



**Government of Pakistan
National Tariff Commission**

Report on

**Conclusion of Sunset Review of the Anti-dumping
Duties Imposed on Dumped Imports of Hydrogen
Peroxide Imported from People's Republic of
Bangladesh**

A.D.C No. 34/2015/NTC/HP/SR/20
October 11, 2021

Conclusion of Sunset Review of the Anti-dumping Duties Imposed on Dumped Imports of HP Originating in and/or Exported from the People's Republic of Bangladesh

A. Introduction

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

2. Having regard to Section 58(1) of the Act, any definitive anti-dumping duty imposed by the Commission shall be terminated on a date not later than five years from the date of its imposition, however, as per 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 likely lead to continuation or recurrence of dumping of the investigated product and injury to the domestic industry.

3. The Commission has conducted a sunset review of anti-dumping duties imposed on dumped imports of Hydrogen Peroxide ("HP") imported from the People's Republic of Bangladesh ("Bangladesh") under the Act and the Rules. This report on conclusion of the sunset review investigation has been issued in accordance with Section 39(5) of the Act and Article 12.2 of the Agreement on Anti-dumping.

4. In terms of Section 62(2) of the Act, a sunset review under Sections 58 of the Act shall normally be completed within twelve months from its initiation. The sunset review in this case was initiated on October 15, 2020, therefore the Commission is required to conclude this review by October 14, 2021.

B. Background

5. Definitive Anti-Dumping Duties in Place

5.1 The Commission imposed following definitive anti-dumping duties on dumped imports of HP from Bangladesh for a period of five years effective from October 16, 2015:

**Table-I
Original Antidumping Duty Rates**

Exporter/Foreign Producer	Duty rate (%)
Tasnim Chemical Complex Limited	12.14
Samuda Chemical Complex Limited	10.67
All others	12.14

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5.2 In terms of Section 59 of the Act, upon request of the domestic industry, on February 21, 2020, the Commission initiated a review for change of circumstances of the anti-dumping duties imposed on dumped imports of HP into Pakistan originating in and/or exported from Bangladesh. The Commission concluded the changed circumstances review and revised the definitive anti-dumping duty rates as provided in the following table with effect from August 26, 2020 on dumped imports of HP from Bangladesh:

**Table-II
Revised Definitive Anti-Dumping Duty Rates**

Exporter/Foreign Producer	Duty Rates (%)
Tasnim Chemical Complex Limited	16.10
Samuda Chemical Complex Limited	15.38
All others	16.10

5.3 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 of the investigated product and injury to the domestic industry. Further, on initiation of the sunset review before expiry of the anti-dumping duty, such duty shall remain in force pending the outcome of the review.

5.4 The Commission had also conducted an investigation on imports of HP from Belgium, China, Indonesia, South Korea, Taiwan, Thailand and Turkey (the “Exporting Countries”) in 2009-10 and imposed definitive anti-dumping duties ranging from zero (0%) to 84.48 percent on *ad valorem* basis on dumped imports of HP importable from the Exporting Countries for a period of five years effective from September 27, 2010. In terms of Section 58 of the Act, before the expiry of the above mentioned definitive anti-dumping duties on dumped imports of HP from the Exporting Countries, the Commission has conducted two Sunset Reviews in 2015-16 and 2020-21 respectively on the request of domestic industry and has continued definitive anti-dumping duties as per the rates given in the table below for another period of 5 years with effect from September 2, 2020:

**Table-III
Dumping Duties Imposed on Exporting Countries**

Exporter/Foreign Producer	Antidumping Duty Rates (%)
Belgium	
Evonik Degussa, Germany and Evonik Degussa, Belgium	9.20
All others	84.48
China	
All exporters	71.93
Indonesia	
Evonik Degussa, Indonesia	25.20
All others	25.20
South Korea	
Evonik Degussa, Korea and Evonik Headwaters	14.77
Hansol	0.00
OCIC and OCI	0.00

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All others	14.77
Chinese Taipei	
All exporters	35.61
Thailand	
Thai Peroxide	3.52
All others	25.04
Turkey	
All exporters	25.61

C. Procedure

6. The procedure set out below has been followed with regard to this sunset review:

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

7.1 The Commission published a notice of impending expiry of anti-dumping duties in this case in Official Gazette and national press on July 15, 2020 in accordance with Section 58(2) of the Act.

7.2. 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

8. Receipt of Application

8.1 In response to the notice of impending expiry, the Commission received a written application under Section 58 of the Act on August 31, 2020 from M/s. Descon Oxychem Limited, Lahore and M/s. Sitara Peroxide Limited, Faisalabad (the "Applicants"), domestic producers of HP.

8.2 The Applicants alleged that expiry of anti-dumping duties on HP imported from Bangladesh would likely lead to the continuation and recurrence of dumping of HP and material injury to the domestic industry. The Applicants have requested the Commission for continuation of the antidumping duties for a period of further 5 years on dumped imports of HP originating in and/ or exported from Bangladesh to Pakistan.

9. Domestic Industry and Standing

9.1 Currently the domestic HP manufacturing industry comprises of two units i.e. M/s Descon Oxychem Ltd. Lahore, and M/s Sitara Peroxide Limited, Faisalabad (the Applicants). However, M/s Engro Polymers & Chemicals Limited, Karachi is installing a plant of HP of an annual production capacity of 28,000 MT, which will be operational by end of 2022.

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9.2 Installed production capacity of the Applicants during the period of review ("POR") (paragraph 28 infra) was 64,000 MT per annum. However, M/s Descon Oxychem Ltd. Lahore has increased its installed capacity by 8,500 MT per annum, which has become operational in October 2020. Therefore, current installed production capacity of the domestic industry is 72,500 MT per annum. Further, M/s Sitara Peroxide Limited, Faisalabad is under process to enhance its installed production capacity from 30,000 MT per annum to 40,000 MT per annum. The expansion planned to be completed by October 2021.

9.3 As the Applicants production constitutes 100 percent of production of domestic like product during the POR, therefore, the application fulfills standing requirements of the Act.

10. Initiation of Sunset Review

10.1 Upon examination of the application, the Commission established that it met requirements of Sections 58 of the Act. Therefore, the Commission initiated sunset review in this case on October 15, 2020, to determine whether there is likelihood of continuation or recurrence of dumping of the HP from Bangladesh and material injury to the domestic industry.

10.2 In terms of Section 27 of the Act, the Commission issued a notice of initiation of the sunset review of antidumping duties imposed on dumped imports of HP from the Bangladesh, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on October 15, 2020.

10.3 The Commission notified the diplomatic Mission of Bangladesh in Pakistan on October 15, 2020, of the initiation of review by sending a copy of the notice of initiation of sunset review. Copies of notice of initiation were also sent to the Applicants, known exporters/producers of HP from Bangladesh, and known importers on October 15, 2020, in accordance with the requirements of Section 27 of the Act.

10.4 In accordance with Section 28 of the Act, on October 15, 2020, the Commission also sent copy of full text of the written application (non-confidential version) to the diplomatic Mission of Bangladesh in Pakistan and to the known exporters/ producers of HP in Bangladesh.

11. Period of Review

The period of review ("POR") for this sunset review is from July 01, 2017 to June 30, 2020.

¹ The official Gazette of Pakistan (Extraordinary) dated August 28, 2020.

² Daily Dunya and daily Express Tribune of October 15, 2020

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12. Product under Review, Domestic Like Product and Like products

12.1 The Product under Review

The product under review is Hydrogen Peroxide classified under Pakistan Customs Tariff ("PCT") No. 2847.0000. It is used as a bleaching agent in textile industry, paper & pulp industry, for sterilization of packaging material of milk, fruit juices etc. (aseptic packaging) and general purpose as oxidizing, detoxifying and deodorizing agent. It is also used for wastepaper treatment and soil remediation.

12.2 Following table shows tariff structure applicable on import of HP during last four years:

**Table-IV
Tariff Structure of HP (%)**

Year	Customs Duty rate*	Additional customs duty	Regulatory duty	Sales Tax rate
2017-18	11	--	--	17
2018-19	11	--	--	17
2019-20	11	2	5	17
2020-21	11	2	5	17

* CD 5% under SAFTA and 100% concession under Sri Lanka FTA

12.3. Domestic like product

The domestic like product, produced by the domestic industry is HP. It is also classified under PCT Nos. 2847.0000. Its specifications, uses and classification are same as of the product under review.

12.4 Like Products:

12.4.1 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.

12.4.2 There is no difference between the product under review, the domestic like product and the HP imported from sources other than the Bangladesh as all are:

- (a) produced with same/similar inputs and manufacturing process;
- (b) have same/similar appearance;
- (c) are substitutable in use and application.

12.4.3 Further, the Commission in its original investigation and in last sunset review had determined that the investigated product and the domestic like product

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were alike products. Therefore, the Commission in this review has also determined that the product under review and the domestic like product were alike products.

13. Interested Parties

The Commission gave an opportunity (through notice of initiation) to all interested parties to participate in this review and register themselves as interested parties with the Commission. In response, Samuda Chemical Complex Limited, Bangladesh, Tasnim Chemical Complex Limited, Bangladesh and Towel Manufacturers Association of Pakistan asked for registration as an interested party in this sunset review.

14. Information/Data Gathering

14.1 The Commission sent questionnaires on October 15, 2020 to the known exporters/ producers of HP from Bangladesh, 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 Mission of People's Republic of Bangladesh in Pakistan on October 15, 2020 with a request to forward it to all known exporters/ producers of HP in Bangladesh.

14.2 In response Samuda Chemical Complex Limited, Bangladesh ("Samuda Chemical") vide its letter dated November 23, 2020 requested for grant in extension of time till December 18, 2020 to respond on Exporter's Questionnaire. The Commission vide its letter dated November 25, 2020 granted the extension till December 08, 2020 and Samuda Chemical submitted data on Exporter's Questionnaire on December 09, 2020. The data/information was found deficient and the Commission sent a deficiency letter to Samuda on April 26, 2021. Samuda Chemical in its letter dated May 07, 2021 requested for time extension of 15 days to respond on deficiency letter and the Commission vide its letter dated May 17, 2021 granted the extension till May 25, 2021. Samuda Chemical submitted the data/information in response to deficiencies on May 26, 2021.

14.3 Tasnim Chemical Complex Limited, Bangladesh ("Tasnim Chemical") submitted response on Exporter's Questionnaire on November 28, 2020. The data/information was found deficient and the Commission sent a deficiency letter to Tasnim on April 26, 2021. Tasnim Chemical submitted the data/information in response to deficiencies on June 19, 2021.

14.4 Questionnaires were sent to known importers of the product under review on October 15, 2020. However, only Kohinoor Textile Mills Limited provide the limited information.

14.5 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 review the Commission has also used import data obtained from PRAL's database in addition to the information

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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, whose specific references are given at relevant paragraphs of this report.

15. Confidentiality

15.1 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 the interested parties upon good cause shown to be kept confidential.

15.2 The Applicants and the importers who have provided information (para 14 supra) 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), 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 etc., may lead to the disclosure of the by nature confidential information by way of reverse calculations. However, the parties 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.

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

16. Public File

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

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17. Verification of the Information

17.1 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 from 18 to 20 November 2020 at Descon Oxychem Limited's office/plant located at Lahore and from 25-27 November, 2020 at Sitara Peroxide Limited's office/plant located at Faisalabad.

17.2 The reports of on the spot investigation/verification conducted at premises of the Applicants were provided in full to the Applicants on December 08, 2020. Non-confidential version of the on-the-spot investigation/verification reports are made available to other interested parties by placing the same on the public on December 08, 2020.

18. Hearing

The interested parties were required to request for hearing in this review within 45 days of the publication of the notice of initiation. However, the Commission did not receive any request for hearing in this review. Therefore, no hearing was held in this review.

19. Written Submissions by the Interested Parties

All interested parties were invited for views/comments and to submit information and documents (if any) not later than 45 days of the date of publication of notice of initiation of the review. The Commission did not receive written submissions/comments from any of the interested parties in this review.

20. Disclosure of Essential Facts

20.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of Agreement on Antidumping, the Commission disclosed essential facts, and in this context circulated a Statement of Essential Facts (the "SEF") on September 13, 2021 to all interested parties including the Applicants, exporters/foreign producers from Bangladesh, importers, the diplomatic Mission of Bangladesh in Islamabad.

20.2 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. In response, the Government of Bangladesh, Samuda Chemicals Complex, Bangladesh and Tasnim Chemicals Complex Bangladesh submitted comments regarding SEF, which were received at the Commission on 30th September 2021 and 1st October 2021. These comments have been considered by the Commission while concluding this Review investigation and response of the Commission is annexed in annotated form.

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B. Determination of Likelihood of Continuation or Recurrence of Dumping of the Product Under Review

21. To determine likelihood of continuation or recurrence of dumping of the product under review, the Commission has considered following factors. Information on these factors has been gathered/obtained from different sources including the Applicant, exporter’s data/information submitted on prescribed questionnaire, PRAL, articles published in different journals, ITC and different other websites etc:

- (a) Whether exporters/foreign producers stopped or continued exporting to Pakistan the product under review after imposition of antidumping duties;
- (b) Whether exporters/foreign producers have exportable surplus of the product under review;
- (c) Whether the product under review is subject to trade defense measures by any other countries.

22 Volume of Dumped Imports of HP

22.1 Information on volume of dumped imports of the product under review and the HP imported from other sources is provided in the following table:

**Table- V
Volume of Imports of HP(MT)**

Year/Period	Imports from:				
	Dumped (Bangladesh)	Exporting Countries**	Other Sources	Total	Dumped imports as % of total imports
Jan-Dec 2014*	1,914	4,871	9	6,794	28.17
Jul 17-Jun 18	1,469	16,107	60	17,636	8.33
Jul 18-Jun 19	9,731	19,532	--	29,263	33.25
Jul19-Jun 20	19,524	19,901	1	39,426	49.52

* POI of original investigation

Source: PRAL

** Imports from Belgium, China, Indonesia, Korea, Chinese Taipei, Thailand and Turkey

22.2 The above table shows that, after imposition of antidumping duties, volume of dumped imports of the product under review, which was 28.17% of the total imports during the POI of original investigation declined significantly to 8.33 percent of total imports during the year 2017-18. However, volume of imports of the product under review from Bangladesh increased significantly during POR of this sunset review. Volume of dumped imports of the product under review in 2018-19 and 2019-20 increased and remained 33.25 percent of total imports & 49.52 percent of total imports respectively.

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22.3 There was significant increase in volume of total imports of the product under review during the POR. The major single source of imports of HP during the POR was Bangladesh despite antidumping duties were in place. One possible reason for increase in imports of HP from Bangladesh was absorption of antidumping duties by the exporters, which was established during changed circumstances review (paragraph 5.2 supra). Increase in imports of HP during the POR from Bangladesh and other sources was also due to inability of the domestic industry to meet domestic demand as its installed production capacity during the POR was significantly lower than the domestic demand (paragraphs 28 and 29 infra). However, with commissioning of the new unit and expansion of one of the existing unit (paragraph 10 supra), the installed capacity of the domestic industry will be more than the domestic demand by end of the year 2022. Therefore, the domestic industry will be able to meet entire domestic requirements/demand of HP.

22.4 As the exporters from Bangladesh have their presence in Pakistani market and are exporting the product under review despite antidumping duties are in place, therefore, it is determined that there is likelihood of increase in volume of dumped imports of the product under review if antidumping duties expire.

23 Exportable Surplus/Increase in production capacities of the HP in Bangladesh

23.1 The information provided by the exporters/foreign producers (M/s Samuda Chemical Complex Ltd. Bangladesh and M/s Tasnim Chemical Complex Ltd. Bangladesh) on their capacities, production, sales, exports, and inventories of the product under review is provided in the following tables:

**Table-VI
Samuda Chemicals' Capacity, Production, Sales and Inventories**

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Installed Capacity MT/Day	100.0	100.0	100.0	200.0	200.0
Quantity Produced	100.0	117.2	116.8	187.2	192.3
Opening Inventory	2.6	4.3	4.2	0.8	13.1
Domestic Sales	62.8	73.8	101.1	97.4	73.7
Export Sales	35.5	43.4	19.2	77.4	117.8
Closing Inventory	4.3	4.2	0.8	13.1	13.8

Year: 1st July- 30th June.

Source: Samuda Chemicals

Note: To keep confidentiality, actual figures of installed capacity have been indexed w.r.t installed capacity figures in 2015-16 and rest of the figures have been indexed w.r.t quantity produced figures during year 2015-16 by taking it equal to 100.

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**Table-VII
Tasnim Chemicals' Capacity, Production, Sales and Inventories**

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Installed Capacity	100.0	100.0	100.0	100.0	100.0
Quantity Produced	100.0	151.2	173.1	286.4	332.6
Opening Inventory	1.8	3.6	4.3	1.1	15.3
Domestic Sales	36.8	19.8	65.8	89.7	65.1
Export Sales	61.4	130.7	110.5	182.5	277.4
Closing Inventory	3.6	4.3	1.1	15.3	5.4

Year: 1st July- 30th June.

Source: Tasnim chemicals

Note: To keep confidentiality, actual figures of installed capacity have been indexed w.r.t installed capacity figures in 2015-16 and rest of the figures have been indexed w.r.t quantity produced figures during year 2015-16 by taking it equal to 100.

23.2 The above tables shows that the installed capacity of the Samuda Chemicals has been doubled during the POR, however the installed capacity of Tasnim Chemicals remained the same during the POR. The table further shows that export sales of both exporters i.e. Samuda Chemicals and Tasnim Chemicals are higher than the domestic sales. As per the information provided by Samuda Chemicals and Tasnim Chemicals, India was the biggest export market for the Bangladesh's producers/ exporters of HP. Bifurcation of export sales of both the Companies is given in table below;

**Table-VIII
Export Sales of Samuda Chemicals and Tasnim Chemicals**

Country	Samuda Chemical			Tasnim Chemical		
	2017-18	2018-19	2019-20	2017-18	2018-19	2019-20
India	38.0	277.4	260.1	86.3	148.9	214.3
Pakistan	59.8	89.0	145.3	3.2	4.1	17.5
Other Countries	2.2	36.4	207.5	10.5	12.2	19.2
Total Exports	100.0	402.7	612.8	100.0	165.2	251.0

Year: 1st July- 30th June

Note: To keep confidentiality, actual figures have been indexed w.r.t total exports figures of each company during year 2017-18 by taking it equal to 100.

23.3 The above table (containing data/information of Samuda Chemicals and Tasnim Chemicals) clearly shows that major export market of exporters/ producers of HP in Bangladesh is India. Any restraints to the exports to India cause an oversupply in the domestic market of Bangladesh. Consequently, to dispose off piled up inventories and to utilize idle capacities, Bangladesh has to look forward either to new export destinations or expand market share in existing export markets other than India.

23.4 IHS Markit (a renowned chemical journal) provides information and insight on markets and business landscape around the globe in many areas including the Chemical industry. As per the IHS Markit January 2019 publication, the overcapacity in India restrained Bangladesh's producers/exporters to export its surplus to India and how they were forced to offer reduced prices to gain more market share in other countries including Pakistan:

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“In India, the start-up of new production capacity has reduced import quantity. Bangladeshi exports to India in November dropped to around 5,300 MT versus 10,017 MT in October. In Bangladesh, hydrogen peroxide with 50% concentration in polycan packaging is currently priced at \$470 per MT delivered in the domestic market, while export prices to Asia are \$480 – 490 per MT CFR Southeast Asia. With the domestic market having increasing supply from new capacities coming on-stream gradually, imports are expected to decrease gradually in the coming months. Domestic Indian prices were heard around INR35-40 per kg delivered for 50kg polycan packaging.”

23.5 Added capacities in India started affecting Bangladesh exports and Bangladesh's exporters looked for other export destinations. In such scenario, Bangladesh's exporters tried to increase its share in Pakistan market by offering extremely low (dumped) prices. These facts are evident from the data/information provided in Table-VIII above and also explained by IHS Markit publications of May 2019:

“Given some displacement caused by new domestic capacity in India, some Indian subcontinent producers tried to expand their exports to other markets in the subcontinent by offering prices around \$360 – 380 per MT CFR to Pakistan to match domestic prices. Domestic prices for 50% concentration hydrogen peroxide for Bangladesh are stable and have ranged around BDT 40,000 per MT delivered. Meanwhile the domestic prices in Pakistan were PKR 60 per Kg for 50% concentration hydrogen peroxide and likely to remain weak in the near term due to increasing imports.”

23.5 In addition to capacity expansions and new plants in India, Bangladesh's producers/exporters also underwent significant capacity enhancements (reference Table-VI supra). These additions in capacity along with an oversupply and price war in the Indian market triggered the excess supply issues for Bangladesh's producers/exporters. This fact is also evident from the following extract of IHS of September 2019

“The overall annual production capacity of Bangladesh will rise by 3% to 82,000 MT per year (100% basis and 164,000 on 50% basis) in 2020. Samuda Chemical Complex Limited's new 20,000 MT per year (100% basis) hydrogen peroxide facility in Dhaka is scheduled to start up toward the end of the year, a source familiar with the matter said. The plant was supposed to have started up in the third quarter of 2019. The delayed start-up of this capacity could be a boon to the hydrogen peroxide market

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in the near term as the supply has lengthened following several new capacities and expansion projects at hydrogen peroxide facilities, exerting a downward pressure on prices in Asia. The company is currently operating its hydrogen peroxide plant at Chandgaon. The hydrogen peroxide plant has a nameplate capacity of 28,000 MT per year (100% basis).”

24. Trade Defense measures taken by other countries on HP Exports of the Bangladesh

24.1 In April 2017, India has imposed anti-dumping duties on imports of HP from Bangladesh, Pakistan, Chinese Taipei, Korea and Thailand. Anti-dumping duties imposed by India on Bangladesh is ranging from 16.91 USD per MT to 63.32 USD per MT. These duties were further increased to 31.59 USD per MT to 78 USD per MT according to the notification issued by the Government of India in April 2018. This imposition of antidumping duties by India on Bangladesh has created further export surplus with exporters/producers of Bangladesh to export their HP at other destinations.

24.2 In addition to the above-mentioned anti-dumping duties imposed by India, the capacity additions to produce HP in India have also resulted to shift of Bangladeshi exporters/producers from India to other countries including Pakistan. As is evident from the contents of Table-VIII above, since the imposition of Anti-Dumping Duties by the India on imports of HP, the share of exporters/producers of Bangladesh of HP in Pakistan has increased significantly. This scenario has also been explained of IHS Markit publication in its April 2019 publication:

“Countries that are regular exporters to India, including as Thailand, Bangladesh, Indonesia and South Korea had difficulties exporting to India after new domestic production capacity started up in India; as a result, they are now looking for other export destinations. One producer in Thailand was heard regularly in the market making aggressive offers in Southeast Asia and the Indian Subcontinent. Due to the loss of market share in India and weekend prices of downstream derivative propylene oxide, this Thai exporter is now trying to expand its market share outside India in order to maintain export volumes. Most suppliers, other than the Thai and South Korean exporters, were not eager to increase market share and were content to reduce exports to India and increase domestic sales or look for other new markets such as Africa.”

24.3 The June 2019 publication of IHS further states that:

“Given some displacement caused by new domestic capacity in India, traditional exporters to India are trying to enter new export market such as Pakistan, the African continent, and Southeast Asia. Exporters’ offer prices to Pakistan ranged from \$360 to \$370 per MT

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CFR Pakistan port in order to match Pakistan’s domestic prices. Pakistan’s domestic prices were approximately PKR 60 per kg for 50% concentration hydrogen peroxide and are likely to remain weak in the near term owing to increasing competition from imports.”

25. Based on the foregoing information and analysis the Commission has determined that there is likelihood of continuation of dumping of the product under review from Bangladesh in case antidumping duties are removed on dumped imports of HP from Bangladesh.

C. Likely Recurrence or Continuation of Material Injury to the Domestic Industry

26 Likelihood of Injury to the domestic industry is determined in accordance with relevant provisions of the Act. The Commission has taken into account all relevant factors in order to determine likely continuation or recurrence of injury to the domestic industry. To determine likelihood of continuation or recurrence of injury to the domestic industry, the Commission has, *inter alia*, considered following factors:

- (1) Likely change in volume of imports of the product under review if antidumping duties are terminated;
- (2) Likely impact of imports of the product under review on prices of the domestic like product with and without antidumping duties; and
- (3) Consequent likely impact on the domestic industry, which includes likely and potential decline in: sales, profits, output, market share, productivity, return on investment, capacity utilization and likely negative effects on: cash flow, inventories, employment, wages, growth, ability to raise capital or investments.

27 Likely Effect on Volume of Dumped Imports

27.1 Following table shows imports of the HP and production of the domestic like product during original POI and the POR of sunset review:

**Table X
Import of HP**

Year/Period	Domestic production	Imports from:			Total imports	Dumped as % of:	
		Dumped (Bangladesh)	Exporting Countries**	Other Sources		total imports	Domestic production
Jan-Dec 2014*	100.0	3.4	8.6	0.0	12.0	28.17	3.37
Jul 17-Jun 18	95.2	2.6	28.4	0.1	31.1	8.33	2.72
Jul 18-Jun 19	98.9	17.1	34.4	--	51.5	33.25	17.33
Jul 19-Jun 20	97.3	34.4	35.0	0.0	69.4	49.52	35.32

* POI of original investigation

** Imports from Belgium, China, Indonesia, Korea, Chinese Taipei, Thailand and Turkey

Source: the Applicants and PRAL

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

Conclusion of Sunset Review of the Anti-dumping Duties Imposed on Dumped Imports of HP Originating in and/or Exported from the People's Republic of Bangladesh

27.2 The above table shows that the following happened after imposition and continuation of antidumping duties on dumped imports of the investigated product from Bangladesh:

- (1) Volume of dumped imports from Bangladesh decreased from 28.17% of total imports in the POI for original investigation to 8.33% of total imports in the first year of POR. However, after that the volume of imports of HP from Bangladesh increased in subsequent years of POR. The volume of imports increased to 33.25% of total imports in year 2018-19 and to 49.52% of total imports in year 2019-20.
- (2) volume of imports of the product under review from the Exporting Countries also increased significantly in absolute terms during POR of this sunset review i.e.. However, in relative terms the share of imports of HP from the Exporting Countries declined from 71.69 percent of total imports during original POI to 50.47 percent in year 2019-20. This shows that the dumped imports of HP from Bangladesh has taken over the domestic market of HP in Pakistan.

27.2. The Commission's investigation has revealed that increase in imports of HP from Bangladesh was due to absorption of antidumping duties by the exporters, which was established during changed circumstances review (paragraph 6.2 supra). Increase in imports of HP during the POR from Bangladesh and other sources was also due to inability of the domestic industry to meet domestic demand as its installed production capacity during the POR was significantly lower than the domestic demand (paragraphs 29 and 30 infra). However, with commissioning of the new unit and expansion of one of the existing unit (paragraph 10 supra), the installed capacity of the domestic industry will be more than the domestic demand by end of the year 2022. Therefore, the domestic industry will be able to meet entire domestic requirements/ demand of HP.

27.3 The information provided in Section B of the report shows that the installed capacity of HP in Bangladesh has increased and India being the major export destination of Bangladesh's HP exports has restrained these exports by imposing anti-dumping duties. Resultantly, the Bangladesh's HP exports to Pakistan has increased. Therefore, there is strong likelihood of continuation of dumped imports of the product under review. Thus, there is likelihood of increase in volume of dumped imports of the product under review if antidumping duties are terminated, which will likely affect adversely production and sales of the domestic like product.

28. Likely Effect on Production and Capacity Utilization of the Domestic Industry:

28.1 Installed production capacity, quantity produced and the capacity utilization of the domestic industry during the original POI and POR were as follows:

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

Year/Period	Installed Capacity	Production	Capacity Utilization (%)
Jan-Dec 2014*	100.00	94.64	95
Jul 17-Jun 18	106.67	90.06	84
Jul 18-Jun 19	106.67	93.60	88
Jul19-Jun 20	106.67	92.13	86

* POI of original investigation Source: the Applicants
 Note: To keep confidentiality actual figures have been indexed w.r.t to installed capacity figures during original POI by taking it equal to 100

28.2 The above table shows that after imposition of antidumping duties on the product under review, the installed production capacity of the domestic industry increased while production of the domestic like product slightly decreased. The installed capacity which was increased by 6.67% during the POR of this review. Production of the domestic like product slightly decreased during POR. This indicates continuation of dumping as well as increase in volume of dumped imports during the POR. Further, new capacities of the domestic industry are in the pipeline (paragraphs 10), therefore, any increase in imports as a result of termination of antidumping duties will adversely affect production and capacity utilization of the domestic industry.

28.3 It is obvious from the above information and analysis that there is likelihood of adverse effect on production and capacity utilization of the domestic industry in case of termination of antidumping duties on dumped imports of the product under review from Bangladesh.

29. Likely Effect on Sales and market share of domestic industry

29.1 Following table shows sales and market share of each segment of supply during original POI, POR of sunset review:

**Table-XII
Sales and Market Share**

Year	Domestic Industry's sales		Imports from:						Total domestic market	
			Exporting countries		Bangladesh		Other countries			
	volume	%share	volume	%share	volume	%share	volume	%share	volume	%change#
Jan-Dec 2014*	87.6	87.6	8.9	8.9	3.5	3.5	0.0	0.0	100.0	
Jul 17-Jun 18	100.6	75.8	29.4	22.1	2.7	2.0	0.1	0.1	132.8	32.8%
Jul 18-Jun 19	101.9	65.6	35.6	22.9	17.7	11.4	---	---	155.2	55.2%
Jul 19-Jun 20	96.4	57.3	36.3	21.6	35.6	21.1	0.0	0.0	168.3	68.3%

* POI of Original Investigation ** Includes internal consumption as well # % change vis-à-vis original POI
 Source: Applicants & PRAL
 Note: To keep confidentiality actual figures have been indexed w.r.t to total domestic market figures during original POI by taking it equal to 100'

29.2 The above table shows that the total domestic market has significantly increased after imposition of antidumping duties since 2014. Domestic demand of HP has increased in 2019-20 i.e. by 68 percent as compared to original POI.

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29.3 Domestic industry’s sales increased significantly after imposition of antidumping duties. Domestic industry’s sales increased by 13.08% in year 2017-18 as compared to sales in original POI and further increased by 1.24% in year 2018-19. However, domestic industry’s sales slightly declined by 8% in the year 2019-20.

29.4 Domestic industry’s market share which was 87.6 percent in in the original POI continuously declined during POR of this sunset review i.e. from 2017-18 to 2019-20. Decline in domestic industry’s market share was mainly due to restricted installed production capacity of domestic industry during the POR as installed capacity was lower than the domestic demand and significant increase in domestic demand of HP. However, as new capacities of the domestic industry are in the pipeline (paragraph 09 supra), therefore, in near future the domestic industry will be able to serve the entire demand of the country. In this situation any increase in imports as a result of termination of antidumping duties on dumped imports of HP from Bangladesh will likely affect adversely to the sales and market share of the domestic industry.

30. Likely Price Effects on the Domestic Like Product

30.1 Likely effect of dumped imports of the product under review on the sales price of the domestic like product in the domestic market has been examined in the following paragraphs to see whether there will be price undercutting (the extent to which the price of the investigated product will be lower than the price of the domestic like product), price depression (the extent to which the domestic industry may experience decrease in its selling prices of domestic like product), and price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product) if antidumping duty on dumped imports of the investigated product expires.

30.2 Likely Price Undercutting

30.2.1 Information/data on weighted average ex-factory price of the domestic like product, weighted average landed cost of the product under review, and weighted average landed cost of HP imported from Bangladesh, with and without antidumping duty during the original POI and POR is given in following table:

**Table-XIII
Likely Price Undercutting (Rs./unit)**

Year/Period	Domestic like product’s price	Landed cost of dumped imports		Price undercutting	
		With ADD	Without ADD	With ADD	Without ADD
Jan-Dec 2014*	100.0	--	91.8	--	8.2
Jul 17-Jun 18	117.7	108.8	99.0	8.9	18.6
Jul 18-Jun 19	157.9	198.1	180.8	--	--
Jul 19-Jun 20	162.6	189.9	173.4	--	--

* POI of original investigation Sources: the Applicants and PRAL
Note: To keep confidentiality actual figures have been indexed w.r.t to total domestic like product price figures during original POI by taking it equal to 100

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30.2.2 The above table shows that the domestic industry faced price undercutting in original POI and during the first year of the POR. However, during the last two years of POR, there was no price undercutting from dumped imports even without antidumping duties. However, the Commission is of the view that there is likelihood of intra-industry competition on start of the new unit, which will lead price war and decline in the price in domestic market. Further, to compete with lower price in the domestic market and gain market share there is likelihood that exporters of the product under review will reduce their prices, which may adversely affect prices of the domestic like product and there is likelihood of price under-cutting if anti-dumping duties are terminated on dumped imports of the product under review.

30.3 Likely Effects on Price Depression

As there is likelihood of decline in prices of the product under review if anti-dumping duties are terminated, therefore, there is likelihood of price depression of the domestic like product as well.

30.4 Likely Effect on Price Suppression:

30.4.1 Following table shows the information with regard to weighted average cost to make and sell and weighted average ex-factory sales price of domestic like product:

**Table-XIV
Price Suppression (Rs./unit)**

Year/ Period	Domestic like product's		Increase/ (decrease) in:	
	cost to make and sell	ex-factory price	Cost to make & sell	Price
Jan-Dec 2014*	100.0	98.2	--	--
Jul 17-Jun 18	101.4	115.5	1.4	17.4
Jul 18-Jun 19	126.9	155.0	25.5	39.5
Jul 19-Jun 20	134.9	159.6	8.0	4.6

* POI of original investigation
 Note: To keep confidentiality actual figures have been indexed w.r.t to cost to make and sell figures during original POI by taking it equal to 100

Source: Applicants

30.4.2 The above table shows that the domestic industry experienced price suppression during the last year of POR i.e 2019-20 as increase in cost to make was more than the increase in selling price of price of the domestic like product. As there is likelihood of decline in prices of the product under review after termination of antidumping duties, therefore, there is likelihood of price suppression of the domestic like product in case antidumping duties are removed on the product under review.

31 Likely Effect on Profit& Loss:

31.1 Information on profits of the domestic industry for the original POI and POR is given in the following table:

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**Table-XV
Profit/Loss (Value)**

Year/Period	Gross Profit	Net Profit/(Loss)
Jan-Dec 2014*	100.0	(58.1)
Jul 17-Jun 18	227.8	124.6
Jul 18-Jun 19	406.6	256.6
Jul 19-Jun 20	353.0	202.4

* POI of original Investigation Source: Applicants

Note: To keep confidentiality actual figures have been indexed w.r.t to gross profit figures during original POI by taking it equal to 100

31.2 The above table depicts that the domestic industry gross profit which were 100 percent in the POI of original investigation (2008-09) increased to 407 percent in Apr 18- March 19 after imposition of anti-dumping duties.. However, gross profit decreased in last year of POR (2019-20) due to prices suppression faced by the domestic industry, which is attributed to the dumped imports of HP from Bangladesh by the Applicants. However, as there is likelihood of decline in prices of the product under review after termination of antidumping duties, therefore, there is likelihood of further price suppression of the domestic like product in case antidumping duties are removed on the product under review, which will effect adversely to the profits of the domestic industry.

32. Likely Effect on Inventory of the Domestic Like Product

32.1 Inventory position of the domestic like product during the POI and POR is given in the table below:

**Table-XVI
Inventories of the Domestic Like Product**

Period	Opening Inventory	Purchases	Production	Sales		Internal Consumption	Closing Inventory
				Domestic	Export		
Jan-Dec 2014*	1.3	--	100.0	85.0	14.7	--	1.5
Jul 17-Jun 18	2.3	8.3	95.2	104.9	0.5	0.1	0.2
Jul 18-Jun 19	0.2	11.2	98.9	108.9	0.4	0.2	0.8
Jul 19-Jun 20	0.8	7.5	97.3	97.6	0.7	0.2	7.3

* POI of original investigation Source: Applicants

Note: To keep confidentiality actual figures have been indexed w.r.t to the production figures during original POI

32.2 The above table indicates that closing inventory in the POI of original investigation was 1.5% of the domestic production. After imposition of antidumping duties the closing inventory level of the domestic like product decreased significantly in 2017-18 reached to the level of 0.2 % of the domestic production. The closing inventory in the subsequent years i.e. 2018-19 and 2019-20 increased and reached to the level of 0.8% and 7.5% of the domestic production respectively.

32.3 Figures in above table reveals that the domestic industry was able to increase its sales due to lower imports from the dumped sources as compared to the original POI and the position of domestic industry regarding inventories improved considerably after imposition of antidumping duties on the investigated product. However, inventories of the domestic like product increased significantly during the

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year 2019-20, which is a result of increased dumped imports of the product under review.

32.4 As there is likelihood of increase in volume of dumped imports of the product under review after termination of antidumping duties, therefore, there is likelihood of further increase in inventories of the domestic like product in case antidumping duties are removed on the product under review from Bangladesh.

33 Likely Effect on Cash Flow:

33.1 Information on cash flows from the operations of the domestic industry is given below:

**Table-XVIII
Cash Flow**

Year/Period	Value
Jan-Dec 2014*	100.0
Jul 17-Jun 18	598.9
Jul 18-Jun 19	922.2
Jul 19-Jun 20	916.7

* POI of Original Investigation Source: Applicants
 Note: To keep confidentiality actual figures have been indexed w.r.t to cash flow figures during original POI by taking it equal to 100

33.2 The above table shows that the cash flow position of the domestic industry improved significantly after imposition of antidumping duties. Net cash flows which were 100 percent in during POI of original investigation increased by 916.7 percent during the last year of POR (2019-20).

33.3 As there is likelihood of decline in prices of the product under review after termination of antidumping duties, therefore, there is likelihood of decline in price and sales of the domestic like product in case antidumping duties are removed on the product under review from Bangladesh, which will likely affect adversely to the cash flows of the domestic industry.

34 Likely Effects on Employment, salaries, wages and productivity:

34.1 The information with regard to employment in the domestic industry and the salaries & wages paid is given in the following table:

**Table-XIX
Employment, Productivity and Wages**

Year/Period	Number of employees	Salaries & wages (Value)	Production (Volume)	Productivity (per worker)	Salaries and wages (per MT)
Jan-Dec 2014*	100.0	100.0	100.0	100.0	100.0
Jul 17-Jun 18	121.1	142.5	95.2	78.6	149.6
Jul 18-Jun 19	121.9	159.4	98.9	81.2	161.2
Jul 19-Jun 20	119.5	167.5	97.3	81.5	171.8

* POI of original investigation Source: Applicants
 Note: To keep confidentiality actual figures have been indexed w.r.t to the figures during original POI

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34.2 The above table shows that the employment increased during the last year of POR (2019-20) of Sunset Review by 19.5 percent as compared to the original period of original investigation. As there will be further increase in installed capacity of the domestic industry in near future, therefore there is likelihood of further increase in employment in the domestic industry. However, as there is likelihood of increase in volume of dumped imports of the product under review after termination of antidumping duties, therefore, there is likelihood of decline in production of the domestic like product in case antidumping duties are removed on the product under review, which will adversely affect employment of the domestic industry.

34.3 Productivity per worker decreased in 2019-20 by 18 percent as compared to the original period of original investigation. However, likely decline in production of the domestic like product due to likely increase in volume of dumped imports will adversely affect productivity of the domestic industry.

35 Likely Effect on Growth and Ability to Raise Capital Growth

After imposition of antidumping duties on the investigated product the Applicants have made significant investments and installed production capacity of the domestic industry has increased by 6.6 percent. Further, new capacities of the domestic industry are in the pipeline (paragraphs 09), therefore, any increase in imports as a result of termination of antidumping duties will adversely affect growth in the domestic industry.

36 Likely Effect on Return on Investment

36.1 The information with regard to the return on investment of domestic industry during original POI and the POR is given in the following table:

**Table-XX
Return on Investment**

Year/Period	Investment (Value)	Return on investment (%)
Jan-Dec 2014*	100.00	4.03
Jul 17-Jun 18	89.78	12.93
Jul 18-Jun 19	90.05	26.58
Jul 19-Jun 20	103.26	18.99

* POI of Original Investigation

Source: Applicants

Note: To keep confidentiality actual figures have been indexed w.r.t to the total investment figures during original POI by taking it equal to 100

36.2 The above table shows that the return on investment significantly increased from 4.03 percent in period of original investigation to 12.93 percent in 2017-18 and 26.58 percent in 2018-19. The decrease of return on investment in 2019-20 is due to increased dumped imports of the product under review as well as from Bangladesh.

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36.3 As there is likelihood of decline in prices and sales of the domestic like product due to likely increase in volume of the product under review at decreased prices after termination of antidumping duties, therefore, there is likelihood of further decline in return in investment of the domestic industry.

37. Summing up Likely Recurrence or Continuation of Injury to the Domestic Industry

On the basis of information and analysis at preceding paragraphs, the Commission has reached to the conclusion that termination of anti-dumping duties imposed on dumped imports of the product under review from Bangladesh would lead to likely recurrence and continuation of injury to the domestic industry on account of the following:

- (1) Significant likely increase in volume of the product under review at reduced prices;
- (2) there is likelihood of decline in production, capacity utilization, sales and market share of the domestic like product,
- (3) there is likelihood of adverse effects on profits, inventories, ROI, and growth and investment of the domestic industry.

D. Conclusion

38. After considering the information, analysis and findings as at preceding paragraphs, the Commission has reached to the following conclusions:

- (1) The domestic industry filed an application for sunset review of the antidumping duties imposed on dumped imports of the product under review from the Bangladesh within prescribed time period in accordance with Section 58(3) of the Act in response to the notice of impending expiry of the antidumping duties. The application met requirements of Sections 24 and 58 of the Act.
- (2) There is likelihood of continuation of dumping of the product under review from the Bangladesh if antidumping duties are terminated.
- (3) Termination of antidumping duties imposed on imports of the product under review from the Bangladesh will likely lead to increase in volume of the product under review at reduced prices.
- (4) There is likelihood of decline in production, capacity utilization, sales and market share of the domestic like product.
- (5) There is likelihood of adverse effects on profits, inventories, ROI, and growth and investment of the domestic industry.

Conclusion of Sunset Review of the Anti-dumping Duties Imposed on Dumped Imports of HP Originating in and/or Exported from the People's Republic of Bangladesh

- (6) There is likelihood of recurrence of injury to the domestic industry on account of decline in domestic industry's production, capacity utilization, sales, market share, profits and productivity.

E Continuation of Definitive Antidumping Duties

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

40. In view of the information, analysis and conclusions in the foregoing paragraphs the Commission has determined that the expiry of antidumping duties imposed on dumped imports of the product under review from Bangladesh would likely lead to continuation of its dumping and as a result, the domestic industry is likely to suffer injury. Therefore, the Commission has decided to continue antidumping duties for a period of further five years with effect from October 16, 2020 imposed on imports of the product under review as per the rates provided in the following table:

Table-XXI
Definitive Anti-Dumping Duty Rates for Bangladesh

Exporter/Foreign Producer	Duty Rates (%)
Tasnim Chemical Complex Limited	16.10
Samuda Chemical Complex Limited	15.38
All others	16.10

41. HP imported from sources, other than the Bangladesh shall not be subject to above mentioned antidumping duties. Further, in accordance with Section 51(e) of the Act, definitive antidumping duties will not be levied on imports of the product under review 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 Act, 1969.

42. In accordance with Section 51 of the Act, the antidumping duties 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 antidumping duties.

43. Definitive antidumping duties 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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44. The definitive 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
October 12, 2021

-sd-

(Muhammad Saleem)
Member
October 12, 2021

-sd-

(Robina Ather)
Chairperson
October 12, 2021

Conclusion of Sunset Review of the Anti-dumping Duties Imposed on Dumped Imports of HP Originating in and/or Exported from the People’s Republic of Bangladesh

ANNEXURE

Comments of Interested Parties

Comments of Interested Parties	Commission’s Views
Views/Comments of the Government of Bangladesh	
<p>The considerable issues must be 1. The Dumped import, 2. Injury and 3. Causal relation of injury to the dumped import. The three issues that the Commission considered for review do not comply with the WTO law. The Commission cannot determine the continuation of imposing antidumping duty based on either exporters have stopped exporting to that country or based on surplus production of the exporters or any trade defense measure taken by any third country. The Commission must rely on the positive evidence of continuation of injuries or possible injuries or possible retardation in future</p>	<p>WTO Agreement on Implementation Article VI of GATT 1994 (the “Agreement”) does not specify factors for determination of likely continuation or recurrence of dumping of the product under review and injury to the domestic industry. Therefore, investigating authorities consider different factors to determine likely continuation and/or recurrence of dumping and injury. Paragraphs 16 and 17 of the SEF provide facts on factors on the basis of which the Commission has determined likelihood of continued dumping of the product under review and likelihood of recurrence of injury to the domestic industry. Further, the Commission has conducted an unbiased and objective investigation to determined likelihood of continued dumping of the product under review and likelihood of injury to the domestic industry on positive evidence/information. Please see Parts B and C of this Report.</p>
<p>Volume of Import: If we consider the volume of import of the subject goods from Bangladesh from Table V and Table X in the SEF we can conclude that the imports increased gradually though the imported products were costlier than the domestic products..... The cause must not be the dumped import. The local demand was so high that the domestic producers could not meet them. Import was inevitable for the domestic demand. Higher prices of imported products indicated that quality of the domestic products or the terms of supply might not be favorable to the buyers. Therefore the importers imported the subject goods even with higher prices. Moreover, no dumping was occurred during the period between July 2019 to June 2020. As local demand is high the import must continue may not from Bangladesh but from any other sources. The volume import has not caused any injury to the domestic injury at all.</p>	<p>The Commission’s investigation has shown that there was significant increase in volume of total imports of the product under review during the POR. However, single largest source of imports of HP was Bangladesh despite antidumping duties were in place. One possible reason for increase in imports of HP from Bangladesh was absorption of antidumping duties by the exporters, which was established during changed circumstances review (paragraph 5.2). Increase in imports of HP during the POR was also due to its inability of the domestic industry to meet domestic demand as its installed production capacity during the POR was lower than the domestic demand (paragraphs 28 and 29). However, with commissioning of the new unit and expansion of the existing units (paragraph 09), the installed capacity of the domestic industry will be more than the domestic demand by end of the year 2022. Therefore, the domestic industry will be able to meet entire domestic requirements/demand of HP.</p>
<p>Price Effect: Table X in the SEF clearly exhibits that the price of the subject goods were not undercut or suppressed or depressed. In the year July 2018-June 2019 and July 2019-June 2020 prices of the imported products were much higher than the domestically produced like products even without</p>	<p>Investigation of the Commission has shown that the domestic industry did not face any price effects during the POR. However, the Commission is of the view that there is likelihood of intra-industry competition on start of the new</p>

Conclusion of Sunset Review of the Anti-dumping Duties Imposed on Dumped Imports of HP Originating in and/or Exported from the People's Republic of Bangladesh

<p>antidumping duty. So the possibility of price under cutting, price suppression or price depression are not evident from the chart and from the market situation. There is no possibility of future injury at all</p>	<p>unit, which will lead price war and decline in the price in domestic market. To compete with lower price in the domestic market there is likelihood that exporters of the product under review will reduce their prices, which may adversely affect prices of the domestic like product and there is likelihood of price under-cutting, price depression and/or price suppression if anti-dumping duties are terminated on dumped imports of the product under review. See paragraph 29 of this Report.</p>
<p>Profits, Cash flow and ROI: As mentioned in Table XI in the SEF the profits, cashflow and return on Investment of the domestic companies were never dropped to a loss..... Continuous profits and increased cash flow with higher return on investment indicates that the domestic producer never had to confront any loss or hardship and they had not injury at all for the import from Bangladesh. Yearly statements published in the year books of the domestic producers also support the evidence of continuous profits, increased cash flows and continuous better return on investments</p>	<p>Investigation of the Commission has shown that the domestic industry did not suffer injury on profits, cash flow and ROI during the POR. This is because of imposition of antidumping duties on dumped imports of HP. However, as there is likelihood of significant increase in volumes of dumped imports if antidumping duty is removed (see Part B of this report), therefore, there is strong likelihood of recurrence of injury to the domestic industry on these factors if antidumping duty on the product under review is terminated (see Part C of this report).</p>
<p>Employment, Wages and Productivity: In Table XII of the SEF it is evident that the domestic producers constantly increased employment of new people in the industries. Wages also became higher as the demand of manpower was higher. Higher wages depend on many things, government policy, demand of manpower etc. As the domestic industries needed additional manpower they recruited them with higher salaries. If manpower increases cross the break even point of productivity the productivity may decline at a certain point. Thus, higher employment produced a little lower productivity. But the employment was not hampered and the industry did not face any injury relating to employment and wages.</p>	<p>Investigation of the Commission has shown that the domestic industry did not suffer injury on employment, wages and productivity during the POR. This is because of imposition of antidumping duties on dumped imports of HP. However, as there is likelihood of significant increase in volumes of dumped imports if antidumping duty is removed (see Part B of this report), therefore, there is strong likelihood of recurrence of injury to the domestic industry on these factors if antidumping duty on the product under review is terminated (see Part C of this report).</p>
<p>Causal Link: As there was no injury the Commission could not show any causal link of injury to the so called dumped import at all.</p>	<p>Neither the Act nor the Agreement require to conduct causation analysis separately in a review. As is evident for the information and analysis provided in Parts B and C of this report that there is likelihood of increase in volume of dumped imports of the product under review, which will adversely affect state of the domestic industry by way of price effects and consequential effects on other injury factors. Thus, this shows a direct causal link between termination of the antidumping duties and likelihood of material injury to the domestic industry.</p>
<p>No country should expect that export other countries must be stopped at all. Therefore, judging either the subject country's export stopped or not due to imposition of antidumping duty is quiet irrational and unjustifiable in relation to the continuation of imposing antidumping duty. The only matter that should be considered are the possible injury may continue due to import from the subject country. According to. Article XI of GATT 1994</p>	<p>Pakistan has not imposed any restriction or ban on import of HP from any source including Bangladesh. The Commission has imposed antidumping duties in accordance with Provisions of the Agreement and the Act. This review investigation has shown that there is likelihood of recurrence of injury to the domestic</p>

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<p>no country can impose import ban even on the basis of antidumping.</p> <p>More over the surplus inventory of the exporting industries are also irrelevant for assessing the continuation of antidumping duty. The two exporters Samuda Chemical Complex Limited and Tasnim Chemical Complex Limited have very insignificant inventory surplus and it no way signifies that for this surplus the exporters will dump the products in Pakistan. The exporters have many more markets to export other than Pakistan as the exporters responses indicates.</p> <p>Bangladeshi exporters of the like products export to as many as 16 countries. Among the 17 export destinations only India has imposed antidumping duty on Hydrogen peroxide exported from Bangladesh. Other than Pakistan and India no country has imposed antidumping duty on export of the subject goods exported from Bangladesh. Therefore, it is irrational to deduce on the issue that as India has imposed antidumping duty on Hydrogen Peroxide exported from Bangladesh then Bangladeshi exporter has only option to dump the product in Pakistan. The export market of Hydrogen Peroxide is so diversified that the exporters can manage the portfolio export without dumping to any country.</p>	<p>industry if antidumping duties are terminated on dumped imports of the product under review.</p> <p>Inventories of the exporters is one of the factors to judge their capability to determine continuation and/or recurrence of dumping. As per the information provided by Samuda and Tasnim their inventories of the product under review increased by 225% and 48% respectively during last 5 years. Both the Bangladeshi producers are relying on exports as their exports were 62% and 81% respectively of their total sales during the year 2019-20. Further, their major export destinations were/are India and Pakistan. According to the information provided by them about 90% of their exports during the POR were to Pakistan and India. This shows their ability/capability to dump HP in Pakistan.</p>
<p>The Ministry of Commerce requests a virtual oral hearing before the final recommendation is made by the National Tariff Commission of Pakistan.</p>	<p>The request for hearing from Government of Bangladesh has received on 1st October 2021. Interested parties were required to request for hearing in this review within 45 days of the publication of the notice of initiation. However, the Commission did not receive any request for hearing in this review. Therefore, no hearing was held in this review.</p> <p>In terms of Rule 14(1) of the Rules hearing in an investigation shall be held not later than sixty days prior to the date of final determination.</p> <p>Article 11.4 of the Agreement and Section 62(2) of the Act provide that a review shall be carried out expeditiously and shall normally be concluded within twelve months of the date of initiation of the review. This review was initiated on 15 October 2020, therefore the Commission is required to conclude this review latest by 14 October 2021. Thus, timeline does not permit for a hearing at this point of time.</p>
<p>Views/Comments of Samuda Chemical Complex Ltd, Bangladesh</p>	
<p><u>1 .Unwarranted Sunset Review:</u></p> <p>There is no likelihood of continuation or recurrence of dumping. Moreover, the financial statements of the Applicants clearly demonstrate that it is not likely that any “injury” would be suffered by the Domestic Industry as a result of any future imports of the Investigated product.</p> <p>The necessity standard dictates that though a Sunset Review requires a predictive analysis, the conclusions as to recurrence must be sufficiently well-reasoned and predictable that they be demonstrable on the basis of the evidence adduced. As such, it is evident that the competent authority is required to take play an active and diligent role in the investigatory and adjudicatory</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 Review investigation and conclusion of the review.</p> <p>The Commission’s investigation has shown that there is likelihood of continuation of dumping of the product under review from Bangladesh if antidumping duties are terminated. The determination is based on the constructive</p>

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<p>phases of such a review. Furthermore, in spite of the analysis being prospective in nature, the decision-maker has to make an affirmative likelihood determination that the recurrence of dumping is probable, which must be demonstrated on the basis of the evidence. Accordingly, a theory of recurrence being possible or even plausible will not be sufficient to extend the anti-dumping duties.</p>	<p>analysis of data/ information available with the Commission relating to the factors determinant for recurrence of dumping. See Part B of this report.</p>
<p><u>Volume of Imports</u> As table 8 of the SEF exhibits, the imports in toto have grown exponentially over the past two years. Such growth in the quantum of imports, despite the same being significantly more expensive than the domestic-like product), reflects clearly on the state of the market, the increased demand and the consistent preference by consumers of the imported product over the domestic-like product. It is also noteworthy that the Investigated Product would, as per the figures provided in table 10 of the SEF, remain more expensive in comparison to the domestic-like product even after the anti-dumping duties in place expire. SEF Table X – Cost to make and sell, Price and Landed Cost Year Domestic Like Product Landed cost of Imports of HP from Cost to make & sell. The Commission must also remain cognisant of the fact that no dumping has occurred during the period between July 2019 to June 2020.</p>	<p>There was significant increase in volume of total imports of the product under review. The major single source of imports of HP during the POR was Bangladesh. One possible reason for increase in imports of HP from Bangladesh was absorption of antidumping duties by the exporters, which was established during changed circumstances review (paragraph 5.2). Increase in imports of HP during the POR from Bangladesh and other sources was also due to is inability of the domestic industry to meet domestic demand as its installed production capacity during the POR was lower than the domestic demand (paragraphs 28 and 29). However, the Commission is of the view that dumped imports of the product under review will further increase in case anti-dumping duty is terminated, which will adversely affect domestic industry, especially after increase in production capacity of the domestic industry. Further, the Commission is of the view that there is likelihood of intra-industry competition on start of the new unit, which will lead price war and decline in the price in domestic market. Further, to compete with lower price in the domestic market and gain market share there is likelihood that exporters of the product under review will reduce their prices, which may adversely affect prices of the domestic like product and there is likelihood of price under-cutting if anti-dumping duties are terminated on dumped imports of the product under review. Refer paragraph 09 and Part C of the report.</p>
<p><u>Excess capacities</u> Insofar as the Commission’s consideration of ‘excess’ capacities and supply is concerned, it must be noted that owing to recent increase in the global demand of the Investigated Product has encouraged the Respondent (as well as HP producers around the world) to undertake capacity expansions. In response thereto, Samuda has undertaken capacity expansions and has expanded its sale network to various other countries. The increase in demand is evident from the fact that while in 2014 the Respondent only exported to five (05) countries and, as of the date of writing, the Respondent now exports to a total of fifteen (15) countries. In much the same manner, in order to cater to increasing demands, the Domestic Industry has also sought to increase its capacities. Descon Oxychem Limited has recently undertaken to expand its capacities to produce approximately 188 MT per day.</p>	<p>As per the information provided by Samuda and Tasnim their inventories of the product under review increased by 225% and 48% respectively during last 5 years. Both the Bangladeshi producers are relying on exports as their exports were 62% and 81% respectively of their total sales during the year 2019-20. Further, their major export destinations were/are India and Pakistan. According to the information provided by them about 90% of their exports during the POR were to Pakistan and India. This shows their ability/capability to dump HP in Pakistan. The Commission is of the view that there is likelihood of intra-industry competition on start of</p>

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<p>While Sitara Peroxide Limited is also set to expand capacity by approximately 25% of its current production capacity. We contend so on the basis that (a) there are no excess capacities; and (b) that Samuda is not involved in dumping HP into the domestic market of Pakistan and, as stated above, has no incentive to engage in the same post-expiry of anti-dumping duties. It must be noted that the export price HP was sold at in Pakistan is significantly higher than its normal value.</p>	<p>the new unit, which will lead price war and decline in the price in domestic market. Further, to compete with lower price in the domestic market and gain market share there is likelihood that exporters of the product under review will reduce their prices, which may adversely affect prices of the domestic like product and there is likelihood of price under-cutting if anti-dumping duties are terminated on dumped imports of the product under review.</p>
<p><u>Trade Defence Measures in other Jurisdictions</u> While it is admitted that the Indian Government has increased the anti-dumping duties it had imposed on imports of HP from Bangladesh in June 2017, it is however submitted that each case is different and any imposition, variance or removal of anti-dumping duties by another jurisdiction should be of no consequence to the imports of the same or similar product by the same or similar exporters in another jurisdiction. To the extent that the Commission may consider that the imposition of these enhanced duties may lead to an increase in exports to other destination, we most humbly submit that this is irrelevant as far as the subject Review is concerned.</p>	<p>The investigation of the Commission has revealed that Major export market of Bangladesh exporters/ producers of HP is India. Any restraints to the exports to India will cause an oversupply in the domestic market of Bangladesh. Consequently, to dispose off piled up inventories and to utilize idle capacities, Bangladesh exporters have increased their share in Pakistan Market. It is evident from the contents of Table-VIII and IX of the report that since the imposition of Anti-Dumping Duties by India on imports of HP, the share of exporters/producers of Bangladesh of HP in Pakistan has increased significantly.</p>
<p><u>Price Effects</u> Given that the Investigated Product is the costlier option in comparison to the domestic like-product and would remain so post-expiry of the anti-dumping duties, there can be no impact on the prices of the domestic like product due to imports of the Investigated Product in terms of price undercutting, price depression and/or price suppression or even otherwise</p>	<p>With commissioning of the new unit and expansion of one of the existing unit (paragraph 09), the installed capacity of the domestic industry will be more than the domestic demand by end of the year 2022. Therefore, the domestic industry will be able to meet entire domestic requirements/demand of HP. The Commission is of the view that there is likelihood of intra-industry competition on start of the new unit, which will lead price war and decline in the price in domestic market. Further, to compete with lower price in the domestic market and gain market share there is likelihood that exporters of the product under review will reduce their prices, which may adversely affect prices of the domestic like product and there is likelihood of price under-cutting, price depression and price suppression if anti-dumping duties are terminated on dumped imports of the product under review.</p>

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<p><u>Standard of Injury</u> The Commission is empowered to impose anti-dumping measures on imports of the Investigated Product, inter alia, if it determines that the Domestic Industry is sustaining 'injury' within the meaning of the Act on account of the allegedly dumped imports of the Investigated Product from Bangladesh. Accordingly, the Commission is required to undertake a detailed examination of nature and scale of the adverse impact, if any, on account of the allegedly dumped imports on the Domestic Industry. The Annual Reports and Financial Statements of Descon Oxychem Limited and Sitara Peroxide Limited also illustrate the position that the Domestic Industry did not suffer material injury on account of "dumped" imports. The Applicants have not only substantially increased their sales but have also increased their profits in recent years.</p>	<p>The Commission, after considering and evaluating the data/information, has determined that the termination of antidumping duties imposed on dumped imports of the product under review from Bangladesh will likely lead to increase in volume of the product under review at reduced prices and there is likelihood of recurrence of injury to the domestic industry on account of decline in domestic industry's production, capacity utilization, sales, market share, profits and productivity etc. See Part C of the report.</p>
<p align="center">Views/Comments of Tasnim Chemicals Complex Bangladesh (Tasnim)</p>	
<p><u>Unjustified imposition of existing dumping duty:</u> National Tariff Commission, Pakistan has imposed anti-dumping duty to different supplier of Bangladesh in the following manner for a period of five years effective from October 16, 2015: 12.14% for Tasnim Chemical Complex Limited and others 10.67% for Samuda Chemical Complex Limited. National Tariff Commission, Pakistan has imposed anti-dumping duty without using right sense of judgment as we have only three transactions to Pakistan during the period of investigation (POI). In combined of those three transactions, we have only exported 114.780 MT Hydrogen Peroxide to Pakistan during POI. It is not understandable to us how Pakistan has imposed anti-dumping duty to Tasnim Chemical (TCCL) @12.14% whereas we have submitted all the information and documents in support of our negative dumping margin that is (10%) during the period of investigation.</p>	<p>The Commission conducted original investigation strictly in accordance with provisions of the Act and WTO Antidumping Agreement. Dumping margin for Tansim was determined on the basis of the information provided by it during the investigation, which was duly verified by the Commission during on-the-spot investigation at premises of Tasnim. Volume of imports from Bangladesh was 28% of total imports during the POI of the original investigation, which was significantly higher than the <i>de minimus</i> threshold of 3%.</p>
<p>Apart from this total export from Bangladesh to Pakistan during the period of investigation was only 4.3% approx. as compared to Pakistan total production. So, it needs justification how this negligible amount can make huge injury to domestic industry of Pakistan</p>	<p>The Act and the Anti-dumping Agreement set threshold for negligible imports i.e. less than 3% of total imports. Imports of the investigated product during the original POI were quite above negligible threshold. Further, there was significant increase in volume of dumped imports during the POI of original investigation, which was 29% in absolute terms.</p>
<p>it is come to our notice that National Tariff Commission (NTC), Pakistan has wrongly calculated dumping margin while imposing dumping duty on Bangladeshi manufacturers and accordingly this was pointed out before the Appellate Tribunal, Pakistan. Consequently, the Appellate Tribunal, Pakistan has instructed National Tariff Commission (NTC), Pakistan to submit the basis of calculation of dumping margin in case of Bangladesh but they are not being able to submit the basis of calculation of dumping margin till to date.</p>	<p>Final determination of the Commission was challenged in the Appellate Tribunal including dumping calculations. The Commission provided all documents and calculations to the Appellate Tribunal. However, the Appellate Tribunal has not decided the petition so far.</p>
<p>No dumping margin on our part of Tasnim Chemical Complex Ltd.(TCCL),Bangladesh during the period under review as well: During the first half of period under review that is during July, 2019 to December, 2019 we have exported total 958.80MT</p>	<p>The Act as well as the Antidumping Agreement do not require to re-calculate dumping margin in</p>

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<p>Hydrogen Peroxide 50%(packed in 30Kg Jar) to Pakistan whereas our local sales during July, 2019 to December,2019 was 3,134.73MT and during the second half of the period under review that is January,2020 to June,2020 we have exported total 265.20 MT Hydrogen Peroxide 50%(packed in 30Kg Jar) to Pakistan whereas at the same time our local sales was 984.97MT and accordingly we have determined the ex-factory price for both local and export transactions and the results are as under</p>	<p>the sunset review. Therefore, the Commission has determined likelihood of continuation of dumping of the product under review on other factors and not on the basis of dumping margin. See Part B of this report.</p>																				
<p>Some facts from Final Findings dated April 11,2017 and April 17, 2018 (available on the DGAD, India web site and as attached) on “Anti-dumping investigation concerning imports of Hydrogen Peroxide originating in or exported from Bangladesh, Taiwan, Korea RP, Indonesia, Pakistan and Thailand. ” vide F.No.14/03/2015-DGAD, India As per section.31 sub-section C (Page No.20) of the final findings vide Case No. : 14/3/2015-DGAD, India, issued on April 11,2017(available on the web site), it was acknowledged by DGAD, India that “It would be seen that Tasnim Chemicals did not dump in India during POI.....” Despite the fact that they did not find any dumping on part of Tasnim but they have imposed dumping duty on Hydrogen Peroxide @ USD 27.81/MT..... It appears from the stated tables that Pakistani Petitioners dumping margin% range, Injury margin % range and dumping duty vide F.No.14/03/2015-DGAD, India were significantly higher than that of the Bangladeshi producers</p>	<p>As per India’s report in case No. : 14/3/2015-DGAD, Tasnim was found dumping HP in India, therefore, India has imposed antidumping duty on Tasnim’s exports of HP to India.</p>																				
<p>Lower cost of Production in Bangladesh: Bangladesh enjoys comparatively better position as far as the cost of Natural Gas is concerned. The logic behind the lower cost of production is low price of natural gas that contributes to reduce the cost of production of hydrogen peroxide in Bangladesh. Bangladesh has huge work force relatively cheaper price than any other country. The labor cost of Bangladesh is comparatively lower than that of Pakistan. Low labor cost is another contributing factor for low production cost of Hydrogen Peroxide in Bangladesh</p>	<p>In original investigation normal value of the investigated product for Tasnim was determined in accordance with Sections 5 and 7 of the Act on the basis of its sales price and cost to make and sell during the POI for dumping.</p>																				
<p>No Material injury is found from Domestic Production, Sales and profitability point of view: Profitability of the Descon Oxychem Limited (DOL) during the financial year 2019-2020 is tabulated as under: (Pakistani Rs.’000)</p> <table border="1" data-bbox="162 1470 893 1680"> <thead> <tr> <th>Profitability</th> <th></th> <th>2019-2020</th> <th>2018-2019</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>MTs</td> <td>31,814</td> <td>30,836</td> </tr> <tr> <td>Sales</td> <td>MTs</td> <td>31,412</td> <td>30,823</td> </tr> <tr> <td>Profit/ (Loss) after tax</td> <td>(Rs’000)</td> <td>418,423</td> <td>394,269</td> </tr> <tr> <td>Earnings per share (after Tax) Diluted</td> <td>Rs/ per share</td> <td>3.42</td> <td>2.70</td> </tr> </tbody> </table> <p>Since production and sales significantly increased during the period under review there is no way of material injury to domestic industry in Pakistan. It also appears from the above table that the relevant economic indices demonstrate their outstanding financial performance of the Domestic Industry during Covid-19 period also and accordingly no material injury is found.</p>	Profitability		2019-2020	2018-2019	Production	MTs	31,814	30,836	Sales	MTs	31,412	30,823	Profit/ (Loss) after tax	(Rs’000)	418,423	394,269	Earnings per share (after Tax) Diluted	Rs/ per share	3.42	2.70	<p>This sunset review investigation has revealed that there is likelihood of recurrence of material injury to the Pakistan’s domestic industry if anti-dumping duties imposed on dumped imports of the product under review are terminated. See Part C of this report.</p>
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Reasons for imports from Bangladesh:

It has been stated that price of natural gas in Bangladesh is significantly lower as compared to Domestic producers of Pakistan and due to lower cost of production Bangladesh enjoys low cost leadership in producing Hydrogen Peroxide compare to Domestic Producers of Pakistan.

Dumping margin for Tasnim in the original investigation was determined by comparing its domestic price with its export price to Pakistan during the POI.