

(NON – CONFIDENTIAL)

Report on Conclusion of Sunset and Change Circumstances Reviews of Antidumping Duties Imposed on Dumped Imports of Polyester Staple Fibre Originating in and/or Exported from China

(Non- Confidential)



**Government of Pakistan
National Tariff Commission**

Report

On Conclusion of

**Sunset and Changed Circumstances Reviews of Anti-dumping Duties
Imposed on Dumped Imports of Polyester Staple Fiber from
People's Republic of China**

A.D.C No. 33/2015/NTC/PSF/SSR&CCR/2020

October 04, 2021

Report on Conclusion of Sunset and Change Circumstances Reviews of Antidumping Duties Imposed on Dumped Imports of Polyester Staple Fibre Originating in and/or Exported from China

A. **INTRODUCTION**

The National Tariff Commission (the “Commission”) having regard to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the “Agreement on Antidumping”), Anti-Dumping Duties Act, 2015 (the “Act”) and the Anti-Dumping Duties Rules, 2001 (the “Rules”) relating to the investigation/reviews and determination of dumping of goods into the Islamic Republic of Pakistan (“Pakistan”), material injury to the domestic industry caused by such imports, and imposition of anti-dumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof. Sections 58 and 59 of the Act relates to review of anti-dumping duties imposed on dumped imports of the investigated products.

2. Having regard to the Section 58(3) of the Act, a definitive anti-dumping duty shall not expire if the Commission determines in a review that the expiry of such anti-dumping duty would be likely to lead to continuation or recurrence of dumping and injury. Further, having regard to the Section 59 of the Act, the Commission shall review the need for continued imposition of anti-dumping duty, where warranted, on its own initiative or, provided that a period of twenty four months has elapsed since the imposition of definitive anti-dumping duty, upon a written request submitted by any interested party, which contains positive information substantiating the occurrence of change of circumstances justifying a need for a review including sufficient information to enable the Commission to calculate the export price and normal value of a product in question.

3. The Commission has conducted sunset and change circumstances reviews of anti-dumping duties imposed on dumped imports of Polyester Staple Fiber (Not Exceeding 2.0 Denier & Excluding Colored and Regenerated Polyester Staple Fiber) (“PSF”) from the People’s Republic of China (“China”) under the Act and the Rules. This report on conclusion of the reviews has been issued in accordance with Section 39(5) of the Act and Article 12.2 of the Agreement on Antidumping.

4. In terms of Section 62(2) of the Act, the sunset and changed circumstances reviews under Sections 58 and 59 of the Act shall normally be completed within twelve months from its initiation. The sunset and changed circumstances reviews were initiated on October 02, 2020.

B. **BACKGROUND**

5. **Anti-dumping Duties**

5.1 The Commission imposed following definitive anti-dumping duties on dumped imports of PSF, importable from China, for a period of five years effective from October 03, 2015. The duties were imposed on the basis of determination that PSF was exported from China at dumped prices and consequently the domestic industry suffered material injury during the period of original investigation on account of significant increase in volume of dumped imports, price undercutting, price depression, decline in market share, production, negative effect on capacity utilization, profitability, productivity and salaries & wages per MT and return on investment:

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Table – I
Definitive Anti-Dumping Duty Rates

Exporter/Foreign Producer from China	Antidumping Duty Rates (%)
Shanghai Hengyi Polyester Fiber Co., Limited	7.88
Jiangyin Huahong Chemical Fiber Co., Limited	2.82
Jiangyin Hailun Chemical Fiber Co., Limited	8.22
Xiamen Xianglu Chemical Fiber Co. Limited	7.81
Fujian Zhengqi High-Tech Fiber Technology Co. Limited	7.72
All other exporters	11.51

5.2 In terms of Section 58(3) of the Act, the definitive anti-dumping duty shall not expire if the Commission determines in a review initiated before expiry of anti-dumping duty that the expiry of such anti-dumping duty would be likely to lead to continuation or recurrence of dumping and injury. The Commission published a notice of impending expiry of anti-dumping duties in this case in official Gazette and national press on July 01, 2020 in accordance with Section 58(2) of the Act. In response to the notice, the domestic industry filed an application for sunset review, which was received in the Commission on August 10, 2020.

5.3 The Commission initiated another anti-dumping investigation on February 06, 2021 against dumped imports of PSF from Chinese Taipei, Indonesia and Thailand and made a preliminary determination on August 04, 2021.

C. PROCEDURE

6. The procedure set out below has been followed with regard to this sunset and changed circumstances review in accordance with the Section 62 of the Act.

7. Notice of Impending Expiry of Definitive Anti-dumping Duties

The Commission imposed definitive anti-dumping duties on dumped imports of PSF importable from China for a period of five years effective from October 03, 2015. However, in terms of Section 58(3) of the Act, a definitive anti-dumping duty shall not expire if the Commission determines in a review initiated before expiry of anti-dumping duty that the expiry of such anti-dumping duty would be likely to lead to continuation or recurrence of dumping of the investigated product and injury to the domestic industry. The Commission in accordance with the Section 58(2) of the Act, published a notice of impending expiry of anti-dumping duties in this case in Official Gazette and national press in on July 01, 2020.

8. Receipt of Application

8.1 The Commission received an application on August 17, 2020 (formal acceptance date) under Section 58 of Act for review of the anti-dumping duties imposed on dumped imports of PSF from China. The application was filed by M/s. ICI Pakistan Limited and M/s Ibrahim Fibers

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Limited (the “Applicants”), who are domestic producers of PSF. The application was in response to the notice of impending expiry of the anti-dumping duties imposed on dumped imports of PSF into Pakistan originating in and /or exported from China. The Applicants contended that expiry of anti-dumping duties on PSF would likely to lead to continuation or recurrence of dumping of PSF from China and injury to the domestic industry producing PSF.

8.2 Subsequently, on August 24, 2020 the Commission received a representation from All Pakistan Textiles Mills Association (“APTMA”) in response to the Commission’s notice of impending expiry of anti-dumping duties levied on dumped imports of PSF imported from China in which APTMA requested the Commission not to initiate the sunset review on the basis of change of circumstances including framing of Rules under the Act and standing of the domestic industry.

8.3 On September 28, 2020 the Commission received another request from M/s. Jiangyin Hailun Chemical Fiber Co., Limited (“Hailun”), an exporter of PSF from China for review of change of circumstances under Section 59 of the Act, and requested to re-determine the dumping margin for Hailun.

9. **Evaluation and Examination of the Applications**

Examination of the applications showed that they met the requirements of Section 58(3) and Section 59 of the Act as they contained sufficient evidence of likelihood of continuation or recurrence of dumping of PSF from China and injury to the domestic industry and change of circumstances.

10. **Domestic Industry**

10.1 The domestic PSF manufacturing industry comprises of three Units i.e. M/s. ICI Pakistan Limited, M/s Ibrahim Fibers Limited and M/s Rupali Polyester Limited having installed production capacity of 537,347 MT per annum on three shifts basis. The Applicants constitute 95 percent of the domestic production of like product and their installed production capacity is 512,600 MT per annum on three shifts basis.

10.2 APTMA objected the initiation of the sunset review on the grounds that one of the Applicant namely M/s ICI Pakistan Limited did not qualify as domestic industry in view of the exceptions contained in the definition of the term ‘domestic industry’ in Section 2(d) of the Act. They have referred to provision of Section 2(d) of the Act and Article 4 of the Agreement on Anti-dumping in order to explain the requirements of control for exclusion from the definition of domestic industry. Section 2(d) reads 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” shall mean the*

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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”.

10.3 The observation of the importers is based on the exception of Section 2(d) of the Act, however, this exception relates to the imports of investigated product and not the Like product from any other source. Since the related parties of M/s ICI Pakistan Limited have not imported the investigated product from China during the Period of Review, therefore, the provisions of the exception to Section 2(d) of the Act are not attracted. It is therefore, held that M/s ICI Pakistan Limited is legitimately a bonafede part of domestic industry.

11. Standing of the Application

11.1 The application fulfils the requirements of Section 24 of the Act, which require the Commission to assess the standing of the domestic industry on basis of the degree of support for or opposition to the application expressed by the domestic producers of the like product.

11.2 In terms of Section 24(1) of the Act, 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. 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 domestic like product produced by the domestic industry.

11.3 The application has been filed by M/s. ICI Pakistan Limited and M/s Ibrahim Fibers Limited, whose collective output constitutes 95 percent of domestic production of domestic like product. M/s. Rupali Polyester Limited which constitute 5 percent of the domestic production of domestic like product supported the application. Therefore, the application is considered to be made by the domestic industry, as it is supported by those domestic producers whose collective production constitutes 100 percent of the total production of the like product. On the basis of the above information and analysis it is determined that the application is made on behalf of the domestic industry as it fulfils the requirement of Section 24 of the Act.

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Table – II
Standing of Application

S. No	Unit Name	Share in total production %	Status
i.	M/s. ICI Pakistan Limited	29.99	Applicant
ii.	M/s Ibrahim Fibers Limited	64.84	Applicant
iii.	M/s Rupali Polyester Limited	5.17	Supported
	Total	100.00	

Source: the domestic industry

12. **Applicants' Views**

The Applicants, inter alia, raised the following issues in application regarding likely continuation or recurrence of dumping of PSF from China and injury to the domestic industry caused therefrom:

- a. PSF produced and exported by China and PSF produced in Pakistan by the domestic industry are like products;
- b. After imposition of definitive anti-dumping duties, exporters/producers from China reduced their exports of PSF to Pakistan. Therefore, it is likely to result into recurrence of dumping if anti-dumping duties are terminated; and
- c. Likely recurrence of dumping of PSF from China into Pakistan is likely to cause material injury to the domestic industry producing PSF, mainly through:
 - i. likely increase in volume of dumped imports;
 - ii. likely decline in market share;
 - iii. likely negative effects on prices of domestic like product;
 - iv. likely negative effect on output;
 - v. likely negative effect on capacity utilization;
 - vi. likely negative effect on profit;
 - vii. likely negative effect on employment and wages; and
 - viii. likely negative effect on growth, investment.

13. **Initiation of Reviews**

13.1 On August 24, 2020 APTMA submitted a representation to the Commission not to initiate sunset review and also filed a Writ Petition No 2568 of 2020 before the Honourable Islamabad High Court seeking direction of the Court regarding pending representation of the APTMA before the Commission to be decided prior to the initiation of the sunset review after granting an opportunity of hearing to the Appellant. Honourable Islamabad High Court disposed of the Writ Petition No. 2568 of 2020 and directed the Commission in para 6 of its decision as follows:

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“6. In view of the said submission of the learned counsel for the N.T.C., no further proceedings in this petition are necessary. Let an opportunity of a hearing be afforded to the petitioners on 28.09.2020 (Monday). No adjournment shall be granted beyond the said date. It is expected that the representation submitted by the petitioners on 24.08.2020 would be taken into consideration by the N.T.C while giving its determination.

13.2 The Commission afforded an opportunity of hearing to the representative of APTMA as per the directions of Honorable Islamabad High Court on September 28, 2020 before the initiation of the reviews.

13.3 Upon examination of the applications, the Commission established that it met requirements of Sections 58 and 59 of the Act. Therefore, the Commission initiated sunset and change circumstances reviews on October 02, 2020 to determine whether there is likelihood of continuation or recurrence of dumping of PSF from China and material injury to the domestic industry and whether, there are changed circumstances to re-determine the dumping margins for China.

13.4 In terms of Section 27 of the Act, the Commission issued a notice of initiation of Sunset and Change Circumstances Reviews, which was published in the Official Gazette of Pakistan and in two widely circulated national newspapers (‘Dunya’ and ‘Business Recorder’) on October 02, 2020.

13.5 The Commission notified Embassy of China in Islamabad of the initiation of the reviews (by sending a copy of the notice of initiation) on October 02, 2020 with a request to forward it to all exporters/ producers involved in production, sales and export of PSF in China. Copy of the notice of initiation was also sent to exporters/ producers directly (whose addresses were available with the Commission), Pakistani importers and other domestic producers on October 05, 2020.

13.6 In accordance with Section 28 of the Act, on October 05, 2020 a copy of full text of the written application (non-confidential version) was sent to all exporters/producers, whose complete addresses were available with the Commission and to the Embassy of China in Islamabad with a request to forward it to all exporters/producers in China involved in production, sale and/or export of PSF.

14. **Product under Review**

14.1 The product under review is Polyester Staple Fiber (Not Exceeding 2.0 Denier & Excluding Colored and Regenerated Polyester Staple Fiber) (classified under PCT Heading No. 5503.2010) exported by the exporters / producers from China. The product under review is generally used in production of blended yarn and pure polyester sewing thread. The blended yarn is used to produce woven and knitted fabrics. Following is the tariff structure of Polyester Staple Fiber for the financial year 2020-21:

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Table – III
Tariff Structure of Polyester Staple Fiber

Tariff Structure 2020-21					
PCT Code	Description	CD	ACD	RD	Concessions/ FTA Rates
5503.2010	Synthetic staple fibers, not carded, combed or otherwise processed for spinning -of polyesters --- of polyesters not exceeding 2.22 decitex	11%	2%*	0%	Fifth schedule Part-III CD 7%, SAFTA 5%

* exempted in 5th schedule

Domestic like Product

14.2 The domestic like product, produced by the domestic industry Polyester Staple Fiber (Not Exceeding 2.0 Denier & Excluding and Regenerated Polyester Staple Fiber) (classified under PCT Heading No. 5503.2010). The domestic like product is generally used in production of blended yarn and pure polyester sewing thread. The blended yarn is used to produce woven and knitted fabrics.

14.3 The Commission in its original investigation had determined that the investigated product and the domestic like product were like products.

14.4 In order to establish whether the product under review and the domestic like product are like products, as contended by the Applicants, the Commission reviewed all the relevant information received/obtained from various sources including the Applicants in the following terms:

- a. the basic raw materials used in the production of the product under review and the domestic like product are the same;
- b. both the products (the product under review and the domestic like product) are produced with a similar manufacturing process;
- c. both the products have similar appearance;
- d. both the products are used for same purposes as they are mainly used in the production of knitted or woven fabrics, 100% polyester yarn for sewing thread and weaving applications; and
- e. Both the products are classified under the same PCT/HS No. 5503.2010.

14.5 In light of the above, the Commission has determined that the product under review and the domestic like product are like products.

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15. **Period of Review (“POR”)**

The Period of Review for this sunset review is from July 01, 2017 to June 30, 2020 and the Period of Review (“POR”) for changed circumstances review for revision of dumping margin is from July 01, 2019 to June 30, 2020.

16. **Information/Data Gathering**

16.1 The Commission sent questionnaires to all known exporters/producers of PSF from China on October 05, 2020, asking them to respond within 37 days of the dispatch of questionnaires. Following exporters/producers of PSF from China responded to the questionnaire and provided necessary information:

- a. M/s Jianguyin Huahong Chemical Fibre Co. Limited (“Huahong”); and
- b. M/s Jianguyin Hailun Chemical Fiber Co. Limited (“Hailun”)

16.2 Following importers responded to the questionnaire and provided necessary information:

- a. M/s Fazal Cloth Mills Limited;
- b. M/s Rawal Textile Mills Limited;
- c. M/s Jamhoor Textile Mills Limited;
- d. M/s Ghazi Fabric International Limited;
- e. M/s J.K Spinning Mills Limited;
- f. M/s Indus Lyallpur Limited; and
- g. M/s Ahmed Fine Textile Mills Limited.

16.3 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 these reviews, the Commission has also used import data obtained from PRAL’s database in addition to the information provided by the Applicants, exporters/producers and importers.

16.4 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of determination of likelihood of continuation or recurrence of dumping of PSF and injury to the domestic industry and changed circumstances. In terms of Rule 12 of the Rules, during the course of this review, the Commission satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

17. **Views/Comments and Hearing**

17.1 All interested parties were invited to make their views/comments known to the Commission and to submit information and documents (if any) with regard to these reviews. None of the interested parties have responded.

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17.2 After initiation of the review, APTMA challenged the initiation of reviews vide Writ Petition No. 3153/2020 in Islamabad High Court. In compliance with the orders of the Honorable Islamabad High Court in Writ Petition No. 3153/2020, an opportunity of hearing was provided to petitioners i.e. APTMA on March 11, 2021 through Zoom Application. On the request of the representative of APTMA, the hearing was rescheduled (in person) on March 16, 2021. However, APTMA vide its e-mail dated March 13, 2021 requested to adjourn the hearing because of the reason that APTMA is following Government's SOP on COVID-19 and working with minimum strength and need some time to compile the data required for the purposes of hearing. APTMA further requested the Commission to reschedule hearing till normalcy is restored.

17.3 Since the public hearing was scheduled in compliance of the Orders of the Honorable Islamabad High Court, to provide opportunity of hearing to the petitioner i.e. APTMA, therefore, the Commission adjourned the hearing as requested by APTMA. The Commission vide its letter dated March 15, 2021 requested APTMA to communicate proposed date of hearing, keeping in view the time constraints and the directions of the Honorable Islamabad High Court in Writ Petition No. 3153/2020. However, no response from APTMA regarding new date of hearing has yet been received.

18. **Verification of Information**

18.1 In terms of Sections 32(4) and 35 of the Act and Rule 12 of the Rules, the Commission, during the course of the investigation/review, satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

18.2 In order to verify the information/data provided by the Applicants and to obtain further information (if any), on-the-spot verifications were conducted at the offices and plants of the Applicants from November 9-14, 2020 and November 26-28, 2020. Reports of the on-the-spot verifications are made available to the interested parties by placing them in the public file.

18.3 Verification of the information/data submitted by exporters/ producers of PSF from China in response to the questionnaires, on-the-spot verifications at their premises in China could not be conducted due to Covid – 19 travel/quarantine restrictions. However, the Commission conducted desk verification of the information submitted by the exporters/producers from China.

19. **Public File**

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file of this sunset review at its office. This file remains available to the interested parties for review and copying from Monday to Thursday between 1100 hours to 1300 hours throughout the review investigation. This file contains non-confidential versions of the application, responses to the questionnaires, submissions, notices, on-the-spot investigation reports, correspondence, and other documents for disclosure to the interested parties.

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20. **Confidentiality**

20.1 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.

20.2 The Applicants and exporters/ producers of PSF from China have requested the Commission 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, cash flow, growth, investment, salaries and wages, number of employees and capacity etc. In addition to this, Applicants and other interested parties also provided certain information on confidential basis, as its disclosure would cause adverse effect upon them.

20.3 Pursuant to requests made by the Applicants, exporters/producers of PSF from China and other interested parties to treat certain information as confidential, the Commission has determined 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 the competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information.

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

21. **Disclosure of Essential Facts**

21.1 In terms of Rules 14(8) of the Rules, the Commission disclosed essential facts, and in this context circulated a Statement of Essential Facts (the “SEF”) on September 03, 2021 to all interested parties including Applicants, exporters/producers of PSF from China and importers and the Embassy of the People’s Republic of China in Pakistan,

21.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure.

21.3 Comments received from interested parties on SEF have been considered in this sunset review and Commission’s views/comments thereto are annexed to this report in annotated form at Annexure – I.

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D. Changed Circumstances

22. The exporters (Hailun), APTMA and the domestic industry have requested for review of changed circumstances on different grounds. Section 59(1) of the Act provides as follows:

“The Commission shall review the need for continued imposition of anti-dumping duty, where warranted, on its own initiative or, provided that a period of twenty-four months has elapsed since the imposition of definitive anti-dumping duty, upon a written request submitted by any interested party, which contains positive information substantiating the occurrence of changed circumstances justifying a need for a review including sufficient information to enable the Commission to calculate export price and normal value of a product in question.”

23. The Commission conducted review for changed circumstances under Section 59 of the Act on the product under review. The facts and analysis related to the changed circumstances are provided in the following paragraphs.

(a) Change of Circumstances Claimed by Exporter

24. Hailun, a Chinese exporter of PSF in its application for change circumstances review claimed that there are change of circumstances which warrants the re-determination of dumping margin. Following change in circumstances are claimed by Hailun:

(i) Reduction in Cost of Raw material

24.1 Hailun claimed that the prices of basic raw materials of PSF i.e. PTA & MEG have decreased significantly during the Period of Review. The PTA & MEG cost per metric ton of PSF has decreased during the Period of Review as compared to the cost of the same in the period of original investigation. Following the decrease in cost, there had been a reduction in domestic prices as well as export prices of Hailun during the Period of Review. Hailun submitted following information in support of its request:

Table – IV
PSF Cost, Average Domestic Price & Average Export Price of Hailun

Description	Period of Original Investigation (2014-15)	Period of Review (2019-20)
PSF Cost of Manufacturing	100.00	81.55
Average Domestic Price	114.25	85.47
Average Export Price to Pakistan	113.11	92.93

Source: Hailun

Note: In order to maintain the confidentiality, actual figures have been indexed w.r.t figure of PSF cost of the year 2014-15

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24.2 In order to evaluate the claim of Hailun, the Commission has calculated raw material cost and obtained PSF price for the years, covering period of original investigation and for the Period of Review in the following table:

Table – V
Raw material cost of PSF and its Price

Period	PTA Price (US\$/MT)	MEG Price (US \$/MT)	Raw Material Cost (US \$/MT)	% change in Raw material price	PSF Price (US \$/MT)	% change in PSF price
2014	930	950	1,142	---	1,754	---
2015	640	810	842	-26%	1,423	-19%
2016	600	650	750	-11%	1,301	-9%
2017	650	850	865	15%	1,388	7%
2018	860	930	1,074	24%	1,446	4%
2019	750	600	861	-20%	1,113	-23%
2020	460	460	561	-35%	998	-10%

Source: Trade map

24.3 The above table shows that raw material cost of PSF decreased from US\$ 1,142/ MT during the year 2014 to US\$ 750/MT during the year 2016. PSF price which was US\$ 1,754/ MT during the year 2014 also decreased to US\$ 1,301/MT during the year 2016. During the year 2017 and 2018 the raw material cost of PSF increased to US\$ 865/MT and US\$ 1,074/MT respectively and then it decreased to US\$ 861/MT and US\$ 561/MT during the year 2019 and 2020 respectively. The price of PSF, during the year 2017 and 2018 also increased to US\$ 1,388/MT and US\$ 1,446/MT respectively and then it decreased to US\$ 1,113/MT and US\$ 998/MT during the year 2019 and 2020 respectively. The above table shows that the raw material price trends as well as the price trends of PSF, dependent upon changes in international crude oil prices and are not of permanent nature. In addition to the above, the prices of PTA and MEG are linked with international crude oil prices, which fluctuates over the period of time therefore, change in the raw material prices is not of permanent nature.

(ii) **Change in the Product Type Exported to Pakistan**

24.4 Hailun claimed that during the original investigation, it sold PSF of different deniers in the domestic market and exported PSF of 1.2 denier only to Pakistan. However, during the Period of Review, Hailun also exported PSF of 1.4 denier in addition to PSF of 1.2 denier. Hailun has therefore, requested that the change in product mix warrants re-determination of export price, normal value and hence dumping margin for Hailun. However, Hailun has not provided denier wise cost to make & sell of the product under review.

24.5 The product under review is Polyester Staple Fiber (Not Exceeding 2.0 Denier & Excluding and Regenerated Polyester Staple Fiber) (classified under PCT Heading No. 5503.2010) exported by the exporters / producers from China. PSF of 1.2 and 1.4 denier, both fall under the scope of product under review. During the Period of Review, PSF 1.4 denier, is

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only 29% of total imports of PSF from Hailun and 11% of total import from China. In addition, raw material cost constitutes 90% of total cost and therefore, difference between the cost of PSF of 1.2 denier and PSF of 1.4 denier is marginal.

(b) Change Circumstances claimed by APTMA

25. APTMA in its submission claimed that there are change of circumstances due to which the final determination of the Commission of 2015 stands redundant and obsolete on the following grounds:

(i) Depreciation of Pak Rupee to US Dollar

25.1 APTMA in its submission claimed that the final determination made by the Commission in 2015 stands redundant and obsolete because of the drastic changes on account of depreciation of Pak Rupee to US Dollar.

25.2 The Commission has determined that the assertions of APTMA regarding depreciation of PAK Rupee to US Dollars is unsubstantiated with facts/ evidence and law. APTMA has failed to provide any information on the exchange rate, its link with the determination of the Commission and any specific provision of the law which can make the determination redundant.

25.3 However, the Commission has examined the impact of Pak Rupee depreciation vis-à-vis US Dollar in the following manner:

**Table – VI
Landed Cost of Raw material and PSF in Pakistan**

Year/Period	Exchange Rate**	Landed cost of raw materials	Landed cost of dumped imports	Price of Domestic like product
2014*	102.86	83.30	109.00	100.00
Jul 2017 – Jun 2018	109.84	83.91	86.97	91.98
Jul 2018 – Jun 2019	136.09	84.70	116.06	119.54
Jul 2019 – Jun 2020	158.03	66.22	104.42	114.03

* Period of original investigation

** Economic Survey of Pakistan

Source: Trade map & PRAL

Note: In order to maintain the confidentiality, actual figures have been indexed w.r.t figure of price of domestic like product of the year 2014.

25.4 The raw materials of PSF i.e. PTA is produced locally from imported raw materials, whereas, MEG is imported, hence, the depreciation or appreciation in US Dollar not only affect the price of PSF but it equally affects the prices of raw materials. Since the dumping margins are calculated on the basis of export price, normal value and cost to make & sell in the exporting country, therefore, depreciation of Pak Rupee has no effect on the dumping margin.

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(ii) **Reduction in GDP growth rate from 5.8% to -1.5% and Decrease in the international prices of crude / POL products**

25.5 APTMA in its submission claimed that as GDP growth of Pakistan drastically decreased over the years, therefore final determination made by the Commission in 2015 stands redundant and obsolete.

25.6 The Commission has determined that APTMA has failed to demonstrate any link between reduction in GDP and determination of injury by the Commission. It is not clear from the submission of APTMA that how increase or decrease of GDP has a correlation with the factors of injury provided under the Act. In addition, APTMA has failed to establish its assertions with relevant facts.

25.7 However, the aspect has been analyzed by the Commission. Analysis of historical data reveals that there is no direct correlation between GDP growth rate and growth rate of PSF industry as PSF industry has a small share in industrial production and growth as compared to textile industry or other large-scale industries like cement, fertilizer, sugar etc.

Table – VII
GDP Growth of Pakistan & Capacity Utilization of Domestic Industry

Year/ Period	GDP growth (%)	Capacity Utilization of domestic industry (%)
2014-15*	4.1	64
2017-18	5.5	88
2018-19	2.1	86
2019-20	-0.5	64

*POI of original investigation

Source: Pakistan Economic Survey & domestic industry

25.8 The above table shows that the GDP was at 4.1% during the period of original investigation and during the same period, PSF industry was utilizing 64% of its production capacity. With an increase in GDP to 5.5% during the year 2017-18, the capacity utilization of PSF industry also increase to 88%. However, during the period 2019-20 when there was a drastic fall in GDP to 2.1%, the capacity utilization of PSF industry has marginally decreased. During the Period of Review, GDP further decreased to -0.5% i.e. decreased by 2.6% over the preceding year, however, the capacity utilization of PSF industry falls to 22% over the preceding year. The analysis of the table also reveals that there is no direct correlation between GDP growth rate and growth rate of PSF industry.

(iii) **COVID-19**

25.9 APTMA claimed that the circumstances have changed due to COVID – 19. It may be noted that COVID – 19 classified as a pandemic by the World Health Organization, impacted countries globally including Pakistan. Government of Pakistan took certain measures to reduce

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spread of the pandemic including lockdown of business activities across the country for a certain period. These measures resulted in an overall economic slowdown.

25.10 The domestic industry of PSF in Pakistan remained closed during the quarter April-June 2020 due the lockdown. During this period dumped imports of the product under review from China increased creating an impression that increase in imports during the July 2019- June 2020 is due to this phenomenon. However, quarterly analysis shows that there was an increasing trend of dumped imports throughout the Period of Review regardless of the closure of the domestic industry in the quarter April-June 2020.

(c) **Changed Circumstances claimed by the Applicants**

26.1 The Applicants in the application for sunset review stated that the anti-dumping duties imposed on dumped imports of PSF from China are significantly lower compared to the anti-dumping duties imposed by other countries.

26.2 The Commission determined that dumping margins may vary among countries against the same exporting country, as the exporters have different market strategies for each country and there can be different period of investigation. Normally dumping margins are calculated on the basis of export price, normal value and cost of production, which varies due to product mix & market forces of importing country and cost & price of product mix in the domestic market of exporting country. Hence dumping margins of importing country cannot be compared with another country

27. From the above facts and analysis the Commission has determined that available data does not support the claim of changed circumstances as claimed by the Exporters, APTMA and the Applicants. Therefore, the Commission has concluded that re-determination of anti-dumping duty is not required and hence, terminates the changed circumstance review.

28. **Determination of Likelihood Recurrence or Continuation of Dumping**

Following factors have been considered by the Commission in determining likely recurrence or continuation of dumping of the product under review. Information on these factors has been gathered from different sources including the exporters/ producers from China, the Applicants, PRAL and importers of the product under review:

- a. whether exporters/ producers from China stopped or continued exporting the product under review to Pakistan after imposition of anti-dumping duties;
- b. whether exporters from China have developed other export markets after imposition of anti-dumping duties on dumped imports of PSF;
- c. changes in production capacities, quantities produced and inventories of the product under review of exporters/ producers after imposition of anti-dumping duties;

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- d. export price(s) of the exporters/ producers of PSF from China to countries other than Pakistan during the Period of Review; and
- e. trade remedial actions taken by other countries on exports of PSF from China during last five years.

29. **Whether Exporters/ Producers from China Stopped or Continued Exporting to Pakistan the Product Under Review after Imposition of Antidumping Duties**

29.1 Investigation on whether exporters/ producers from China stopped or continued exporting to Pakistan the product under review, after imposition of anti-dumping duties has revealed that the exporters/producers from China continued exporting the product under review to Pakistan after imposition of anti-dumping duties. However, share of the product under review in total imports of PSF (exported by the exporters/ producers from China to Pakistan during the Period of Review) declined significantly compared to its share in total imports during the period of original investigation.

29.2 Following table shows the imports of PSF and the product under review before and after imposition of antidumping duties:

**Table – VIII
Imports of PSF**

(MT)

Imports from		2014*	Jul 2017 – Jun 2018	Jul 2018 – Jun 2019	Jul 2019 – Jun 2020
Dumped Source	China	114,061(94%)	44,544 (73%)	31,444 (60%)	40,114 (38%)
Other Source	Indonesia	7,092(6%)	0 (0%)	6,930 (13%)	29,584 (28%)
	Thailand		1,498 (2%)	5,265 (10%)	21,160 (20%)
	Chinese Taipei		14,197 (23%)	6,426 (12%)	12,077 (12%)
	South Korea		0.623 (1%)	1,920 (4%)	1,948 (2%)
	Others		0.041 (0.001%)	0.131 (0.003%)	0.149 (0.001%)
Total Imports		121,153	60,904	52,116,	104,932

* POI of original investigation
Source: PRAL

29.3 The above table shows that the share of dumped imports from China during the period of original investigation was 94 percent of total imports of PSF. After imposition of anti-dumping duties on exporters/ producers from China, this share has reduced from 73% in Jul 2017 – Jun 2018 to 38% in Jul 2019 – Jun 2020, which has resulted in relief to the domestic industry producing PSF in Pakistan.

29.4 Price analysis of imports from China and other sources has been carried out to see the probability of diversion of imports from other sources to China. C&F prices from China and other sources for last three years were as follows:

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Table – IX
C&F Prices to Pakistan

Country	Jul 2017 – Jun 2018	Jul 2018 – Jun 2019	Jul 2019 – Jun 2020
China	100.00	133.44	120.06
Indonesia	---	137.07	113.21
Thailand	111.64	133.78	109.72
Chinese Taipei	106.72	147.77	126.50

Source: PRAL

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the C&F import price of China in the year Jul 2017 – Jun 2018

29.5 In order to examine likelihood of recurrence of dumping from China, C&F price of China has been compared with C&F price of Chinese Taipei, Indonesia and Thailand which are the largest exporters of PSF to Pakistan.

29.6 The above table shows that in Jul 2017 – Jun 2018, China’s C&F price was lowest, while C&F prices of PSF mainly from Thailand and Chinese Taipei were on higher side. In Jul 2018 – Jun 2019, C&F prices of China, Indonesia and Thailand were in same range. In the year Jul 2019 – Jun 2020, the C&F price from China was higher than the C&F price of Indonesia and Thailand but lower than the Chinese Taipei.

29.7 The Commission is conducting anti-dumping investigation against dumped imports of PSF from Chinese Taipei, Indonesia and Thailand and in case the Commission imposes anti-dumping duties on these countries and terminate antidumping duties imposed against dumped imports of PSF from China, there is likelihood that imports from China would increase.

29.8 On the basis of the above information and analysis the Commission has reached to the conclusion that imposition of duties on dumped imports of the investigated product (now the product under review) from the exporters/producers from China declined significantly.

30. Whether Exporters from China have Developed Other Export Markets after Imposition of Antidumping Duties

30.1 To asses impact of anti-dumping duties imposed on exports of the product under review from China, the Commission has analysed the trend of exports of PSF from China. Following table shows exports of PSF from China in the year 2017, 2018 and 2019. Information on exports of PSF from China has been obtained from International Trade Centre website (www.trademap.org):

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Table – X
Major Export Markets of PSF of China

(MT)

Importing Country	Chinese Exports of PSF			
	2014	2017-18	2018-19	2019-20
World	873,068	997,515	1,008,368	817,638
Viet Nam	36,262	87,321	109,275	113,406
Pakistan	119,863	73,935	65,759	61,153
USA	165,332	150,904	137,981	90,235
Indonesia	60,608	120,875	120,149	70,776
Bangladesh	21,362	25,327	36,965	22,279
Brazil	36,771	36,674	34,849	26,110
India	57,667	43,820	64,875	59,915
Russian Federation	40,190	39,853	38,748	33,510
Peru	18,054	17,427	15,611	11,604

Source: Trade Map

30.2 The above table shows that major export destinations of PSF from China remained almost same after imposition of anti-dumping duties by Pakistan on dumped imports of the product under review. The worldwide exports of China have reduced by 5%, which indicates that China has not developed any new markets.

30.3 On the basis of above information and analysis the Commission has reached to the conclusion that after imposition of anti-dumping duties on dumped imports of PSF from China, major export markets of China remained the same. Therefore, in case anti-dumping duties imposed on the dumped imports of PSF from China are terminated, there is likelihood of its recurrence/continuation of dumping into Pakistan.

31. Production Capacities, Quantities Produced and Inventories of the Product under Review of Exporters/ Producers after Imposition of Anti-dumping Duties

31.1 To assess likely recurrence or continuation of dumping of the product under review from China, the Commission has analysed installed production capacities, quantities produced and inventories of PSF of the exporters/producers of China. For this purpose, the following information submitted by cooperated exporters/producers of PSF from China on their installed production capacities, production, capacity utilization and inventory position has been analysed.

31.2 According to WoodMac, installed capacity of Chinese produces of PSF is 15,229,000 MT (or 15.23 million tonnes) whereas China's domestic consumption is 9,438,000 MT. China's yearly exportable surplus is 5.1 Million MT.

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Table – XI
Installed Capacities, Production, Sales and Closing Inventory of PSF
of Cooperated Exporters

Cooperated Exporters	Installed Capacities		Production		Sales		Closing inventory	
	2014-15	2019-20	2014-15	2019-20	2014-15	2019-20	2014-15	2019-20
Jiangyin Huahong Chemical Fibre Co. Limited	100.00	100.00	64.91	43.69	63.69	35.32	2.23	11.49
Hailun Jiangyin Hailun Chemical Fiber Co. Limited	100.00	100.00	90.56	68.84	90.85	69.02	3.35	4.77

Source: Cooperated Exporters

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of installed capacity of 2014-15 of respective exporter.

31.3 The above table shows that the installed capacities of the exporters remained same during the period of original investigation and Period of Review. However, production and sales of the cooperated exporters decreased, while, closing inventories increased significantly which means that the cooperated exporters have exportable surplus.

31.4 From the above information and analysis the Commission has reached to the conclusion that the inventories of PSF of China has increased and it has exportable surplus to dump in Pakistan. Therefore, in case anti-dumping duties are removed, there is likelihood of recurrence or continuation of dumping of the product under review.

32. Trade Remedial Actions Taken by Other Countries on Exports of PSF from China during Last Five Years

32.1 To asses likelihood of recurrence or continuation of dumping of the product under review from China, the Commission has analysed trade remedial actions taken by other countries against exports of PSF from China. Following table shows trade defense actions taken against exports of PSF from China during last five years:

Table – XII
Anti-dumping Duties on import of PSF from China

Countries	Anti-dumping Duties	Date of Imposition
USA	65.17% to 103.06%	June, 2018
Mexico	US\$ 0.46/kg	Jul, 2019
Turkey	6.40% to 12%	In 2019, in sunset review conclusion duty extended for 5 years
Indonesia	13.00% to 16.10%	In 2019, in second sunset review conclusion duty extended for 3 years

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32.2 The above table shows that USA, Mexico, Turkey and Indonesia the major export market of PSF from China have imposed anti-dumping duties on exports of PSF from China. Hence the Commission has reached to the conclusion that if the anti-dumping duties imposed on the dumped imports of PSF from China are terminated, there is likelihood of diversion of exports of PSF exported to USA, Mexico, Turkey and Indonesia from China to Pakistan

33. The Commission, on the basis of above information, analysis and conclusions has determined that there is likelihood of continuation and/or recurrence of dumping of the product under review from China if anti-dumping duties imposed on dumped imports from China of the investigated product are terminated.

34. **Determination of Likely Recurrence or Continuation of Injury to the Domestic Industry**

34.1 The Applicants are of the view that existing anti-dumping duties imposed in 2015 on dumped imports of PSF from China have helped the domestic industry to recover from its previously stagnant condition. The Applicants further stated that there is likelihood that dumping of PSF from China will recur in case anti-dumping duties are terminated, which will lead to injury to the domestic industry.

34.2 To determine likely continuation or recurrence of injury to the domestic industry, the Commission considered the following factors:

- a. Likely change in volume of imports if antidumping duty is removed;
- b. Impact of dumped imports on prices of the domestic like product with and without antidumping duty;
- c. Consequent likely impact of change in dumped imports on domestic producers of the like product, which include likely and potential decline in sales, profits, output, market share, productivity, return on investments, utilization of capacity and likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital or investments; and
- d. Any other relevant factor.

35. **Likely Effect of Volume of Dumped Imports**

35.1 With regard to the volume of dumped imports of product under review, in terms of Section 15(2) of the Act, it is considered whether there would be significant increase in dumped imports of PSF from China, either in absolute terms or relative to the consumption or production of the domestic like product if the anti-dumping duties are removed.

35.2 The following table shows information on imports of the product under review in period of original investigation and Period of Review:

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Table – XIII
Volume of Dumped Imports

(MT)

Year/Period	Imports from		
	Dumped Sources	Other Sources	Total Imports
2014*	114,061	7,092	121,153
Jul 2017 – Jun 2018	44,544	16,340	60,904
Jul 2018 – Jun 2019	31,444	20,672	52,116
Jul 2019 – Jun 2020	40,014	64,918	104,932

* POI of Original Investigation.

Source: PRAL

35.3 The above table shows that the share of dumped imports of PSF from China during period of original investigation was 94 percent of total imports of PSF which after imposition of antidumping duties reduced from 73% during Jul 2017 – Jun 2018 to 38% during the year Jul 2019 – Jun 2020.

35.4 The imports of PSF from other sources have increased significantly, as per above table, the imports from other sources during the period of original investigation were 6% of total imports. But after the imposition of anti-dumping duties on dumped imports of PSF from China, the imports of PSF from other sources increased to 62%. The major imports from other sources include the imports from Chinese Taipei, Indonesia and Thailand. The Commission has initiated an anti-dumping investigation against dumped imports of PSF originating in and/or exported from Chinese Taipei, Indonesia & Thailand and made a preliminary determination on August 04, 2021.

35.5 On the basis of above information and analysis, the Commission has concluded that removal of anti-dumping duties on dumped imports of the product under review would be likely lead to significant increase in its volume. Therefore, termination of anti-dumping duties on dumped imports would be likely lead to the recurrence of injury to the domestic industry on account of increase in volume of dumped imports.

36. **Likely Effects in Sales and Market Share**

36.1 The sales of PSF made by the domestic industry and the market share of domestic industry in the domestic market during the period of original investigation and Period of Review are given in the table below:

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Table – XIV
Sales and Market Share

Year/ Period	Sales by domestic industry	Dumped imports	Imports from other sources	Total market
2014*	71.78	26.57	1.65	100.00
Jul 2017 – Jun 2018	106.39	10.38	3.81	120.57
Jul 2018 – Jun 2019	100.51	7.32	4.82	112.65
Jul 2019 – Jun 2020	76.51	9.32	15.12	100.95

* POI of Original Investigation.

Source: the domestic industry and PRAL

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of total market of the year 2014

36.2 The above table reveals that the domestic market of PSF increased by 21% during the first year of Period of Review i.e. in Jul 2017 – Jun 2018 over the period of original investigation and then decreased by 7% and 10% in Jul 2018 – Jun 2019 and Jul 2019 – Jun 2020 respectively. Share of domestic industry which was 72% of total market of PSF during the period of original investigation increased to 88% of the total market in first year of Period of Review i.e. in Jul 17 - Jun 18. This was due to levy of antidumping duties on dumped imports of PSF. The share of domestic industry remained 76% of total market of PSF during last year of Period of Review i.e. in Jul 2019 – Jun 2020. The share of dumped imports of PSF that constitutes 27% of the total market in original investigation substantially decreased during the Period of Review and reduced to 9%.

36.3 It may be noted that the total domestic market of PSF showed a decrease in the period Jul 2019 – Jun 2020. The main cause of this decrease was outbreak of COVID 19 that slowed down the global economy including Pakistan.

36.4 On the basis of the above information and analysis the Commission has concluded that after imposition of anti-dumping duties on dumped imports of the product under review, market share of dumped imports and the market share of domestic industry declined. Market share of imports of PSF from other countries increased sharply. This leads to the conclusion that after imposition of anti-dumping duties on imports of the product under review the dumped imports and the domestic like product became at par, which competed with imports of PSF from other countries.

36.5 Removal of antidumping duties on dumped imports of the product under review would likely lead to increase in its imports, which would be directly competing to domestic like product and would replace some of its market share. It is assessed that the dumped imports would regain market share to its original level. Therefore, there is likelihood of injury to the domestic industry on account of market share if anti-dumping duties are removed from dumped imports of the product under review.

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37. **Likely Price Effects**

37.1 Effects of dumped imports of PSF on sale price of the domestic like product has been examined to see whether there has been likelihood of price undercutting, price depression and price suppression on the basis of the data for the Period of Review. Likely effects on price of the domestic like product are analyzed in following paragraphs:

37.2 **Likely Effects on Price Undercutting**

37.2.1 Information on weighted average ex-factory price of the domestic like product and landed cost (with and with-out antidumping duty) of the product under review prevailed during the period of original investigation and Period of Review is given in the table below:

**Table – XV
Price Undercutting**

Year/Period	Average ex-factory price of domestic like product	Price under-cutting without anti-dumping duty		Price under-cutting with anti-dumping duty	
		Average landed cost of dumped imports **	Percentage	Average landed cost of dumped imports ***	Percentage
2014*	100.00	109.00	---	109.00	---
Jul 2017 – Jun 2018	91.98	86.97	5.45	89.22	3.00
Jul 2018 – Jun 2019	119.54	116.06	2.91	119.06	0.40
Jul 2019 – Jun 2020	114.03	104.42	8.43	107.12	6.06

* Original Investigation period.

** Landed cost = (CD@7%+Incidentals@2%)

*** Landed cost = (CD@7%+ ADD+Incidentals@2%),

Source: the domestic industry, PRAL

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of average ex-factory price of the year 2014

37.2.2. The above table shows that domestic industry is facing price undercutting even with imposition of anti-dumping duties on dumped imports of the product under review during the period Jul 2017 – Jun 2020. If anti-dumping duties are removed there is likelihood that domestic industry may face price undercutting.

37.2.3 On the basis of above information and analysis the Commission determined that the domestic industry would likely face injury on account of price undercutting if antidumping duties imposed on dumped imports of the product under review from China are removed.

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37.3 Likely Effects on Price Depression

37.3.1 Information on weighted average ex-factory price of the domestic like product prevailed during the period of original investigation and Period of Review is given in the table below:

Table – XVI
Price Depression

Year/Period	Weighted Average ex-factory price of domestic like product	Price depression
2014*	100.00	---
Jul 2017 – Jun 2018	91.98	---
Jul 2018 – Jun 2019	119.54	---
Jul 2019 – Jun 2020	114.03	(5.51)

* POI of Original Investigation. Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of average ex-factory price of the year 2014.

37.3.2 As evident from the table above, the domestic industry did not suffer price depression during Jul 2017 – Jun 2019 as compared to the period of original investigation. The domestic industry faced price depression during the period Jul 2019 – Jun 2020 due to dumped imports and outbreak of COVID 19 due to which the market became uncertain.

37.3.3 On the basis of the above information and analysis the Commission has concluded that there is likelihood of price depression if antidumping duties imposed on dumped imports of the product under review are removed.

37.4 Likely Effect on Price Suppression

37.4.1 Information/data on weighted average cost to make and sell and ex-factory price of the domestic like product during the period of original investigation and Period of Review is given in following table:

Table – XVII
Price Suppression

Year/ Period	Average cost to make & sell of domestic like product	Average ex-factory price of domestic like product	Increase/ (decrease) in cost of production	Increase/ (decrease) in price	Price Suppression
2014*	100.00	92.40	(4.09)	(8.77)	4.68
Jul 2017 – Jun 2018	82.10	84.99	---	---	---
Jul 2018 – Jun 2019	108.36	110.45	26.26	25.46	---
Jul 2019 – Jun 2020	105.90	105.36	(2.46)	(5.09)	2.63

* POI of Original Investigation Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of average cost to make & sell of the year 2014.

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37.4.2 The above table shows that the domestic industry suffered price suppression during the Period of Review. In case antidumping duties on dumped imports of product under review are removed, dumped sources will resume dumping PSF into the domestic market which is likely to cause material injury to the domestic industry on account of price suppression.

37.4.3 On the above information and analysis the Commission has concluded that there is likelihood of injury to the domestic industry on account of price suppression if antidumping duties on imports of the product under review are terminated.

38. Likely Effects on Production and Capacity Utilization

38.1 The following table shows capacity utilization of the domestic industry during the period of original investigation and Period of Review:

**Table – XVIII
Production and Capacity Utilization**

Year/ Period	Capacity Utilization (%)
2014*	64
Jul 2017 – Jun 2018	87
Jul 2018 – Jun 2019	84
Jul 2019 – Jun 2020	63

* POI of Original Investigation.

Source: the domestic industry

Note: Total production capacity for manufacturing product under review, regenerated PSF and Colored PSF. It may be further noted that the figure of installed capacity of the year 2014 does not include the installed capacity of Rupali Polyester Ltd.

38.2 The above table shows that installed capacity of the PSF domestic industry remained same during the Period of Review. The capacity utilization of the domestic industry increased as compared to the period of original investigation. The capacity utilization of the domestic industry falls during the period; Jul 2019 – Jun 2020, the main cause was outbreak of COVID 19 that slowed down the global economy including Pakistan. There is likelihood that production and capacity utilization of domestic industry would decline if imports of product under review increase in case anti-dumping duties imposed on it are removed.

38.3 On the basis of the above information and analysis it is concluded that the domestic industry would likely face injury on account of production and capacity utilization on removal of anti-dumping duties imposed on dumped imports of the product under review from China.

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39. **Likely Effects on Sales**

39.1 After imposition of anti-dumping duties on PSF, sales of the domestic like product have increased. The following table shows sales of the domestic like product during the period of original investigation and during Period of Review:

Table – XIX
Sales of Domestic like Product

Year/Period	Sales by Domestic Industry
2014*	100.00
Jul 2017 – Jun 2018	148.22
Jul 2018 – Jun 2019	140.02
Jul 2019 – Jun 2020	106.59

* POI of Original Investigation.

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of sales of the year 2014.

39.2 The above table shows that the sales of the domestic industry have increased during first year of Period of Review over the period of original investigation. However, the sales of the domestic industry decreased in Jul 2019 – Jun 2020 due to outbreak of COVID -19 and increase in dumped imports of PSF from Chinese Taipei, Indonesia and Thailand.

39.3 On the basis of the above information and analysis it is concluded that the domestic industry would likely face injury on account of sales on removal of anti-dumping duties imposed on dumped imports of the product under review from China.

40. **Likely Effects on Profits**

40.1 Net profit of the domestic industry during the period of original investigation and Period of Review is given in the following table:

Table – XX
Profit/Loss

Year/Period	Net Profit/Loss
2014*	(100.00)
Jul 2017 – Jun 2018	56.27
Jul 2018 – Jun 2019	38.42
Jul 2019 – Jun 2020	(7.59)

* POI of Original Investigation.

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of net profit/loss of the year 2014.

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40.2 Above table shows that after imposition of anti-dumping duties, the profits of the domestic industry increased in the first year of the Period of Review i.e. in Jul 2017 – Jun 2018. The profits of the industry decreased in Jul 2018 – Jun 2019, however, it remained much better than the period of original investigation. During and Jul 2019 – Jun 2020 the domestic industry faced marginal losses. The main cause of this loss was outbreak of COVID 19 that slowed down the global economy including Pakistan.

40.3 On the basis of the above information and analysis it can be concluded that the domestic industry would likely face injury on account of decline in profits and/or profitability on removal of anti-dumping duties imposed on dumped imports of the product under review from China.

41. **Likely Effects on Inventories**

41.1 Inventory position of the domestic like product during the period of original investigation and Period of Review is given in the following table:

Table – XXI
Opening and Closing Inventory

Year/Period	Opening inventory	Closing inventory
2014*	100.00	96.46
Jul 2017 – Jun 2018	114.19	162.84
Jul 2018 – Jun 2019	162.84	239.53
Jul 2019 – Jun 2020	239.53	266.74

* POI of Original Investigation.

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of opening inventory of the year 2014.

41.2 The above table shows that closing inventory of the domestic industry in the period of original investigation was *** MT which increased to *** MT during the period Jul 2017 – Jun 2018 showing an increase of 69%. The closing inventory in the subsequent years i.e. Jul 2018 – Jun 2019 and Jul 2019 – Jun 2020 further increased by 47% and 11% respectively. Removal of anti-dumping duties on dumped imports from China would be likely to lead to increase in volume of dumped imports of the product under review, which would negatively affect production and sales of the domestic like product. Therefore, removal of anti-dumping duties on dumped imports of the product under review would negatively affect inventories of the domestic like product of the domestic industry.

41.3 On the basis of the above information and analysis it can be said that the domestic industry would likely face injury on account of increase in inventories of the domestic like product if anti-dumping duties imposed on dumped imports of the product under review are removed.

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42. **Likely Effect on Employment, Productivity and Wages**

42.1 The data on employment in the domestic industry, productivity and the wages paid during the period of original investigation and Period of Review is given in following table:

Table – XXII
Employment, Productivity and Wages

Year/ Period	Number of Employees	Salaries and wages	Domestic production	Productivity per worker	Salaries & wages per MT
2014*	100	100.00	100.00	100.00	100.00
Jul 2017 – Jun 2018	126	163.73	143.46	113.71	114.14
Jul 2018 – Jun 2019	123	173.30	139.07	113.14	124.65
Jul 2019 – Jun 2020	105	171.03	104.03	99.43	164.42

* POI of Original Investigation.

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figures of the year 2014 of each respective column.

42.2 The above table shows that after imposition of anti-dumping duties on dumped imports of PSF from China, productivity per worker increased significantly during the Period of Review as compare to the period of original investigation. However, likely recurrence of dumping of the product under review would adversely effect employment and productivity of the domestic industry. Removal of anti-dumping duties on dumped imports of product under review from China would be likely to lead to increase in volume of dumped imports of the product under review, which would negatively affect production of the domestic like product, as well as negatively affect productivity of the domestic like product of the domestic industry.

42.3 On the basis of the above information and analysis the Commission has reached to the conclusion that the domestic industry would be likely to face injury on account of decrease in productivity if anti-dumping duties imposed on dumped imports of the product under review are removed.

43. **Likely Effect on Investment and Return on Investment**

43.1 M/s. ICI Pakistan Limited, M/s Ibrahim Fibers Limited and M/s Rupali Polyester Limited are multi-product companies. Only M/s ICI Pakistan Limited has maintained separate record of investment. Therefore, investment and return on investment of Ms. ICI Pakistan Ltd. for its polyester business is determined as profit before the tax divided by total assets minus current liabilities. Investment and return on investment of M/s Ibrahim Fibers Limited and M/s Rupali Polyester for whole company is determined as profit before the tax divided by total assets minus current liabilities and is given in the table below for the period of original investigation and Period of Review are given below:

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Table – XXIII
Return on Investment

Year/ Period	Return on Investment (%)
2014*	(5.7)
Jul 2017 – Jun 2018	6.67
Jul 2018 – Jun 2019	4.57
Jul 2019 – Jun 2020	0.54

* POI of Original Investigation.

Source: the domestic industry

43.2 The above table shows that return on investment improved after imposition of anti-dumping duties on dumped imports of the product under review.

43.3 Removal of anti-dumping duties on dumped imports from China would be likely to lead to increase in volume of dumped imports of the product under review, which would negatively affect production, sales and profits of the domestic industry. Therefore, removal of anti-dumping duties on dumped imports of the product under review would negatively affect return on investment of the domestic industry.

43.4 On the basis of the above information and analysis it is concluded that the domestic industry may face injury on account of return on investment on removal of anti-dumping duties imposed on dumped imports of the product under review from China.

44. **Likely Effects on Cash Flow**

44.1 Following table shows net cash flow position of the domestic industry during the period of original investigation and Period of Review:

Table – XXIV
Cash Flow

Year/Period	Net cash inflow/ (outflow) from operations
2014*	100.00
Jul 2017 – Jun 2018	563.87
Jul 2018 – Jun 2019	702.77
Jul 2019 – Jun 2020	609.99

* POI of Original Investigation.

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of cashflow of the year 2014.

44.2 After the imposition of anti-dumping duties on dumped imports of product under review, dumped imports from China declined. The domestic industry was thus able to generate sufficient

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cash flows during the Period of Review. Removal of anti-dumping duties on dumped imports of product under review from China would be likely to lead to increase in volume of dumped imports of the product under review, which would negatively affect production and sales of the domestic like product. Therefore, removal of anti-dumping duties on dumped imports of the product under review would negatively affect cash flows of the domestic industry.

44.3 On the basis of the above information and analysis it can be said that the domestic industry would likely face injury on account of decline in cash inflows on removal of anti-dumping duties imposed on dumped imports of the product under review from China.

45. **Likely Effects on Growth and Investment**

45.1 The domestic industry is of view that if anti-dumping duties expire on PSF from China it may result into negatively effect on investment and future growth of the domestic industry producing PSF.

45.2 It is concluded that there is likelihood to suffer injury on account of growth and investment for the domestic industry if anti-dumping duties are terminated on dumped imports of the product under review.

46. **Summing up Likely Recurrence or Continuation of Injury**

On the basis of information and analysis at above paragraphs, the Commission has reached to conclusion that termination of anti-dumping duties imposed on dumped imports of the Product Under Review from China would be likely to lead to recurrence of injury to the domestic industry on account of the following:

- a. Likely increased volume of dumped imports of the product under review from China;
- b. Likely price undercutting, price depression and price suppression;
- c. Likely decline in production, capacity utilization, sales and market share of the domestic like product; and
- d. Likely negative effect on profits, cash flows, returns on investment, inventories, growth and investment and productivity of the domestic industry.

47. **Other Factors**

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

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

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- a. volume and price of imports not sold at the dumped prices;
- b. contraction in demand or changes in the patterns of consumption;
- c. trade restrictive practices of and competition between foreign and domestic producers;
- d. development in technology; and
- e. export performance and productivity of domestic industry

47.3 Volume of Imports from Other Sources

47.3.1 Following table shows volume of imports of the product under review, and PSF imported from other sources:

Table – XXV
Volume of Imports and Domestic Industry’s Sale

Year/Period	Imports from			Domestic Industry Sales	Total Market
	Dumped Sources	Other Sources	Total Imports		
Jul 2017 – Jun 2018	8.61	3.16	11.77	88.23	100.00
Jul 2018 – Jun 2019	6.07	3.99	10.07	83.36	93.43
Jul 2019 – Jun 2020	7.73	12.54	20.27	63.45	83.72

* POI of Original Investigation.

Source: PRAL

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of total market of the year Jul 2017 – Jun 2018.

47.3.2 The above table shows that there was a significant decrease in volume of imports of product under review from dumped source during the period Jul 2017-Jun 2018, which resulted in increase in imports of PSF from other sources as well as domestic industry’s sales. Further, domestic demand of PSF remained in the same range during the Period of Review. The Commission has initiated an anti-dumping investigation against dumped imports of PSF originating in and/or exported from Chinese Taipei, Indonesia & Thailand and made a preliminary determination on August 04, 2021.

47.4 Prices of Imports of PSF from Other Sources

47.4.1 Following table shows prices (weighted average landed cost) of imports of the product under review, PSF imported from other sources and ex-factory price of the domestic like product:

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Table – XXVI
Landed cost of imports and Domestic Price

Year/ Period	Domestic like product's price	Landed Cost of:	
		dumped imports	Other Imports
Jul 2017 – Jun 2018	100.00	94.55	102.23
Jul 2018 – Jun 2019	129.96	126.17	132.25
Jul 2019 – Jun 2020	123.97	113.52	109.16

Sources: The Applicants and PRAL

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t the figure of domestic price of the year Jul 2017 – Jun 2018.

47.4.2 The above table shows the landed cost of imports of PSF from other sources was above the ex-factory price of domestic industry during Jul 2017 to Jun 2019, whereas, landed cost of dumped imports of the product under review was significantly lower than the price of the domestic like product. The landed cost of imports from other sources was below the ex-factory price of domestic industry during Jul 2019- Jun 2020. However, the Commission has initiated an anti-dumping investigation against dumped imports of PSF originating in and/or exported from Chinese Taipei, Indonesia & Thailand and made a preliminary determination on August 04, 2021.

47.5 **Trade restrictive practices and competition between foreign and domestic producers**

There was no such policy by the government during the Period of Review that have negatively affected the domestic industry and created distortion in the competitive environment for domestic industry vis-à-vis imports during the Period of Review.

47.6 **Developments in Technology**

According to the Applicants, there was no development in technology during the Period of Review that could lead to the likely material injury of the domestic industry.

47.7 **Export Performance of Domestic Industry**

The domestic industry exported marginal quantity of the domestic like product during entire POR for injury. Therefore, there was no likelihood of injury to the domestic industry due to its export performance.

48. **Anti-dumping investigation on other alleged dumped sources**

The Commission is also conducting anti-dumping investigation against dumped imports of PSF from Chinese Taipei, Indonesia and Thailand.

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D. **CONCLUSIONS**

49. After taking into account all information, data and analysis the Commission has reached on the following conclusions:

- a. The Applicants filed an application for sunset review within prescribed time-period in accordance with Section 58(3) of the Act. The application was filed by the Applicants representing 95 percent of the domestic production of domestic like product and supported by other producer representing 5 percent of the domestic production of domestic like product during the Period of Review. Hailun an exporter/ producer of PSF also applied for changed circumstances review under Section 59 of the Act.;
- b. The product under review and the domestic like product are like products;
- c. Claims of the Applicants, Exporters and APTMA with regard to changed circumstances have not been accepted by the Commission as the findings of the Commission are different from them, therefore, the requests of the Applicants, Exporters and APTMA for changed circumstances review under Section 59 of the Act are not accepted. Thus, dumping margins and anti-dumping duties rates for the product under review are not redetermined;
- d. There is likelihood of continuation and/or recurrence of dumping of the product under review from China if anti-dumping duties imposed on dumped imports of the investigated product are terminated because:
 - i. after imposition of antidumping duties on dumped imports of the investigated product the exporters from China significantly reduced their exports of the product under review to Pakistan;
 - ii. after imposition of anti-dumping duties on dumped imports on investigated product, its share in total imports declined significantly;
 - iii. exporters from China continued dumping of the product under review after imposition of antidumping duties;
 - iv. major export destinations of PSF exported from China remained almost same after imposition of antidumping duties by Pakistan on dumped imports of the product under review;
 - v. Indonesia, Mexico, Turkey and USA has imposed anti-dumping duties on exports of PSF from China. Therefore, exporters from China would likely divert their exports of PSF to other countries; and

50. If anti-dumping duties imposed on dumped imports of the product under review are terminated the domestic industry would be likely to suffer injury on account of the following:

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- a. increased volume of dumped imports of the product under review;
- b. price undercutting, price depression and price suppression;
- c. decline in production, capacity utilization, sales and market share; and
- d. negative effect on profits/profitability, cash flows, return on investment and productivity of the domestic industry

E. CAUSALITY

51. On the basis of the information, analysis and conclusions, the Commission has concluded that there is relationship between likely continuation and recurrence of dumped imports of the product under review from China and likely recurrence of injury to the domestic industry. It transpired from this review that the domestic industry is likely to suffer material injury in future in case anti-dumping duties imposed on dumped imports of the product under review are terminated.

F. CONTINUATION OF DEFINITIVE ANTI-DUMPING DUTIES

52. In terms of Section 58(3) of the Act, definitive anti-dumping duty shall not expire if the Commission determines in the review that the expiry of such anti-dumping duty would be likely to lead continuation or recurrence of dumping and injury.

53. In view of the information, analysis and conclusions in preceding paragraphs, the Commission has determined that the expiry of anti-dumping duty imposed on dumped imports of the product under review would be likely to lead continuation and recurrence of its dumping and the domestic industry would likely suffer injury due to likely continuation of dumped imports of the product under review. The Commission has, therefore, decided to continue anti-dumping duties as per following rates for further five years effective from October 02, 2021.

**Table – XXVII
Definitive Anti-Dumping Duty Rates**

Exporter/Foreign Producer from China	Antidumping Duty Rates (%)
Shanghai Hengyi Polyester Fiber Co., Limited	7.88
Jiangyin Huahong Chemical Fiber Co., Limited	2.82
Jiangyin Hailun Chemical Fiber Co., Limited	8.22
Xiamen Xianglu Chemical Fiber Co. Limited	7.81
Fujian Zhengqi High-Tech Fiber Technology Co. Limited	7.72
All other exporters	11.51

54. In accordance with Section 51 of the Act, the 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 dumped imports of the product under review for free circulation in Pakistan shall be subject to imposition of such anti-dumping duty.

55. Definitive anti-dumping duty levied would be in addition to other taxes and duties leviable on import of the product under review under any other law.

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56. The definitive anti-dumping duty 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.

(Muhammad Saleem)
Member
October 04, 2021

(Anjum Assad Amin)
Member
October 04, 2021

(Robina Ather)
Chairperson
October 04, 2021

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ANNEX – I

COMMENTS	NTC RESPONSE
Comments received from M/s Jiyangyin Hailun Chemical Fiber Co. Ltd. (Hailun)	
<p>“...changed circumstances claimed by Hailun were based on the facts which existed at the time of initiation of the investigation. The Commission initiated the investigation after being satisfied that changed circumstances claimed by Hailun i.e. change in cost and change in product mix, justify change in its export price and hence the dumping margin...”.</p>	<p>The Commission accepted the information of Hailun on <i>prima facie</i> basis and initiated change circumstances review to further investigate the information submitted by Hailun.</p>
<p>“Regarding noting of the Commission in its SEF that change in cost of Hailun is not of a permanent nature, Hailun would like to submit that there is no requirement in the Act or the Antidumping Agreement for changed circumstances to be of permanent nature.....”</p>	<p>Section 59 of the Act provides: <i>“...which contains positive information substantiating the occurrence of changed circumstances justifying a need for a review including sufficient information to enable the Commission to calculate export price and normal value of a product in question.</i></p> <p>The Commission analyzed the data/information at Para 25.1 of this report of conclusion of reviews and concluded that the prices of the raw materials of PTA & MEG changes due to fluctuation in international crude oil prices. Such continuous changes in the raw material prices does not warrant re-determination of dumping margin.</p>
<p>“As regards product mix of Hailun,..... Hailun would like to submit that 29% is a significant share in export which has significant effect on average price and hence affects price comparability. Price comparability is an important factor which effects the comparison of export price with normal value for the purpose of calculation dumping margin as provided in Section 11 of the Act. Cost is not the only determinant factor for price and therefore Section 11 of the Act has emphasized on factors affecting price comparability rather than cost. In fact, 1.4 denier PSF has different price than 1.2 denier and therefore, inclusion of 1.4 denier in product mix of Hailun has an effect on price comparability which warrants re-determination of its export price and hence its dumping margin”.</p>	<p>Please refer Para 25.6 of this conclusion of reviews report.</p>