declined in 2019-20 due to decline in production in this year. Productivity per worker decreased by 10.57% in year 2019-20 as compared to



year 2018-19 which was due to decline in the production of the domestic like product. Salaries and wages increased by 16.16% in year 2019-20 as compared to year 2018-19.

#### **40. Effects on Growth**

After imposition of antidumping duties on CR Coils/Sheets imported from China, Ukraine, Canada and Russia (paragraph 11 supra), the Applicants have made investments and installed production capacity of the domestic industry has increased significantly, which is more than the domestic demand (Table-XV supra). Therefore, no further growth in the domestic industry is expected in near future.

#### **41. Ability to Raise Capital**

According to the Applicants, due to reduced profitability (paragraph 36 supra) of the domestic industry and decreasing returns on investment (paragraph 37 supra) during the POI of dumping, domestic industry cannot raise the amount of capital, when required.

#### **42. Magnitude of Dumping Margins**

Dumping margins determined for Exporting Countries ranges from 7.04 percent to 19.09 percent, which are considered enough to cause material injury the domestic industry. Further, injury factors discussed above show that domestic industry has suffered material injury on number of factors.

#### **43. Summing up of Material Injury**

43.1 It appears from the information and analysis in the preceding paragraphs that volume of dumped imports of the investigated product increased significantly in absolute as well as relative to production of the domestic like product during the POI for dumping. However, the landed cost of the investigated product did not undercut the prices of domestic like product during the POI. The domestic industry suffered price suppression during the year 2018-19 however, the suppression was not due to the dumped imports from the Exporting Countries. Market share of the dumped imports increased whereas domestic industry lost its market share during the POI. The domestic industry suffered injury during the POI on account of decline in sales, decline in profits, profitability, return on investment, production, capacity utilization, productivity .

43.2 Effect of dumped imports on various injury factors are summarized in the table below:

**Table-XXIII  
Effects of Dumped Imports**

<b>Injury Factor</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Volume of dumped imports (volume)	100.00	89.58	125.65
Dumped imports as % of total imports (%)	34.19	48.35	73.39
Production of domestic like product (volume)	100.00	103.20	84.28
Market share of dumped imports (%)	11.63	10.42	14.62
Market share of domestic like product (%)	65.98	69.49	59.26
Sales of the domestic like product (volume)	100.00	105.31	89.82
Capacity utilization of domestic industry (%)	79.96	43.84	31.2
Profits (amount)	100.00	17.23	16.76
ROI (%)	24.64	9.42	7.65
Productivity per worker	100.00	93.57	83.68
Salaries and wages (per MT)	100.00	88.69	103.02

Note: the figures in the table are indexed figures from tables in preceding paragraphs.

43.3 The above effects are significant enough on the basis of which it is determined that domestic industry has suffered material injury during the POI.

#### **D. CAUSATION**

#### **44. Effect of Dumped Imports**

The investigation of the Commission has revealed that the following happened simultaneously during the POI:

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to the domestic production;
- ii. Market share of dumped imports of the investigated product increased whereas market share of the domestic like product declined simultaneously;
- iii. Domestic industry faced negative effect on sales, production, productivity, and return on investment; and
- iv. Domestic industry faced decline in capacity utilization, profits and profitability.

Therefore, the Commission has determined that domestic industry has suffered material injury during the POI due to dumped imports of the investigated product.

#### **45. Other Factors**

45.1 In accordance with Section 18(2) of the Act, the Commission has also examined factors other than dumped imports of the investigated product, which could have at the same time caused material injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports.

45.2 Section 18(3) of the Act states that the other factors which may be relevant for the purpose of examination may include the following:

- i. volume and price of imports not sold at the dumped prices;
- ii. contraction in demand or changes in the patterns of consumption;
- iii. trade restrictive practices of and competition between foreign and domestic producers;
- iv. development in technology; and
- v. export performance and productivity of domestic industry

#### **45.3 Volume of Imports of CR Coils/Sheets from Other Sources:**

45.3.1 Following table shows volume of imports of the investigated product and CR Coils/Sheets imported from other sources:

**Table-XXIV  
Volume of Imports from Other Sources**

Year	Domestic industry's sales	Sources of Imports:			Total domestic market
		Dumped Sources	Other Dumped Sources*	Others	
Oct 17-Sep 18	65.98	11.63	17.43	4.96	100.00
Oct 18-Sep 19	69.49	10.42	8.36	2.77	91.04
Oct 19-Sep 20	59.26	14.62	1.19	4.11	79.18

Sources: PRAL & the Applicants

\* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 11 supra), however, there are no imports from Ukraine.

Note: To keep confidentiality, the actual figures have been indexed w.r.t total domestic market figures during year 2017-18 by taking it equal to 100

45.3.2 The above table shows that, after imposition of antidumping duties on dumped imports of CR Coils/Sheets from China, Ukraine, Canada and Russia imports from these sources declined sharply i.e. by 52 percent and 86 percent in the years 2018-19 and 2019-20 respectively. Imports from other sources decreased in 2018-19 by 44 percent and then increased by 49 percent in the year 2019-20. However, total imports

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from all other sources (other dumped + others) declined significantly by 50% in 2018-19 and by 52% in 2019-20. Therefore, volume of other imports was not the main cause of injury to the domestic industry during the POI.

**45.4 Prices of Imports of CR Coils/Sheets from Other Sources**

45.4.1 Following table shows prices (weighted average landed cost) of imports of the investigated product and CR Coils/Sheets imported from different sources:

**Table-XXV  
Landed cost of imports and Domestic Industry's Price (per MT)**

Year	Landed Cost of imports from			Domestic Industry's price
	Dumped sources	*Other Dumped sources	Others	
Oct 17-Sep 18	106.30	102.65	94.72	100.00
Oct 18-Sep 19	128.32	115.49	131.82	111.39
Oct 19-Sep 20	132.29	136.79	132.71	122.45

Landed cost = C&F value+CD+ACD+RD+ADD+Incidentals

Sources: PRAL and the Applicants

\* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 11 supra), however, there are no imports from Ukraine

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic industry's price figures during year 2017-18 by taking it equal to 100

45.4.2 The above table shows that the landed costs of CR Coils/Sheets imported from other dumped sources as well as from all other sources were higher than the prices of the domestic like product during the POI. Therefore, imports from other sources were not the cause of material injury to the domestic industry during the POI.

**45.5 Contraction in Demand or Change in Pattern of Consumption**

45.5.1 Information obtained from PRAL and submitted by the Applicants shows that, there was contraction in demand in the year 2018-19 and year 2019-20 as compared to the size of domestic market in year 2017-18. Following table shows sources of supply and size of the market during the POI:

**Table-XXVI  
Domestic Market of CR Coils/Sheets**

Year	Domestic industry's sales		Sources of Imports:						Total domestic market	
			Dumped Sources		Other Dumped Sources*		Other Imports			
	MT	%share	MT	%share	MT	%share	MT	%share	MT	%change
Oct 17-Sep 18	65.98	65.98	11.63	11.63	17.43	17.43	4.96	4.96	100	
Oct 18-Sep 19	69.49	69.49	10.42	10.42	8.36	8.36	2.77	2.77	91	-8.96
Oct 19-Sep 20	59.26	59.26	14.62	14.62	1.19	1.19	4.11	4.11	79	-13.03

Sources: PRAL and the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t total domestic market figures during year 2017-18 by taking it equal to 100

45.5.2 The above table shows that the domestic market of CR Coils/Sheets decreased by 8.96 percent in year 2018-19 and then decreased by 13.03 percent during the year 2019-20. In declining total market, share of the domestic industry increased by 3.51 percent during the year 2018-19 and decreased by 10.23 percent in the year 2019-20. Share of imports from other dumped sources declined by 9.07 percent and 7.17 percent in the years 2018-19 and 2019-20 respectively. Share of imports from other sources declined by 2.19 percent in year 2018-19 and increased by 1.34 percent in the year 2019-20. However, share of imports from dumped sources decreased by 1.21 percent in 2018-19 and increased by 4.20 percent in the year 2019-20.

45.5.3 The above information and analysis, show that share of dumped imports increased significantly despite contraction in demand during the POI, which caused injury to the domestic industry on account of sales and market share.

**45.6 Trade restrictive practices of and competition between foreign and domestic producers**

There was no such policy by the government of Pakistan during the POI that have negatively affected the domestic industry and created distortion in the competitive environment between foreign and domestic producers.

**45.7 Developments in Technology**

There was no development in technology during the POI that could have contributed to the material injury of the domestic industry.

**45.8 Export Performance of Domestic Industry**

The domestic industry did not suffer material injury due to its export performance during the POI as its exports of CR coils/sheets increased significantly in the POI. Following table shows exports of the domestic like product during the POI:

**Table-XXVII  
Exports of the Domestic Like Product**

<b>Year</b>	<b>Exports (volume)</b>
Oct 17-Sep 18	100
Oct 18-Sep 19	1,299
Oct 19-Sep 20	4,344

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t export figures during year 2017-18 by taking it equal to 100

## **45.9 Other Factors Reported in Annual Reports of the Applicants**

45.9.1 Annual reports of the Applicants refers following factors which have also affected the domestic industry:

- i. Impact of COVID 19;
- ii. Increase in policy (interest) rate in 2018-19;
- iii. Exchange rate deprivation;
- iv. Changes in raw material (HRC) prices; and
- v. Fire incidence at Aisha Steel Ltd.'s plant in January 2020

### **45.9.2 Impact of COVID 19**

45.9.2.1 COVID 19 suppressed economic activity. The large-scale manufacturing was down by 10.2% in 2019-20 as compared to last year. The complete lockdown in second quarter of the 2020 brought the whole economy to a standstill and with the same lockdown across the globe, international trade, travel and business activity declined significantly. However, Pakistan managed to contain the devastating effects of the COVID-19 through its smart lockdown strategy. Therefore, the economy has been turned into the recovery mode from COVID 19 slowdown in short span of time.

45.9.2.2 Steel demand in the country contracted from a decline of 36.5 percent in automobile production along with international price dynamics. At the same time, cuts in development spending and a general slowdown in economic activities coupled with COVID-19 outbreak reduced the demand for iron and steel products urging the local steel industry to curtail their production. All these factors contributed to the negative growth of 8 percent in iron and steel industry. Nevertheless, the COVID-19 pandemic is presenting a fair few short-term challenges to the steel industry. The quickening recovery in the country indicates that the industry should be able to weather this storm.

### **45.9.3 Increase in Policy (interest) Rate in 2018-19**

The State Bank of Pakistan (SBP) increased policy rate as high as 13.25% in early 2019-20 to contain inflation. This situation impacted adversely to the domestic economy including the steel industry. However, to cope with COVID 19 the SBP responded to the crisis by cutting the policy rate by a cumulative 6.25 basis points to 7.0 percent since March 2020. The reduction of policy rate has impacted positively and the GDP growth rate is expected by 4 percent.

### **45.9.4 Exchange Rate Deprivation**

Exchange rate depreciated considerably 2018-19, however, during 2019-20 the Pak Rs. US\$ parity remained stable FY2020 which is providing a base for

sustainable decisions by the business community. Further, some positive results of the Government's macro-economic reforms, particularly in the Current Account Deficit, which narrowed 77.9 percent to \$2.97 billion in July-June FY2020 from \$13.43 billion in the previous year, are also contributing stability of the economy.

#### **45.9.4 Changes in raw material (HRC) prices**

The raw material for CR Coils/Sheets mainly consists of Hot Rolled Coils (HRC). As no production of HRC is being done in the country, therefore, entire demand of HRC is met through imports. The international steel industry, like others, went through a tough patch. The demand fluctuated and the prices with it. The HRC price, in July 2019 was around US\$ 500 per ton FOB China, came down to around US\$400 in September, then rising back to around US\$ 500 in January 2020. The COVID-19 related slowdown caused the prices to fall back again to US\$ 400 levels. The prices, lately, have started to recover on account of gradual opening up of business in China and Europe and is now around US\$ 500 per ton. As the economy re-opens, it is expected that adverse impact of COVID-19 will be bottoming out. The local market is witnessing 'V' shaped growth as the steps taken and gradual decline in COVID-19 related cases has substantially improved business environment. The revival of two and three wheelers is well underway. The car, truck and bus industry is also picking up and a sharp turnaround is expected in the upcoming quarters. Therefore, adverse impacts of prices on domestic industry are likely to be over in near future.

#### **45.9.5 Fire incidence at Aisha Steel Ltd.'s (ASL) plant in January 2020**

Investigation of the Commission has revealed that a the fire incidence took place at old plant of ASL in January 2020. At that timey, its new plat was fully operational, however, it was not operating at full capacity due to lower demand of domestic like product. Further, skin passing facility was restored within 30 days. Therefore, fire incidence did not effect on ASL's production of CRC. Furthermore, the plant was insured and the ASL has claimed its value from the insurance company, which is still due. In this situation ASL has decapitalized the value of that plant from its assets till the time it is restored, therefore, there is no impact of these assets in depreciation cost of the company.

#### **46. Causal link**

Based on the above information and analysis the Commission is of the view that the cause of material injury to the domestic industry during the POI for dumping was dumped imports of the investigated product as there was a causal link between dumped imports of the investigated product and material injury to the domestic industry.

#### **47. Threat of Material Injury**

The Applicants have also claimed threat of material injury to the domestic

industry due to dumped imports of the investigated product. As the Commission has determined that the domestic industry has suffered material injury during the POI, therefore, there is no need to investigate/examine threat of material injury.

## **E. CONCLUSIONS**

48. After taking into account all considerations for this preliminary determination, the Commission reached on the following conclusions:

- i. the application was filed by the domestic industry as the Applicants represent 89.3462 percent of total production of the domestic like product during the POI;
- ii. the investigated product and the domestic like product are like products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/ producers from the Exporting Countries at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product from the Exporting Countries are above the negligible and *de minimis* levels;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level varies between 7.04 percent to 19.09 percent for Exporting Countries;
- vi. the domestic industry suffered material injury on account of volume of dumped imports of the investigated product, decline in: market share, capacity utilization, profits, profitability, return on investment, and negative effects on production, sales, productivity, salaries and wages in terms of Sections 15 and 17 of the Act; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

## **F. IMPOSITION OF PROVISIONAL ANTIDUMPING DUTY**

49. In view of the analysis and conclusions with regard to dumping, material injury, and causation, imposition of provisional antidumping duties on dumped imports of the investigated product is needed to prevent injury being caused to the domestic industry during the course of this investigation in accordance with Section 43 of the Act.

50. As no exporter/ foreign producer of the investigated product has provided



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requisite information in this investigation, therefore, individual dumping margins have not been determined for the exporters/producers of the investigated product. A country wide single dumping margin has been determined for each Exporting Country. Dumping margins and anti-dumping duty rates for the Exporting Countries is determined on the basis of best available information in terms of Section 32 of the Act.

51. The Commission has also considered provisions of Section 43 (1) of the Act for imposition of lesser duty. However, the Commission is of the view as the domestic industry has suffered material injury on account of volumes i.e. production, sales, market share, capacity utilization, which consequently impacted negatively to the profits, profitability, ROI and productivity and not on prices, therefore, injury margins determined on the basis of price/cost of the domestic like product and landed cost of the investigated product will not represent/portray removal of injury to the domestic industry. Thus, in this situation, the Commission has decided to impose provisional anti-dumping duties equal to dumping margins in accordance with provisions of Section 43(1) of the Act. Therefore, following provisional antidumping duties on dumped imports of the investigated product importable from the Exporting Countries are hereby imposed for a period of four months effective from August 23, 2021. Act, 1969. The investigated product is classified under PCT heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890:

**Table-XXVIII  
Provisional Anti-dumping Duty Rates**

<b>Country Name</b>	<b>Duty Rate (%of C&amp;F price)</b>
Chinese Taipei	6.18
European Union	6.50
South Korea	13.24
Vietnam	17.25

52. Following grades of CR Coils/Sheets imported from the Exporting Countries will not be subject to this provisional antidumping duties as these are excluded from scope of the investigated product:

**S.No Grade**

- i. JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-4
- ii. SPCD-S, SECC-0/20, SPCC Deep Drawing Quality, SPCEN, SEHC-0/20,
- iii. JSC26OGN-2 (SPCX), JAH59ORN 45/45
- iv. SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
- v. SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
- vi. HFS 429M, HFS 436L, HSS 441

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- vii. SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
- vii. MSM-CC-DZC-90/90

53. CR Coils/Sheets imported from sources other than the Exporting Countries shall not be subject to the above-mentioned provisional antidumping duties. Further, in accordance with Section 51(e) of the Act, definitive antidumping duty will not be levied on imports of the investigated product that are used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs

54. In accordance with Section 51 of the Act, the provisional antidumping duty shall take the form of *ad valorem* duty and be held in a non-lapsable personal ledger account established and maintained by the Commission for the purpose. Release of the investigated product for free circulation in Pakistan shall be subject to imposition of such antidumping duty.

55. Provisional antidumping duties levied would be in addition to other taxes and duties leviable on import of the investigated product under any other law.

56. The provisional antidumping duties would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in Commission's Non-lapsable PLD account No. 187 with Federal Treasury Office, Islamabad.

-sd-  
( Anjum Assad Amin )  
Member  
August 17, 2021

-sd-  
( Tippu Sultan)  
Member  
August 17, 2021

-sd-  
( Abdul Khaliq)  
Member  
August 17, 2021

-sd-  
( Robina Ather)  
Chairperson  
August 17, 2021

**Comments of Interested Parties**

<b>Comments of Interested Parties</b>	<b>NTC View</b>
<b>Views/Comments of ABS &amp; CO on behalf of Siddiqsons Tin Plate Limited (STPL)</b>	
<p>"M/s, Ayesha Steel and M/s, International Steel Limited do not possess the capability/capacity to produce Tin Mill Black Plate ("TMBP") and the only time and party Advocate Supreme Court for whom they shall be able to manufacture the TMBP is Siddiqsons Tin Plate Limited. TMBP has different specification than CRC and is classified under separate tariff headings. Therefore, the National Tariff Commission ("the Commission") is requested to ensure that both the headings of TMBP i.e., 7209. 1891 and 7209. 1899 are withdrawn and excluded from the scope of investigation."</p>	<p>During the on spot verification at the premises of the Applicants, the Commission verified that the Applicants have the capability to produce TMBP on its production facility and during the POI they had sold the CRC to Siddiq Sons Tinplate meant to use for production of Tinplate. To verify this, the Commission obtained record of sales made to Siddiq Sons Tinplate Ltd. by the Applicants during the POI. Further in order to ascertain whether the domestic industry is producing the Tin Mill Black Plate ("TMBP") which is used in production of tinplate, the Commission has requested the Engineering Development Board, Ministry of Industries and production ("EDB") to carry out a technical assessment. Response/report of the EDB is awaited. Therefore, for the purposes of this preliminary determination the TMBP is part of the investigated product, however, the Commission will review claim of M/s Siddique Sons Ltd. after receipt of response/report of EDB and will decide accordingly.</p>
<b>Views/Comments of the Indus Motor Company Ltd, Pirani Engineering Pvt Ltd and Agriauto Stamping Company Ltd. ;</b>	
<p>"The term "Auto skin/Auto grade need to be clearly defined and same should be communicated to Customs for clarification as CR Coils/Sheets as input material is imported by the auto sector under SRO -655(I)/2006 and SRO 656(I)/2006 and thereby should be excluded and exempted from anti- dumping duty."</p> <p>"Old Data prior to July 2020 (Mid Covid) was considered as basis for initiation of study. Where as globally prices of steel materials sand freight cost has gone up sharply since than ranging from 60% to 70%. NTC considered overall situation in the study."</p>	<p>The Commission under Section 2 of the Act has clearly defined the investigated product while making preliminary determination in this investigation and has excluded the CR Coils/ Sheets used in automotive outer skins of four-wheeler vehicles and the auto grades which are not manufactured locally and used in manufacturing of automotive parts.</p> <p>For the purposes of this preliminary determination the Commission has considered the available information for the POI including international prices from MEPS international Limited for CR Coils/sheets.</p>
<b>Views/Comments of MGA Industries Pvt. Ltd.</b>	
<p>"The quality of the materials produced by the Aisha Steel Mills Limited and International Steel Limited is very low and does not match international standard. We are importing material such as 'JSC440WN, JAC590R which are not produced in Pakistan."</p>	<p>The Commission has determined likeness of the investigated product and the domestic like product in accordance with provisions of the Act. Investigation of the Commission has shown that the domestic industry is following laid-down standards for the domestic like product. However, the Commission has excluded the CR Coils/</p>

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	<p>Sheets used in automotive outer skins of four-wheeler vehicles and the auto grades which are not manufactured locally and used in manufacturing of automotive parts.</p>
<p><b>Views/Comments of Hyundai Steel Company, South Korea.</b></p>	
<p>“---The National Tariff Commission has specifically excluded auto skins/ auto grade CR Coils/sheets from the scope of the Anti-dumping investigation. However, it must be noted that the Pakistan Customs Tariff Chapter 72 which deals with the Investigated Product does only differentiates between the products on the basis of physical attributes, i.e., thickness and primary or secondary quality. The Pakistan Customs Tariff does not provide any distinction between the products in chapter 72 on the basis of the downstream usage of the products. Therefore, no specific identification mechanism of any sort exists at the tariff level to allow for exempted products/non-included usage to be imported into the commerce of Pakistan without imposition of anti-dumping duties, if any are levied....”</p>	<p>The Commission has clearly defined the investigated product while making preliminary determination has defined the grades which are excluded from scope of this investigation.</p>
<p><b>Views/Comments of POSCO Korea.</b></p>	
<p>Scope of the Investigated Product:  “Further clarity on the scope of the Investigated Product may be achieved through the following:  (a) In terms of exclusion of cold rolled coils/sheets used in auto-grade/auto-skins, the Commission ought to expressly clarify that the same extends to all types of vehicles, including two-wheelers, three-wheelers, passenger, and commercial vehicles, e.g., motorbikes, cars, busses, trucks, tractors, etc. While we understand that the applicants have expressed their inability in producing cold rolled coils/sheets used in auto parts for four-wheelers due to use of high grade high tensile material, no such clarity has been given with respect to auto parts for two and three-wheelers. Such a clarification would ensure that there is no semblance of ambiguity as to the nature of the exclusion extending to all types of vehicles; and  (b). The Commission may expressly clarify that cold rolled coils/sheets used in autograde/auto-skins shall be determined by way of the steel grades and/or chemical compositions stated on the mill test certificates issued by steel mills which specify the grade and chemical contents of the product.</p> <p>(ii) Incapacity of the Domestic Industry:  Domestic Industry can only produce cold rolled steel of width up to 1250 mm. Accordingly, demands for cold rolled steel of width more than 1250 mm can only be satisfied through imports. Therefore the Commission exclude all imports of cold rolled steel of width more than 1250 mm”</p>	<p>The Commission has clearly defined the investigated product while making preliminary determination has defined the grades which are excluded from scope of this investigation.</p> <p>Specifications of the investigated product have been clearly defined including width of the product in this preliminary determination.</p>
<p><b>Views/Comments of European Commission:</b></p>	
<p>Article 5.2 of the WTO Anti-dumping agreement (ADA) determines that "An application under paragraph 1 shall include evidence of (a) dumping, (b) injury within the meaning of Article VI of GATT 1994 as interpreted by this Agreement and (c) a causal link between the</p>	<p>The Commission has complied with requirements of the WTO's Anti-dumping Agreement as well as the Act with respect to the application, initiation of this investigation and preliminary determination in</p>

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<p>dumped imports and the alleged injury. Simple assertion, unsubstantiated by relevant evidence, cannot be considered sufficient to meet the requirements of this paragraph. On the basis of the information available in the application, the damages described by the petitioners might not be a direct consequence of the dumped imports. Nevertheless, the petitioners alleged that the domestic industry has suffered material injury due to the dumped imports and no other factors have negatively influenced the situation. The comments provided should be taken into careful consideration during the course of the investigation, in particular:</p> <ul style="list-style-type: none"><li>- clarify inconsistencies in the application, in particular concerning import volumes;</li><li>- the domestic industry does not seem to be suffering. injury caused by allegedly dumped imports;</li><li>- any difficulties of the domestic industry is experiencing must be caused by other factors, such as an increase in costs;</li></ul>	<p>this case.</p> <p>The Commission's investigation has shown that the application met requirements of Sections 20 and 24 of the Act as well as the investigated product was dumped during the POI, the domestic industry faced material injury and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI. The Commission has also analysed other factors and has reached on the conclusion that the other factors were not the major cause of material injury to the domestic industry. (please refer part D of the report).</p>
<p><b>Views/Comments of Automotive Parts &amp; Accessories Manufacturers ("PAAPAM")</b></p>	
<p>(i) International Steel Mills Limited and Aisha Steel Mills Limited (the "Applicants" or "Domestic Industry") from the imports of the Investigated Product (the "IP") have not suffered material injury nor is there a threat of material injury on account of dumping or any other factor mentioned in the Application. In fact, as can be seen from the financial statements of the Applicants, the Domestic Industry has thrived and has registered record sales and profits;</p> <p>(ii) The information provided in the Application was inadequate, unreliable, unsubstantiated, flawed, incoherent and insufficient, therefore, it does not justify the determination that anti-dumping duties need to be imposed;</p> <p>(iii) The Commission has erred on a number of counts while issuing the Notice of Initiation, more specifically:</p> <p>(a) The Application is riddled with unwarranted claims of confidentiality;</p> <p>(b) The Applicants have wrongfully contended, in the absence of necessary evidence, that certain circumstances exist which warrant the imposition of anti-dumping duties on the exporters/producers from the Exporting Countries;</p> <p>(c) The Applicants have, by way of the Application, attempted to eliminate all competition in a bid to further strengthen their oligopoly over the domestic market;</p> <p>(d) The Domestic Industry does not have the capability to satisfy the domestic demand of the Investigated Product in terms of quality and specifications required;</p> <p>(e) The Applicants have alleged dumping by the Exporting Countries but have failed to substantiate their claims with the requisite evidence;</p> <p>(f) The Domestic Industry has flourished in the past years and has gone from strength to strength;</p> <p>(g) There is no causal link between imports of Investigated Product and 'injury' claimed by the Domestic Industry;</p>	<p>that the application met requirements of Sections 20 and 24 of the Act as well as the investigated product was dumped during the POI, the domestic industry faced material injury and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI. The Commission has also analysed other factors and has reached on the conclusion that the other factors were not the major cause of material injury to the domestic industry. (please refer part D of the report).</p> <p>Confidentiality is determined in accordance with Section 31 of the Act</p> <p>the application met requirements of Sections 20 and 24 of the Act</p> <p>Investigation has revealed that installed capacity of the domestic industry is considerably higher than the domestic demand of CR Coils/Sheets Investigation has shown that the exporters exported the investigated product at dumped prices during the POI.</p> <p>Commission investigation has shown that there was a causal relationship between dumped imports and material injury faced by the domestic industry during the POI.</p>

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<p>(h) Alleged injury, if any, suffered by the Domestic Industry is a result of COVID-19, poor management decisions, underutilization of capacities, and failing market strategies;</p> <p>(i) There is no threat of material injury to the Domestic Industry as, on the basis of the data available, no significant change in circumstances can be envisioned whereby any 'dumping' would injure the Domestic Industry; and</p> <p>(j) Each ground relied upon by the Applicants is either wholly inaccurate/incorrect or is strictly narrative and devoid of any legal backing. The Application is riddled with unwarranted claims of confidentiality.</p> <p>(iv) The Domestic Industry is already more than adequately protected, and any measures taken to increase such protection would only be trade restrictive and inevitably amount to measures which discriminate the treatment of foreign goods with identical domestic goods in contravention of the International Trade Regime;</p> <p>(v) The Anti-Dumping Duties Act, 2015 provides that the imposition of duties to offset injurious dumping is in the public interest. For the multitude of reasons given herein, it is axiomatic that a decision to impose duties in the subject matter would go against any and all public interest considerations; and</p>	<p>The Commission has analysed other factors as well including impact of COVID and has reached on the conclusion that other factors were not the main cause of injury to the domestic industry during the POI.</p> <p>The Commission has complied with all legal requirements and has made this preliminary determination in accordance with provisions of the Act.</p>
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**Views and Comments Submitted by Pakistan Iron and Steel Merchant Association and Karachi Iron and Steel Merchant Association:**

<p>There are 4 re-rollers of steel in Pakistan at the moment i.e. rerolling HRC (hot rolled coils) to CRC (cold rolled coils) which are as follows:</p> <ul style="list-style-type: none"><li>• Aisha Steel Mills Limited</li><li>• International Steels Limited</li><li>• AHN Steel Pvt Ltd</li><li>• Hadeed Pakistan Pvt Ltd</li><li>• Pakistan Steel Mills Corporation</li></ul> <p>Therefore the applicants does not account for 100% of total domestic industry.</p> <p>The interested party(s) to this application or the applicants does have relationship with the exporters and products as well as Pakistani importers of the product under consideration. Aisha Steel Mills Limited have been importing from Taiwan, Vietnam and South Korea during October 2017 to September 2020, period of investigation, similarly International Steels Limited have been importing from Taiwan and Vietnam during this period.</p> <p>ISL also had imported from exporting Countries. Thus the applications does not fall in the scope of the definition of the domestic industry, as the applicants have been controlling the exporters and importers both by selling to importers and importing from exporters, applying for anti-dumping duties, thus barring the exporters to export and importers to import. Thus the Commission continues to violate Section 2(d) of the Act, by not properly applying regulations defined for Domestic Industry and interested party, as explained in the Act.</p> <p>The applicants does not fill the requirement of Section 24 of the Act, as the so called domestic industry/domestic producers are not producers of the investigated product as Pakistan Steel Mills Corporation is but they are entirely dependent on the imports of Hot</p>	<p>The Commission included the Hadeed Pakistan Ltd. in the investigation and has also considered its installed capacity and production. Domestic industry and standing of the application is determined in accordance with relevant provisions of the Act.</p> <p>The Commission has cross checked data provided by the PISMA and KISMA and reached on the concluded that ASL and ISL did not import the investigated product from the exporting countries during POI. Further HRC imported by the ASL and ISL is a separated product and does not fall under the scope of the investigated product.</p> <p>The Commission initiated this investigation after fulfilling all legal requirements including the requirements of Part-III of the Pakistan's Anti-Dumping Duties Act 2015 (the "Act") as well as</p>
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<p>Rolled Steel Coils as their</p> <p>As per section 24 of the Anti-Dumping Duties Act 2015, the applicants has provided incomplete information, which is not ample nor competent enough to initiate the investigation.</p> <p>As per Section 4 of the Act, a product is considered to be dumped if it is introduced into the Commerce of Pakistan at a price, which is less than its normal value, however the applicant's applications and the Commissions working has not proved the same.</p> <p>The applicants or the domestic industry is only producing very narrow variety of the investigated or domestic like product. There is difference in grades and specifications of the investigated product and domestic like product.</p> <p>Under section 31 of the Anti-Dumping Duties Act 2015, the applicants has planted crucial information which is not otherwise available to other interested parties and therefore it has paralyzed the capacity of other interested parties to make their observation on the allegations of dumping as well as declared injury.</p> <p>PCT nos. 7209.1590, 7209.1510, 7209.2590 &amp; 7209.2510, should be 3 mm or thicker than 3 mm, however none of the applicants in the</p>	<p>Article 2 of the Anti-Dumping Agreement. The Commission examined accuracy and adequacy of the information and evidence provided in application in accordance with Section 23 of the Act and Article 5.3 of the Anti-Dumping Agreement and determined that the application contains sufficient evidence of dumping of the investigated product, material injury to the domestic industry and causal link between dumping and injury.</p> <p>The Commission's investigation has shown that the investigated product has been dumped into Pakistan in accordance with provisions of the Act, which caused material injury to the domestic industry and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI.</p> <p>The Commission has clearly defined the investigated product in this preliminary determination and has excluded the grades which are not being manufactured by the domestic industry. The Commission has also determined that the investigated product and the domestic like products are like products.</p> <p>In application the Applicants have requested to keep confidential the information which is either by nature confidential, which includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries &amp; wages, number of employees etc. or certain other information under Section 31(2)(c) of the Act such as information on export or import price and import volume of the investigated product, which may lead to the disclosure of the by nature confidential information of the Applicants by way of reverse calculations. However, the Applicants have submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act, which permit a reasonable understanding of the information submitted in the confidence. Further, the non-confidential initiation memo prepared by the Commission and placed in Public File in this investigation contained the indexed figures for all the parameters given in the Application which permits a reasonable understanding of the information submitted in the confidence</p> <p>Specifications of the investigated product have clearly been defined including its thickness and</p>
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investigated case are producing/processing 3 mm or more, as per their catalogues/brochures and details given on their website, as far as 7211.2920 PCT no is concerned only International Steels Limited has the ability to do the slitting minimum to 400 mm only, Aisha Steel Mills Limited does not have the slitting facility available, whereas 7211.2920 defined material of up to 100 mm wide or width in maximum only.

The largest importer of Tin Mill Black Plate and the only the producer of Tin Plate materials in Pakistan is Siddiqsons Pvt Ltd, who claim that they have been buying materials from both the applicants i.e. International Steels Limited and Aisha Steel Mills Limited but most materials from them is rejected by Siddiqsins Pvt Ltd.

The export price have been determined by the applicants on the basis of information/data obtained from the Customs Department as they have stated in their application to the Commission, however both the export price and normal value can be derived from the information/data available at the Customs Department, as it is showing both the prices of base material of investigated product i.e. Hot Rolled Steel as well as investigated product Cold Rolled Steel.

The dumping margin given by the applicants cannot be agreed upon at all and is irrational, as they have calculation by the calculated with the normal values being not known nor any evidences of the same is given.

The applicants claim of increase in so alleged dumped imports is misleading and unfounded as it has already been proven that the dumping was not done, no material injury or threat of material injury is faced by the domestic industry as it still holds the market and its increase in the market share throughout the POI October 2017 to September 2020 kept on increase, also the production is decreasing in the exporting countries, so as the exports.

Conclusively and with the concrete information given above with detailed analysis, it CANNOT be determined that the domestic industry faced any material injury due to decline in capacity utilization, productivity and return on investment, salaries and wages increased as increase in salary was made at higher rates and more number of workers were hired than required.

Since there is no material injury found to the domestic industry and no threat of material injury also lies for the domestic industry, there stands no case of investigation being carried out further by the Commission, as the applicants/domestic industry has been doing very well since its start in 2011 to 2015 without any imposition of anti-dumping duties until 2017,

width. Provisional duties are imposed only on defined specifications i.e. from 0.15 mm to 3.0 mm thickness and up to 1250 mm width. All other thickness and width are not liable to the duty.

During the on spot verification at the premises of the Applicants, the Commission verified that the Applicants have the capability to produce TMBP on its production facility and during the POI they had sold the CRC to Siddiq Sons Tinplate meant to use for production of Tinplate. To verify this, the Commission obtained record of sales made to Siddiq Sons Tinplate Ltd. by the Applicants during the POI. Further, no prove of rejection has been submitted before the Commission during the course of the investigation. Further in order to ascertain whether the domestic industry is producing the Tin Mill Black Plate ("TMBP") which is used in production of tinplate, the Commission has requested the Engineering Development Board, Ministry of Industries and production ("EDB") to carry out a technical assessment. Response/report of the EDB is awaited. Therefore, for the purposes of this preliminary determination the TMBP is part of the investigated product, however, the Commission will review claim of M/s Siddique Sons Ltd. after receipt of response/report of EDB and will decide accordingly.

The Commission while making this preliminary determination has determined the Dumping Margins for the Exporting Countries on the basis of the best information available as no exporters/producers from the Exporting Countries has provided any data/information on the prescribed questionnaire. The basis for determination of export price, normal value and the Dumping margins have been clearly provided in the preliminary determination report

The Commission's investigation has shown that the application met requirements of Sections 20 and 24 of the Act as well as the investigated product was dumped during the POI, the domestic industry faced material injury and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI. The Commission has also analysed other factors and has reached on the conclusion that the other factors were not the major cause of material injury to the domestic industry. (please refer part D of the report).