

(NON-CONFIDENTIAL)



**Government of Pakistan
National Tariff Commission**

Report

On

**Termination of Anti-Dumping Investigation on
Dumped Imports of Disodium Carbonate (Soda
Ash) into Pakistan Originating in and/or Exported
from the Republic of Turkey**

**ADC No. 61/2021/NTC/SA
February 07, 2022**

Termination of Anti-Dumping Investigation on Dumped Imports of Disodium Carbonate (Soda Ash) into Pakistan Originating in and/or Exported from the Republic of Turkey

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").

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

3. The Commission is conducting an investigation on alleged dumping of Disodium Carbonate ("Soda Ash") into Pakistan originating in and/or exported from the Republic of Turkey ("Turkey"), under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination is issued in accordance with Rule 10 of the Rules.

4. In terms of Section 37 of the Act, the Commission shall make preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on March 30, 2021. However, on June 15, 2021 the honourable Lahore High Court, Lahore ("LHC") in writ petition No. 37885/2021 suspended this investigation, which was filed by M/s Ghani Glass Ltd. Lahore. The LHC dismissed that writ petition as withdrawn on September 21, 2021. Decision of the LHC was issued on September 23, 2021. However, on October 7, 2021 M/s International Silicate Ltd., Lahore and M/s Ghani Glass Ltd. Lahore filed other writ petitions in LHC and the LHC on the same day suspended again this investigation for two months with direction to the Appellate Tribunal to decide petitioner's appeal within two months. Appellate Tribunal dismissed their petition on 3 December 2021 and issued decisions on 8 December 2021 in this regard. The time period for which proceedings were suspended by the LHC is considered as injunction period for the purposes of this investigation and the timelines of this investigation are calculated by excluding the stay period. This preliminary determination is based on the information available to the Commission at this point of time.

A. PROCEDURE

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

6. Receipt of Application

6.1 On February 16, 2021, the Commission received a written application under Sections 20 and 24 of the Act from M/s. ICI Pakistan Limited, Lahore and M/s. Olympia Chemicals Limited, Lahore (the "Applicants"). The Applicants are producers of Soda Ash

and have alleged that Soda Ash is being imported to Pakistan at dumped prices from Turkey. According to the Applicants, the alleged dumped imports of Soda Ash from Turkey have caused and are causing/threatening to cause material injury to the Pakistan's domestic industry producing Soda Ash.

6.2 The Commission informed the Embassy of the Republic of Turkey in Islamabad through a *note verbal* dated February 17, 2021 of the receipt of application in accordance with requirements of Section 21 of the Act.

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

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

8. **The Domestic Industry**

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

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

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

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

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

8.2 The Applicants are the only producer of Soda Ash in Pakistan. Therefore, the Applicants are the domestic industry for purposes of this investigation. Installed

production capacity of the domestic industry is 641,000 MT per annum.

9. Standing of the Application

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

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

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

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

9.3 As the Applicants are the only units manufacturing Soda Ash in Pakistan, therefore, they represent 100 percent of production of domestic like product and fulfill requirements of Section 24 of the Act. Following table shows unit-wise production of Soda Ash during the year 2020:

**Table-I
Standing of Application**

| S. No | Unit Name | Share in total production | | Status |
|-------|-------------------------------|---------------------------|------------|------------|
| | | Volume* | % of total | |
| i. | ICI Pakistan Limited, Lahore | 100.00 | 65.99% | Applicant |
| ii. | Olympia Chemicals Ltd, Lahore | 51.55 | 34.01% | Applicant |
| iii. | Total | 151.55 | 100.00% | Applicants |

*: To keep confidentiality actual figures have been indexed with respect to the production of ICI Pakistan Ltd. by taking it equal to 100.

Thus, the application is made by the domestic entire industry, which is supported by the 100 percent domestic production.

10. Applicant's Views

10.1 The Applicant, *inter alia*, raised the following issues in application regarding alleged dumping of Soda Ash from Turkey, material injury to the domestic industry caused therefrom and threat of material injury to the domestic industry:

- i. Soda Ash imported from Turkey into Pakistan and Soda Ash produced in

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Pakistan by the domestic industry are like products;

- ii. Exporters/producers from Turkey are exporting Soda Ash to Pakistan at dumped prices; and
- iii. Exports of Soda Ash by the exporters/producers from Turkey to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing Soda Ash mainly through:
 - (a) Increase in volume of dumped imports;
 - (b) Price undercutting;
 - (c) Price depression
 - (d) Price suppression
 - (e) Decline in market share;
 - (f) Decline in sales;
 - (g) Decline in profits ;
 - (h) Decline in production and capacity utilization;
 - (i) Decline in cash flows;
 - (j) Decline in productivity; and
 - (k) Decline in return on investment

10.2 The Applicants have also claimed that there is threat of material injury to the domestic industry due to continued dumping of Soda Ash.

10.3 The Applicants had made following requests to the Commission:

- i. Initiate an investigation on alleged dumping of Soda Ash from Turkey under Section 23 of the Act;
- ii. Impose appropriate anti-dumping duties on dumped imports of Soda Ash in accordance with Section 50 of the Act; and
- iii. Impose provisional measures under Section 43 of the Act to prevent injury being caused during course of the investigation.

11. Exporters/ Producers of Soda Ash from Turkey

In application, the Applicants have identified 04 producers/exporters from Turkey involved in alleged dumping of the Soda Ash from Turkey. The Applicants have also stated that there may be other exporters/producers of Soda Ash in Turkey, which are not known to them. Therefore, the Applicants have requested for imposition of anti-dumping duties on all imports of Soda Ash originating in and/or exported from Turkey.

12. **Initiation of Investigation**

12.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 23 of the Act and found that there was sufficient evidence of alleged dumping of Soda Ash into Pakistan from Turkey and consequent alleged material injury to the domestic industry. Therefore, the Commission decided to initiate an investigation in this case on March 26, 2021.

12.2 The Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the official Gazette¹ of Pakistan and in widely circulated national newspapers² (one in English language and one in Urdu Language) on March 30, 2021. Investigation concerning alleged dumped imports of Soda Ash into Pakistan originating in and/or exported from Turkey was thus initiated on March 30, 2021 in accordance with Section 27(2) of the Act.

12.3 In pursuance of Section 27 of the Act, the diplomatic Mission of Turkey in Islamabad was intimated of initiation of the investigation (by sending a copy of the notice of initiation) on March 30, 2021 with a request to forward it to all exporters/producers involved in production, sales and export of Soda Ash in Turkey. Copy of the notice of initiation was also sent to exporters/producers directly (whose addresses were available with the Commission), Pakistani importers, and the Applicants on March 30, 2021.

12.4 In accordance with Section 28 of the Act, copies of full text of the written application (non-confidential version) were sent on March 30, 2021 to all exporters/producers, whose complete addresses were available with the Commission and to the and Embassy of Turkey in Islamabad with a request to forward it to their respective exporters/producers involved in production, sale and/or export of Soda Ash.

13. **Investigated Product, Domestic Like Product and Like Product**

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

- i. **Investigated Product:**
“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.
- ii. **Domestic Like Product:**
“means a like product that is produced by the domestic industry”.
- iii. **Like Product:**

¹ The official Gazette of Pakistan (Extraordinary) dated March 30, 2021.

² Daily; The nation, Jang of March 30, 2021.

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“a product which is alike in all respects to an investigated product or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product”.

13.2 For the purposes of this investigation and given the definitions set out above, investigated product, domestic like product and like product are defined in the following paragraphs:

13.3 Investigated Product:

13.3.1 Investigated product is Disodium Carbonate, popularly known as Soda Ash, having chemical formula Na_2CO_3 , imported from Turkey (the “investigated product”). The investigated product is a white, crystalline, water-soluble material. The investigated product falls under Pakistan Customs Tariff (“PCT”) No. 2836.2000.

13.3.2 The investigated product is used in the manufacture of detergents, soaps, cleaning compounds, sodium-based chemicals, float glass, container, tableware and specialty glasses, silicates and other industrial chemicals. It is also widely used in paper, metallurgical industries and desalination plants.

13.3.3 Following is the current (2021-22) customs tariff structure applicable on imports of Soda Ash:

**Table-I(A)
Tariff Structure**

| PCT Code | Description | CD | ACD | RD | Concessions/ FTA Rates |
|-----------------|--|-----------|------------|-----------|-------------------------------|
| 28.36 | Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate. | | | | |
| 2836.2000 | - Disodium carbonate | 11% | 2% | 0% | SAARC_ALL= Conc.10 |

13.4 Domestic Like Product

13.4.1 Domestic like product is Disodium Carbonate, popularly known as Soda Ash, having chemical formula Na_2CO_3 , produced by the domestic industry (the “domestic like product”). Soda Ash is a white, crystalline, water-soluble material. The domestic like product is classified under PCT Heading No. 2836.2000.

13.4.2 The domestic like product is also used in the manufacture of detergents, soaps, cleaning compounds, sodium based chemicals, float glass, container, tableware and specialty glasses, silicates and other industrial chemicals. It is also widely used in paper, metallurgical industries and desalination plants.

13.5 **Like Products:**

13.5.1 Soda Ash produced by the domestic Industry and imported from Turkey and other sources are comparable in terms of physical and chemical characteristics, product specification, chemical formulation, end uses and product classifications. Investigated product and domestic like product are technically and commercially identical. Therefore, the Commission is satisfied that the investigated product, domestic like product and Soda Ash imported from other than the Turkey are like products.

14. **Period of Investigation**

14.1 In terms of Section 36 of the Act, Period of Investigation ("POI") is:

- i. *"for the purposes of an investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of the investigation for which data is available and in no case the investigation period shall be shorter than six months."*
- ii. *"for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:
"Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product".*

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

| | |
|-------------------------------|--|
| For determination of dumping: | From July 01, 2020 to December 31, 2020 |
| For determination of injury: | From January 01, 2018 to December 31, 2020 |

15. **Information/Data Gathering**

15.1 The Commission sent exporter's questionnaire on March 30, 2021 to the Embassy of Turkey in Islamabad with a request to forward it to all exporters/ producers of the investigated product in Turkey. Exporter's questionnaire was also sent directly to exporters/ producers based in Turkey whose addresses were available to the Commission on March 30, 2021 for collection of data and information necessary for this investigation. The exporters/ producers were asked to supply information within 37 days of the dispatch of the questionnaire.

15.2 In response to the Commission's request for information, on May 05, 2021 and May 07, 2021, the following exporters/ producers requested for extension in the deadline to submit information on exporter's questionnaire:

- i. Şişecam Dış Tic. A.Ş.

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- ii. Kazan Soda Elektrik Company Limited/Ciner Ic Ve Ticaret Corporation; and
- iii. Tam Trading FZ-LLC

15.3 The Commission granted extension of three weeks to submit data/ information on exporter's questionnaire.

15.4 Şişecam's response on exporter's questionnaire was received on May 29, 2021, which was found deficient in many aspects. Deficiencies were communicated to Sisecam vide a letter dated June 09, 2021. Sisecam was asked to provide the deficient information/data no later than 15 days of issuance of the deficiencies letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation.

15.5 On June 15, 2021, The LHC issued a restraining order and suspended all operation of the investigation till September 23, 2021. Therefore, no communication took place with Sisecam during this period. On 24 September 2021 the Sisecam was asked to provide deficient information latest by 1st October 2021, which it did. Dumping of the investigated product for Sisecam in this preliminary determination is determined on the basis of information provided by Sisecam.

15.6 On June 18, 2021 a questionnaire response received from Kazan Soda Elektrik Company Limited/Ciner Ic Ve Ticaret ("Kazan/Ciner"). Kazan's response was found deficient in many aspects. As proceedings were suspended by the LHC therefore deficiencies were not communicated to Kazan till September 24, 2021. After vacation of stay by the LHC deficiencies were communicated to Kazan/Ciner vide a letter dated September 24, 2021. Kazan/Ciner was asked to provide deficient information within ten days of that letter, however, it requested for extension of another 10 days in time period for submission of the deficient information which was granted. Kazan/Ciner's response to the deficiencies was received on 13 October 2021. Dumping of the investigated product for Kazan/Ciner in this preliminary determination is determined on the basis of information provided by Kazan/ Ciner.

15.7 The Commission, after expiry of the time period given for submission of information on Exporter's Questionnaire informed the exporters/ producers (who did not respond to Questionnaire) from Turkey through a letter dated May 31, 2021 that in case no information is provided in response to the Questionnaire, the Commission will be constrained to make preliminary and/or final determination of dumping for them on the basis of "Best Information Available" including those contained in the application submitted by the domestic industry, in terms of Section 32 of the Act. However, no other exported/foreign producer (other than Şişecam Dış Tic. A.Ş and Kazan Soda Elektrik Company Limited/Ciner Ic Ve Ticaret Corporation) responded.

15.8 On March 30, 2021, questionnaires were sent to Pakistani importers of the investigated product known to the Commission and these importers were asked to respond to the Commission within 37 days of the dispatch of the questionnaires. The

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deadline for the submission of the data/information on the prescribed Importer's Questionnaire was May 06, 2020, which was later on extended by three weeks. Upon various requests from different importers the deadline to submit the information on Importer's Questionnaire was extended till June 12, 2021 explaining that, if no response of the questionnaire is submitted by them, the Commission will be constrained to make preliminary and/or final determination of dumping in this investigation on the basis of "Best Information Available" including those contained in the application submitted by the domestic industry. Only International silicate (Pvt.) Limited Karachi and Colgate-Palmolive (Pakistan) Limited Karachi, importers of investigated product responded to the Commission.

15.9 The Commission has access to the database of 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 preliminary determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicants, exporters and importers of the investigated product.

15.10 Interested parties were invited to offer their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of the investigation. The Commission received views/comments from the Government of Turkey, Kazan Soda Elektrik Company Ltd. Ankara, Turkey, Ghani Glass Limited Lahore, Colgate-Palmolive Ltd. Karachi. And International silicate (Pvt.) Limited Karachi. Views/comments and the information submitted by the interested parties have been considered in making this preliminary determination. Views/ comments of the interested parties germane to this investigation and response of the Commission are given in annotated form at Annexure.

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

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

16. Verification of the Information

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

16.2 In order to verify the information/data provided by the Applicants and to obtain further information (if any), officers of the Commission conducted on-the-spot investigations at office and plant of the Applicants from 7 to 11 June 2021.

16.3 The reports of on the spot investigation/verification conducted at premises of the Applicants are provided in full to the Applicants. Non-confidential version of the on-the-spot investigations/ verifications is made available to other interested parties by placing the same on the public.

16.4 Due to COVID pandemic on-spot investigations at the premises of exporters/ foreign producers have not been conducted so far in the exporting country. On-spot investigations at the premises of exporters/ foreign producers who provided information/ data in response to the questionnaire would be conducted after this preliminary determination.

17. Public File

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

18. Confidentiality

18.1 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.

18.2 The Applicant and ICI Pakistan Ltd. have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries & wages, number of employees etc. In addition to this, certain other information is also provided on confidential basis under Section 31(2)(c), as such information, e.g. export or import price and import volume of the investigated product, may lead to the disclosure of the by nature confidential information by way of reverse calculations. However, non-confidential summaries of the confidential information have been submitted in accordance with the Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in the confidence.

18.3 Pursuant to requests made by the Applicant 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.

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

B. DETERMINATION OF DUMPING

19. Dumping

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

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

20. Normal Value

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

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

20.2 Further, Section 6 of the Act states:

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

“a) the comparable price of the like product when exported to an appropriate third country provided that this price is representative; or

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

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

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

“(1) The Commission may treat sales of a like product in domestic market of an

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

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

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

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

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

21. Export Price

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

22. Dumping Determination

22.1 As stated earlier (paragraph 15 supra), the Commission sent questionnaires to exporters/ producers whose complete addresses were available with the Commission and in response to the Commission’s request for information, following two exporters/ producers of Soda Ash from Turkey have responded and provided information. However, the information provided so far is deficient in many respects and response to the deficiencies is still awaited:

- a. Şişecam Dış Tic. A.Ş.

b. Kazan Soda Elektrik Company Limited/Ciner Ic Ve Ticaret Corporation

22.2 Although the deficient information is still awaited from the above mentioned exporters/ foreign producers, but keeping in view time-lines of this investigation, the information submitted by these exporters/foreign producers has been accepted for purposes of this preliminary determination. Thus, Normal value, export price and individual dumping margins for the above-mentioned exporters/producers have been determined in accordance with Part III, IV and V of the Act on the information provided by them.

23. **Determination of Normal Value for Şişecam Dış Tic. A.Ş.**

23.1 Normal value for Şişecam Dış Tic. A.Ş has been determined on the basis of the information provided by it on its domestic sales and cost of sales made during the POI.

23.3 Sisecam sold *** MT of like product in its domestic market during the POI. Out of which *** MT (41%) were to related parties. Investigation has shown that sales to related parties were not at arms' length as its weighted average price was 16 percent lower than the weighted average price charged from un-related customers. Therefore, in determination of normal value for Sisecam its sales to related parties have not been considered.

23.4 Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. As per the available information sales to un-related customers in domestic market were in ordinary course of trade because its weighted average price was above the weighted average cost to make and sell. Further, these sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these are more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI.

23.5 As Sisecam exported the investigated product only in two transactions on 5 October 2020 and 25 December 2020 (paragraph 25.2 infra), therefore, for like-to-like comparison, normal value is also determined for its sales made in the domestic market on these two dates to un-related customers.

23.6 According to Sisecam, during the POI, it sold like product in its domestic market at ex-works basis or delivered basis on credit and advance payment terms. Therefore, to arrive at the ex-factory price, Sisecam has reported adjustments on account of freight and credit cost, which have been accepted and normal value is determined by adjusting values for credit cost and inland freight. Normal value for Sisecam works out to USD
***/MT

**24. Determination of Normal Value for Kazan Soda Elektrik Company Limited/
Ciner Ic Ve Ticaret Corporation (“Kazan/Ciner”)**

24.1 Normal value for Kazan/Ciner has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during the POI.

24.2 Kazan/Ciner sold *** MT of like product (Soda Ash) in its domestic market during the POI. Kazan/Ciner sales of Soda Ash in its domestic market during the POI were to related and unrelated parties. It sold 81 percent of its total sales to related party. Investigation has shown that sales to related parties were at arms' length as its weighted average price was above than the weighted average price charged from un-related customers. Therefore, in determination of normal value for Kazan/Ciner its sales to related parties have also been accounted for.

24.3 Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. As per the available information Kazan/Ciner sales in domestic market were in ordinary course of trade because its weighted average price was above the weighted average cost to make and sell. Further, these sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these are more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI.

24.4 To arrive at the ex-factory price, Kazan/Ciner has claimed adjustments on account of inland freight, credit cost and physical difference. The Commission has accepted these adjustments and the normal value at ex-factory level for the like product is worked out by deducting value of these adjustments from the gross price. Normal value for Kazan comes to USD ***/MT.

25. Determination of Export Price for Şişecam Dış Tic. A.Ş

25.1 Export price for Sisecam is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

25.2 According to the information, Sisecam exported *** MT of the investigated product to Pakistan during the POI. It exported this quantity in two equal transactions on 5 October 2020 and 25 December 2020 respectively. All export sales to Pakistan, during POI, were made to un-related customers.

25.3 Sisecam exported investigated product at CFR basis. To arrive at the ex-factory level, Sisecam has reported adjustments on account of inland freight, ocean freight, handling cost and bank charges. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for the adjustments from the gross value of the sales transactions.

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**Table-II
Export Price of Sisecam**

| Description | Value/MT |
|---------------------------------------|-----------------|
| C&F Price | 100.0 |
| Handling, Bank charges, Commission | 0.5 |
| Inland freight | 1.0 |
| Ocean freight | 13.4 |
| Bank charges | 1.0 |
| Credit cost | 1.5 |
| Other expenses | 8.8 |
| Adjusted export price | 73.8 |

Source: Şişecam Dış Tic. A.Ş

Note: To keep confidentiality, actual figures have been indexed w.r.t C&F Price by taking it equal to 100

26 Determination of Export Price for Kazan /Ciner

26.1 Kazan is a related company of Ciner and is responsible for exports of the products produced by Kazan Soda. Exports to Pakistan are made through a distributor, Tam Trading, which is based in United Arab Emirates, however, the investigated product is directly shipped from Turkey to Pakistan. Ciner is only involved in the export sales of Soda Ash and has no involvement in the production of the Soda Ash or any other products. All sales to Pakistan were made on FOB basis. Export price for Kazan/Ciner has been determined on the basis of the information provided by them on their export sales to Pakistan during the POI.

26.2 Kazan/Ciner exported ***** MT of the investigated product to Pakistan during the POI. Its export sales to Pakistan, during POI were directly to unrelated customers in Pakistan.

26.3 Kazan/Ciner exported investigated product at FOB basis. To arrive at the ex-factory level, Kazan/Ciner has reported adjustments on account of commission, inland freight, credit cost and handling cost. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for the adjustments from the gross value of the sales transactions.

26.4 Based on the above information, export prices of the investigated product for Kazan/Ciner is given in the following table.

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Table-III
Export Price of Kazan/Ciner

| Description | value/MT |
|-----------------------|----------|
| FOB Gross Value | 76.7 |
| Inland freight | 4.4 |
| Handling Cost | 7.3 |
| Credit cost | 3.4 |
| Commission | 0.5 |
| CIF Price* | 100.0 |
| Ex-works Export Price | 61.0 |

* worked out from PRAL data on exports of Ciner/Tam trading during POI

Source: Kaza/Ciner

Note: To keep confidentiality, actual figures have been indexed w.r.t CIF Price by taking it equal to 100

27. Dumping Margin

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

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

27.3 Dumping margins for the Turkey work out as follows by comparing normal value at ex-factory level with weighted average adjusted export price at ex-factory level:

Table-IV
Dumping Margins

| Exporter/producers Name | Dumping Margins % of Export price |
|--|--------------------------------------|
| Şişecam Dış Tic. A.Ş | 47.91 |
| Kazan Soda Elektrik Company Ltd./ Ciner İc Ve Ticaret Corporation | 78.98 |

28. De minimis Dumping Margin and Negligible Volume of Dumped Imports

28.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins set out in paragraph 27.3 supra are above the *de minimis* level.

28.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such imports shall normally be regarded as negligible if it is found to account for less than three percent of total imports of the like product unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports collectively account for more than seven per cent of the imports of like product.

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28.3 The information/ data on dumped imports of the investigated product and other imports of soda ash has been obtained from PRAL and cooperating exporters. Volume of dumped imports of the investigated product from Turkey and other sources during the POI is given in the table below:

Table-V
Volume of Dumped Imports

| Source of import | % of total |
|-------------------------|-------------------|
| Turkey | 86 |
| Other sources | 14 |
| Total | 100 |

Source: Cooperating exporters and PRAL

28.4 On the basis of above information, the Commission has determined that the volume of dumped imports of the investigated product from Turkey during the POI was well above the negligible threshold set-out in Section 41(3) of the Act.

C. INJURY TO THE DOMESTIC INDUSTRY

29. Determination of Material Injury

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

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

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

29.2 Section 15 of the Act further provides that:

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

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

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30. Volume of Dumped Imports

30.1 In order to ascertain increase in the volume of dumped imports of the investigated product, the Commission has used data submitted by the cooperating exporters for the POI and for imports of soda ash from other sources the information is obtained from PRAL.

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

**Table-VI
Volume of Dumped Imports**

| Period | Imports from: | | | Domestic production | Dumped imports as % of: | |
|----------------|----------------|---------------|-------|---------------------|-------------------------|---------------------|
| | Dumped Sources | Other Sources | Total | | Total imports | Domestic production |
| Jan-Jun 2018 | -- | 9.67 | 9.67 | 100.00 | -- | -- |
| Jul – Dec 2018 | -- | 7.31 | 7.31 | 102.26 | -- | -- |
| Jan-Jun 2019 | 0.02 | 6.74 | 6.76 | 109.16 | 0.29 | 0.02 |
| Jul – Dec 2019 | -- | 1.24 | 1.24 | 114.51 | -- | -- |
| Jan-Jun 2020 | -- | 2.10 | 2.10 | 88.25 | -- | -- |
| Jul – Dec 2020 | 8.37 | 1.34 | 9.71 | 102.07 | 86.18 | 8.20 |

Sources: Cooperating exporters, PRAL and the Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t domestic production figures during the period Jan-Jun 2018 by taking it equal to 100

30.3 The above table shows that the volume of dumped imports of the investigated product has increased significantly during the POI, both in absolute terms as well as relative to the production of the domestic like product. The dumped imports, which were 0.29 percent of total imports during Jan-June 2019 increased to 86.18 percent of the total imports during the POI (July-December 2020) for dumping. Similarly, the dumped imports, which were 0.02 percent of the domestic production during Jan-June 2019, increased to 8.20 percent of the production of domestic like product during POI for dumping i.e. July-December 2020 respectively.

31. Price Effects:

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

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of an increase in selling price of the domestic like product). Effects of dumped imports on price of the domestic like product are analyzed in following paragraphs. The Act requires the Commission to assess whether there has been significant price under-cutting, price suppression and price depression.

31.1 Price Undercutting

31.1.1 Weighted average ex-factory price of the domestic like product is calculated from the quantity and value of domestic sales of the domestic industry during the POI. Landed cost of the investigated product is calculated from the information provided by the cooperating exporters . Comparison of weighted average ex-factory price of the domestic like product with the weighted average landed cost of the investigated product during the POI is given in following table:

**Table-VII
Price Undercutting (value per MT)**

| Period | Domestic like product's price* | Landed cost of dumped imports* | Price undercutting: | |
|----------------|--------------------------------|--------------------------------|---------------------|------------|
| | | | absolute | Percentage |
| Jan-Jun 2018 | 100.00 | -- | -- | -- |
| Jul – Dec 2018 | 107.87 | -- | -- | -- |
| Jan-Jun 2019 | 115.52 | 110.68 | 4.84 | 4.19 |
| Jul – Dec 2019 | 119.83 | -- | -- | -- |
| Jan-Jun 2020 | 119.51 | -- | -- | -- |
| Jul – Dec 2020 | 119.02 | 93.66 | 25.35 | 21.30 |

* Without sales tax

Sources: The Applicants and Cooperating exporters

Note: To keep confidentiality, actual figures have been indexed w.r.t Domestic like product's price figures during the period Jan-Jun 2018 by taking it equal to 100

31.1.2 The information provided in the above table shows that the weighted average landed cost of the investigated product remained lower than the weighted average ex-factory price of the domestic like product throughout the POI. The landed cost of the investigated product has significantly undercut price of the domestic like product by 21.30 percent during the POI for dumping.

31.2 Price Depression

31.2.1 Sales prices of the domestic like product during the P O I are given in table below:

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**Table-VIII
Price Depression (value per MT)**

| Period | Domestic like product's price | Price Depression |
|----------------|-------------------------------|------------------|
| Jan-Jun 2018 | 100.00 | -- |
| Jul – Dec 2018 | 107.87 | -- |
| Jan-Jun 2019 | 115.52 | -- |
| Jul – Dec 2019 | 120.47 | -- |
| Jan-Jun 2020 | 119.51 | (0.96) |
| Jul – Dec 2020 | 119.02 | (0.50) |

Source: The Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t Domestic like product's price figures during the period Jan-Jun 2018 by taking it equal to 100

31.2.2 The above table shows that throughout POI of injury there was an increasing trend in price of domestic like product in the year 2019. However, price of the domestic like product during the Jan-Jun 2020 slightly declined by 0.79 percent and during Jul-Dec 2020 further declined by 0.42 percent. Thus, the Commission has determined that domestic industry did not suffer material injury on account of price depression during the POI.

31.3 Price Suppression

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

**Table-IX
Price Suppression ((value per MT)**

| Period | Cost to make & sell | Domestic product's price | Increase/(decrease) in: | | Price Suppression |
|---------------|---------------------|--------------------------|-------------------------|--------|-------------------|
| | | | Cost to make and sell | Price | |
| Jan- Jun 2018 | 82.45 | 100.00 | - | - | |
| Jul -Dec 2018 | 87.68 | 107.87 | 5.22 | 7.87 | |
| Jan-Jun 2019 | 93.96 | 115.52 | 6.28 | 7.66 | |
| Jul-Dec 2019 | 93.55 | 120.47 | (0.41) | 4.95 | |
| Jan-Jun 2020 | 104.55 | 119.51 | 11.00 | (0.96) | 11.95 |
| Jul-Dec 2020 | 90.88 | 119.02 | (13.67) | (0.50) | |

Source: The Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t Domestic like product's price figures during the period Jan-Jun 2018 by taking it equal to 100

31.3.2 The above table shows that cost to make and sell and the price of domestic like product decreased during the POI for dumping i.e. July-December 2020. However, the decrease in the cost was more than the decrease in the sales price of the domestic industry. The cost to make and sell declined by 13.08 percent whereas price declined by 0.42 percent during the POI for dumping. Thus, the Commission has determined that domestic industry did not suffer material injury on account of price suppression during the

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POI for dumping.

32. Effects on Market Share

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

**Table-X
Market Share**

| Period | Domestic industry's Sale | | Sources of Imports: | | | | Total domestic market | |
|--------------|--------------------------|---------|---------------------|---------|--------|---------|-----------------------|---------|
| | | | Dumped | | Others | | | |
| | volume | % share | volume | % share | volume | % share | Volume | %change |
| Jan-Jun 2018 | 90.03 | 90.03 | -- | -- | 9.97 | 9.97 | 100.00 | |
| Jul-Dec 2018 | 99.01 | 92.93 | -- | -- | 7.54 | 7.07 | 106.54 | 6.54 |
| Jan-Jun 2019 | 99.26 | 93.44 | 0.02 | 0.02 | 6.95 | 6.54 | 106.23 | (0.30) |
| Jul-Dec 2019 | 103.27 | 98.78 | -- | -- | 1.28 | 1.22 | 104.55 | (1.58) |
| Jan-Jun 2020 | 89.34 | 97.63 | -- | -- | 2.17 | 2.37 | 91.50 | (12.48) |
| Jul-Dec 2020 | 102.02 | 91.06 | 8.63 | 7.70 | 1.38 | 1.24 | 112.03 | 22.43 |

Sources: The Applicants, Cooperating exporters and PRAL

Note: To keep confidentiality, actual figures have been indexed w.r.t total domestic market figures during the period Jan-Jun 2018 by taking it equal to 100

32.2 The above table shows that there was an increase of 22 percent in the size of domestic market during the POI for dumping. However, the share of domestic industry declined from 98 percent in July 2019 to June 2020 to 91 percent during POI for dumping (Jul-Dec. 2020) despite significant increase of 22 percent in the domestic market in the same period.

32.3 Since the alleged dumped imports realized during the period of Jul-Dec 2020, the market share of the alleged dumped imports of the investigated product gained the market share of 8 percent during the POI for dumping. Market share of imports from other sources decreased from 2 percent in Jan-Jun 2020 to 1 percent during period Jul-Dec 2020.

32.3 The Commission's investigation has shown that the share of the domestic industry has been fluctuating between 90 percent to 98 percent during POI for injury. Therefore, the reduced market share of domestic industry cannot be assigned to dumping alone, which is nominal as compared to domestic production and sales.

33. Effect on Sales of the Domestic Like Product

33.1 Information on domestic sales of the domestic like product and dumped imports of the investigated product during the POI is given in the following table:

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**Table-XI
Sales of the Domestic Like Product**

| Period | Domestic Like Product's sales | | Dumped Imports (volume) |
|--------------|-------------------------------|----------|-------------------------|
| | Volume | % change | |
| Jan-Jun 2018 | 100.00 | -- | -- |
| Jul-Dec 2018 | 109.96 | 9.96 | -- |
| Jan-Jun 2019 | 110.24 | 0.26 | 0.02 |
| Jul-Dec 2019 | 114.71 | 4.05 | -- |
| Jan-Jun 2020 | 99.22 | (13.5) | -- |
| Jul-Dec 2020 | 113.31 | 14.2 | 9.58 |

Sources: The Applicants and Cooperating Exporters
 Note: To keep confidentiality, actual figures have been indexed w.r.t total domestic market figures during the period Jan-Jun 2018 by taking it equal to 100

33.2 The above table shows that the domestic sales of the domestic like product by the domestic industry increased during the period Jul-Dec 2020. Thus, the Commission has determined that domestic industry did not suffer material injury on account of sales of the domestic like product during the POI for dumping.

34. Effects on Production and Capacity Utilization

34.1 The installed capacity, quantity produced and the capacity utilization of the domestic industry during the POI were as follows:

**Table-XII
Capacity Utilization**

| Period | Installed capacity | Production | Capacity utilization (%) |
|--------------|--------------------|------------|--------------------------|
| Jan-Jun 2018 | 100 | 96 | 96 |
| Jul-Dec 2018 | 102 | 98 | 96 |
| Jan-Jun 2019 | 112 | 104 | 93 |
| Jul-Dec 2019 | 121 | 110 | 90 |
| Jan-Jun 2020 | 121 | 84 | 70 |
| Jul-Dec 2020 | 121 | 98 | 81 |

Source: The Applicants
 Note: To keep confidentiality, actual figures have been indexed w.r.t installed capacity figures during the period Jan-Jun 2018 by taking it equal to 100

34.2 The above table shows that the installed production capacity of the domestic industry increased from 262,500 MT in Jan-Jun 2018 to 318,250 MT in Jul-Dec 2020 in view of expanding domestic market. Production of the domestic like product also increased from 251,056 MT in Jan-Jun 2018 to 256,256 MT in Jul-Dec 2020. Capacity utilization of the domestic industry declined significantly from 96 percent in Jan-Jun 2018 to 81 percent in Jul-Dec 2020. This decline in capacity utilization was due to increase in installed capacity.

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35. Effects on Inventories

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

Table-XIII
Inventories of the Domestic Like Product (volume)

| Period | Opening Inventory | Production | Domestic sales | Export sales | Closing Inventory |
|--------------|-------------------|------------|----------------|--------------|-------------------|
| Jan-Jun 2018 | 1.24 | 100.00 | 87.32 | 9.25 | 4.67 |
| Jul-Dec 2018 | 4.67 | 102.26 | 96.02 | 9.31 | 1.60 |
| Jan-Jun 2019 | 1.60 | 109.16 | 96.27 | 4.93 | 9.56 |
| Jul-Dec 2019 | 9.56 | 114.51 | 100.16 | 5.01 | 18.90 |
| Jan-Jun 2020 | 18.90 | 88.25 | 86.64 | 7.46 | 13.05 |
| Jul-Dec 2020 | 13.05 | 102.07 | 98.94 | 8.33 | 7.85 |

Source: The Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t production figures during the period Jan-Jun 2018 by taking it equal to 100

35.2 The above table shows that the closing inventory of the domestic like product decreased by 31 percent and 40 percent during the periods January-June 2020 and July-December 2020 respectively. Thus, the domestic industry did not suffer material injury on account of inventories during the POI for dumping.

36. Effects on Profits and Profitability

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

Table-XIV
Profits/(Loss)

| Period | Net Profits | Profitability | |
|---------------|-------------|---------------|------------------|
| | Value* | Per MT* | % of sales value |
| Jan- Jun 2018 | 24,243,571 | 100 | 16 |
| Jul -Dec 2018 | 31,297,009 | 118 | 18 |
| Jan-June 2019 | 34,473,056 | 136 | 19 |
| Jul-Dec 2019 | 44,015,902 | 167 | 22 |
| Jan-Jun 2020 | 19,354,867 | 82 | 11 |
| Jul-Dec 2020 | 44,766,280 | 166 | 22 |

Source: The Applicants

*Note: To keep confidentiality, actual figures have been indexed w.r.t Rs. per MT profit during the period Jan-Jun 2018 by taking it equal to 100

36.2 Above information shows that the that the profits and profitability of the domestic industry on production and sales of the domestic like product increased in July-December 2020. The analysis of the information has shown that the increase in profits and profitability during this period was due to decrease in cost to make and sell coupled with increase in sales volume. Thus, the Commission has determined that domestic industry did not suffer material injury on account of profits and profitability during the POI for

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dumping.

37. Effects on Return on Investment

37.1 The Applicants are a multi-product companies, especially ICI Pakistan Ltd. is also producing and selling many other products. Investment and return on investment (“ROI”) cannot be determined separately for different products as number of factors are combine for all products. Therefore, keeping in view provisions of the Section 17(2) of the Act, the return on investment of the domestic industry is determined for its entire operations during the POI, which is given in following table:

**Table-XV
Investment and Return on Investment**

| As on | Investment (Value)* | Return (Value)** | Return on investment (%) |
|-----------|---------------------|------------------|--------------------------|
| 30-Jun-18 | 100 | 8 | 7.88 |
| 31-Dec-18 | 102 | 7 | 6.65 |
| 30-Jun-19 | 108 | 9 | 8.13 |
| 31-Dec-19 | 113 | 13 | 11.22 |
| 30-Jun-20 | 111 | 7 | 6.03 |
| 31-Dec-20 | 115 | 15 | 12.99 |

Source: The Applicants, *Investment = Equity + long term loans

**Return = Profit + Interest paid on long term loans

Note: To keep confidentiality, actual figures have been indexed w.r.t investment figures as on 30-Jun-18 by taking it equal to 100

37.2 The above table shows that the investment and return on investment increased - ion December 2020. Thus, there was no material injury to the domestic industry on account of ROI during the POI. However, this increase in ROI is for entire operations of the Applicants, which includes other products, therefore, entire increase in ROI cannot be attributed to the domestic like product.

38. Effects on Cash Flows

38.1 The Applicants are a bi-product companies (Soda Ash and Sodium Bi-carbonate) and the cash flows operations cannot be determined separately for different products. However, major share in operations of the Applicants is of the domestic like product i.e. Soda Ash. Therefore, keeping in view provisions of the Section 17(2) of the Act, the cash flows of the domestic industry for its entire operations during the POI is given in following table:

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**Table-XVI
Cash Flows from Operations**

| Period | Net Cash Flows (million Rs) |
|----------------|--|
| Jan-Jun 2018 | 58 |
| Jul – Dec 2018 | 42 |
| 2018 | 100 |
| Jan-Jun 2019 | 144 |
| Jul – Dec 2019 | 110 |
| 2019 | 254 |
| Jan-Jun 2020 | 71 |
| Jul – Dec 2020 | 85 |
| 2020 | 156 |

Source: The Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t the figures during the year 2018 by taking it equal to 100

38.2 The above table shows that the domestic industry's cash flows from its operating activities remained positive during the POI for injury and increased during the POI for dumping. Thus, the Commission has determined that domestic industry did not suffer material injury on account of cash flows during the POI.

39. Effects on Employment, Productivity and Salaries & Wages

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

**Table-XVII
Employment, Salaries & Wages and Productivity**

| Period | No. of Employees | Salaries & wages (millions Rs) | Production (MT) | Productivity (MT/worker) | Salaries & wages (Rs/MT) |
|---------------|-----------------------------|---|----------------------------|-------------------------------------|---|
| Jan-Jun 2018 | 100 | 100 | 100 | 100 | 100 |
| Jul-Dec 2018 | 102 | 90 | 102 | 100 | 88 |
| Jan-Jun 2019 | 107 | 113 | 109 | 102 | 103 |
| Jul-Dec 2019 | 112 | 101 | 115 | 103 | 88 |
| Jan-Jun 2020 | 105 | 117 | 88 | 84 | 133 |
| Jul-Dec 2020 | 109 | 104 | 102 | 93 | 101 |

Source: The Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t corresponding figures during the during the period Jan-Jun 2018 by taking it equal to 100

39.2 The above table shows that there was an increase in the employment as well as in the salaries and wages paid to the employees which corresponds to the increase in production and production capacity. The domestic industry experienced increase in productivity and decrease in salaries & wages per unit of production during the POI of dumping.

40. **Effects on Growth**

The Commission's investigation has shown that both units in the industry have made considerable investments and have enhanced their capacities in recent past (Table-XII supra). Further, ICI Pakistan is also planning to further enhance its capacity in near future. Therefore, the Commission has reached on the conclusion that domestic industry did not suffer material injury on account of growth during the POI.

41. **Ability to Raise Capital**

As the domestic industry has made considerable investments in recent past during the POI for injury therefore, the Commission has reached on the conclusion that the domestic industry did not suffer material injury on account of ability to raise capital during the POI.

42. **Magnitude of Dumping Margins**

Dumping margins determined are ranges from 47.91 percent to 78.98 percent (Table-IV supra), which are considered enough to cause material injury and threat of material injury to the domestic industry, however, the domestic industry has not suffered material injury during the POI.

D. Threat of Material injury

43 As stated earlier (paragraph 10.2 supra) the Applicants have also alleged threat of material injury to the domestic industry due to dumped imports of the investigated product, therefore, the Commission has also investigated and analysed the threat of material injury to the domestic industry.

44 With regard to threat of material injury, Section 19 (1) of the Act requires the Commission to consider all relevant factors, including but not limited to:

- (i) the increase of dumped imports into domestic market indicating the likelihood of substantially increased importation;
- (ii) sufficient freely disposable, or an imminent and substantial increase in capacity of an exporter indicating the likelihood of substantially increased dumped exports to market in Pakistan, taking into account the availability of other export markets to absorb any additional exports;
- (iii) whether imports are entering at prices that shall have a significant depressing or suppressing effect on prices in Pakistan, and would likely increase demand for further imports; and
- (iv) inventories of an investigated product.

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45. Section 19(2) of the Act further states that no one factor specified in sub-section (1) of Section 19 shall by itself, be deemed to necessarily give decisive guidance and in making a determination regarding a threat of material injury the Commission shall, on the basis of the totality of the factors considered, satisfy itself that further dumped exports are imminent and that, unless protective action is taken, material injury shall occur.

46. Significant Rate of Increase of Dumped Imports

46.1 As evident from the Table-VI supra, the imports from dumped sources were non-existent in start of the POI of Injury except the period from January to-June 2019 where insignificant quantities, only 50 MT of the investigated product were imported from dumped source. During the POI for dumping (July – December 2020) the volume of dumped imports of the investigated product increased from zero MT to 18,605 MT. Keeping in view provisions of Section 19 of the Act following table shows the import trends of the investigated product before and after the POI of dumping:

Table-XVIII
Import Trends of the Investigated product

| Period | Volume (MT)* | C&F Price (US\$/MT) |
|-----------------------|--------------|---------------------|
| July-September 2018 | -- | -- |
| October-December 2018 | -- | -- |
| January-March 2019 | 50 | 240 |
| April-June 2019 | -- | -- |
| July-September 2019 | -- | -- |
| October-December 2019 | -- | -- |
| January-March 2020 | -- | -- |
| April-June 2020 | -- | -- |
| July-September 2020 | 1,250 | 220 |
| October-December 2020 | 17,355 | 171 |

Source: PRAL

46.2 The above table shows that imports of the investigated product have started in July-September 2020, which in the subsequent quarter increased many fold (about 14 times or 1288%). However, during July to December 2020 (the POI for dumping) imports of the investigated product were only 8 percent of domestic production, which are not significant enough to cause material injury to the domestic industry. Therefore, the Commission is of the view that there is no imminent threat of further increase in volume of dumped imports in near future.

47. Sufficient Freely Disposable Capacity

47.1 As per a renowned journal, IHS Markit, the exporters in Turkey are not only having sufficient freely disposable capacities but have also substantially increased their

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capacities over the period of time to capture export markets. Information obtained from IHS Markit on capacities of Soda Ash in Turkey is provided in the table below:

Table-XIX
Turkey Soda Ash Supply/Demand (in thousand MT)

| Description | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|-------|-------|-------|-------|-------|-------|
| Name Plate Capacity | 2,170 | 2,185 | 2,998 | 5,000 | 5,950 | 6,050 |
| Operating Rate | 96% | 94% | 93% | 87% | 85% | 75% |
| Production | 2,085 | 2,060 | 2,790 | 4,366 | 5,067 | 4,512 |
| Domestic Demand | 968 | 991 | 1,073 | 1,120 | 1,159 | 995 |

Source: HIS Markit

47.2 As per the information provided in the above table, there had been a significant increase in capacities of Soda Ash in Turkey. On the other hand, domestic demand of Soda Ash in Turkey remained more or less stagnant which is around only 20% of total production capacity. This suggests that the more than 80% of production capacity in Turkey is mainly dedicated for exports. It is also evident from above table that with the increase in the capacity of production, there is also an increase in idle capacities available to Turkish exporters. However, production of soda ash in the exporting country has not increased substantially. Therefore, the Commission is of the view that there is no likelihood of increase in volume of dumped imports in near future.

47.3 Following table shows exports of soda ash from Turkey to the world which show significant increase in volume of exports during last four and a half years. A meager export quantity to Pakistan does not matter for Turkish exporters. Therefore, there is no imminent threat of increase in volume of dumped imports in near future:

Table-XX
Turkey's Exports of Soda Ash

| Period | Volume (MT) |
|--------------|-------------|
| 2017 | 1,900,527 |
| 2018 | 3,446,642 |
| 2019 | 4,143,116 |
| 2020 | 3,962,220 |
| Jan-Jun 2021 | 2,231,490 |

Source: Trademaps

48. Dumped imports realized during 6 months period, which is a quite shorter period to make projections based on the information of six months. Therefore, despite price under-cutting of 21 percent during the POI for dumping, the domestic industry did not reduce its price and earned handsome profits during the POI for dumping. Thus, there was no consequential effects on other injury factors such as sales, production, profits, ROI etc. and the domestic industry earned handsome profits.

49. During the POI investigated product undercut price of the domestic industry by 21% i.e. landed cost of the investigated product was lower by Rs. ***/MT whereas domestic industry's price was Rs. ***/MT above its cost to make and sell during the POI for dumping. Therefore, domestic industry can eliminate/ compete with dumped imports of the investigated product by reducing its price of the domestic like product up to some extent.

50. In view of the fore-going information and analysis (paragraphs 46 to 49 supra) the Commission has reached on the conclusion that there is no threat of material injury to the domestic industry.

51. **Summing up of Material Injury and Threat of Material Injury**

The facts and the analysis in the preceding paragraphs show that imports of the investigated product were only 8 percent of the domestic production during the POI. Although dumped imports of the investigated product significantly undercut price of the domestic like product and dumping margins are significantly high but the domestic industry did not suffer material injury during the POI. Further, there is no threat of material injury to the domestic industry as well because there is no imminent threat of further dumped imports of the investigated product in near future.

E. CAUSATION

52. **Effect of Dumped Imports**

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

- i. Volume of dumped imports of the investigated product increased significantly relative to the domestic production during the POI for dumping;
- ii. Domestic industry experienced significant price undercutting due to dumped imports of the investigated product during the POI for dumping;
- iii. The share of the domestic industry have been fluctuating between 90 percent to 98 percent during POI for injury. However, the reduced market share of domestic industry cannot be assigned to dumping alone, which is nominal as compared to domestic production and sales; and
- iv. There is no threat of material injury to the domestic industry because there is no imminent threat of further dumped imports of the investigated product in near future.

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53. Other Factors

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

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

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

53.3 Volume of Imports of Soda Ash from Other Sources:

53.3.1 Following table shows volume of imports of the investigated product and Soda Ash and domestic industry's sales during the POI:

Table-XXII
Volume of Imports from Other Sources (Volume)

| Period | Domestic industry's sale | Sources of Imports: | | | Total Market |
|--------------|--------------------------|---------------------|--------|-------|--------------|
| | | Dumped | Others | Total | |
| Jan-Jun 2018 | 90.03 | -- | 9.97 | 9.97 | 100.00 |
| Jul-Dec 2018 | 99.01 | -- | 7.54 | 7.54 | 106.54 |
| Jan-Jun 2019 | 99.26 | 0.02 | 6.95 | 6.97 | 106.23 |
| Jul-Dec 2019 | 103.27 | -- | 1.28 | 1.28 | 104.55 |
| Jan-Jun 2020 | 89.34 | -- | 2.17 | 2.17 | 91.50 |
| Jul-Dec 2020 | 102.02 | 8.63 | 1.38 | 10.01 | 112.03 |

Source: PRAL

Note: To keep confidentiality, actual figures have been indexed w.r.t total market figures during the period Jan-Jun 2018 by taking it equal to 100

53.3.2 The above table shows that the imports of soda ash from other sources have declined during the POI. Since the dumped imports start coming during the period of July - December 2020 (POI for dumping), the market share of the alleged dumped imports of the investigated product gained the market share of 8 percent during the POI for dumping. On the other hand, market share of imports from other sources decreased from 2 percent during period January to June 2020 to 1 percent during period July to December 2020.

53.4 Prices of Imports of Soda Ash from Other Sources

53.4.1 The Commission’s investigation showed that the domestic industry did not suffer injury due to prices of imports of soda ash from sources other than Turkey during the POI. The imports from sources other than Turkey were in low in volume as compared with dumped imports (Table-XXII supra) and their landed cost was higher than the landed cost of the investigated product. Following table shows s prices (landed cost) of imports of the investigated product, landed cost of Soda Ash imported from other sources and domestic like product’s price during the POI:

**Table-XXIII
Landed cost of Imports and Domestic Industry’s Price (per MT)**

| Period | Domestic like product’s price | Landed Cost of: | |
|--------------|-------------------------------|-----------------|---------------|
| | | Dumped imports | Other Imports |
| Jan-Jun 2018 | 100.00 | -- | 76.83 |
| Jul-Dec 2018 | 107.87 | -- | 98.84 |
| Jan-Jun 2019 | 115.52 | 110.68 | 103.13 |
| Jul-Dec 2019 | 120.47 | -- | 137.38 |
| Jan-Jun 2020 | 119.51 | -- | 112.86 |
| Jul-Dec 2020 | 119.02 | 93.66 | 130.45 |

Note: Domestic price and landed cost are without sales tax

Sources: The Applicant and PRAL

Note: To keep confidentiality, actual figures have been indexed w.r.t domestic like product’s price figures during the period Jan-Jun 2018 taking it equal to 100

53.4.2 The above table shows that the landed cost of Soda Ash imported from other sources was much higher than the landed cost of dumped imports of the investigated product as well as prices of the domestic like product during the POI for dumping. Therefore, prices of imports from sources other than the dumped source were not the cause of material injury to the domestic industry.

53.5 Contraction in Demand or Change in Pattern of Consumption

There was no contraction in demand or change in pattern of consumption during the POI for dumping which affected negatively to the domestic industry. Rather there was an increase in market demand during the POI for dumping (Table-XXII supra).

53.6 Trade restrictive practices of and competition between foreign and domestic producers

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

53.7 Developments in Technology

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

53.8 Export Performance of Domestic Industry

There was no injury to the domestic industry due to its export performance during the POI. On contrary, the export of domestic industry increased during the POI for dumping (Table-XIII supra).

54. Other Factors Affecting the Performance of the Domestic Industry

54.1 Other factors could possible affect the domestic industry during the POI for injury could be:

- i. Impact of COVID 19.
- ii. Increase in policy (interest) rate in 2018-19.
- iii. Exchange rate depreciation.
- iv. Increase in energy cost

54.2 Impact of COVID 19

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

54.2.2 Soda Ash's domestic demand contracted by 12.48 percent during the period January to June 2020 (Table- X supra), which covers the lockdown period, however, there was a quick recovery in domestic demand after lockdown period and the domestic market increased by 22.43 percent during the period July to December 2020 (Table- X supra), which is the POI for dumping. Therefore, the impact COVID 19 was not the reason for material injury to the domestic industry during the POI for dumping.

54.3 Increase in Policy (interest) Rate in 2018-19

The State Bank of Pakistan (SBP) increased policy rate as high as 13.25% in early 2019-20 to contain inflation. This situation impacted adversely to the domestic economy including the Applicants. However, to cope with COVID 19 the SBP responded

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to the crisis by cutting the policy rate by a cumulative 6.25 basis points to 7.0 percent since March 2020. The reduction of policy rate has impacted positively to the domestic industry during the POI for dumping.

54.4 Exchange Rate Depreciation

Exchange rate depreciated considerably 2018-19, however, during 2019-20 the Pak Rs. US\$ parity remained stable which is providing a base for sustainable decisions by the business community. Further, the major raw materials of the domestic like product are domestically produced/available, therefore, impact of depreciation of Pak rupee did not affect adversely to the domestic industry, rather depreciation of exchange rate has impacted positively for the domestic industry as it made imports of the investigated product more costly.

54.5 Increase in Energy Cost

Interested parties have also raised concerns over increase in cost of production of the domestic industry due to increase in its energy cost. The Commission's investigation has revealed that the energy cost of the domestic industry has decreased in the year 2020 as compared to the energy cost of the year 2019 owing to the fact that the Applicants are self-sufficient in energy generation to run their plants. Following table shows energy cost of the domestic industry during the POI:

**Table-XXIV
Domestic Industry's Energy Cost**

| Period | Cost per MT* | % change |
|--------------|--------------|----------|
| Jan-Jun 2018 | 100 | -- |
| Jul-Dec 2018 | 101 | 1% |
| Jan-Jun 2019 | 108 | 7% |
| Jul-Dec 2019 | 112 | 4% |
| Jan-Jun 2020 | 102 | -10% |
| Jul-Dec 2020 | 94 | -7% |

* To maintain confidentiality actual figures have been indexed w.r.t. the figure of Jan-Jun 2018 by taking it equal to 100

55. Causal link

The information and analysis in the fore-going paragraphs have established that the imports of the investigated product from Turkey were at dumped prices during POI. However, domestic industry did not suffer material injury during the POI. Further, there is no eminent threat for material injury to the domestic industry as well.

F. CONCLUSIONS

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

- i. the application was filed by the domestic industry as the Applicants represent 100 percent of the production of the domestic like product during the POI;
- ii. the investigated product and the domestic like product are like products;
- iii. The investigated product was exported to Pakistan by the exporters/producers from Turkey at prices below its normal value during the POI;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product are above the negligible and *de minimis* levels respectively;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level work out from 47.91 percent to 78.98 percent.
- vi. the domestic industry did not suffer material injury during the POI in terms of Sections 15 and 17 of the Act;
- vii. there is no imminent threat for material injury to the domestic industry due to imports of the investigated product in terms of Section 19 of the Act.

G. TERMINATION OF THE INVESTIGATION

57. In terms of Section 41(2) of the Act, the Commission shall immediately terminate an investigation if it determines that dumping margin is negligible or that volume of dumped imports, actual or potential, or injury, is negligible. Keeping in view the information, analysis and conclusions in preceding paragraphs the Commission has determined that neither the domestic industry suffered material injury during the POI nor there is any threat of material injury in near future to the domestic industry due to dumped imports of the investigated product. Therefore, the Commission hereby terminates this investigation under Section 41(2) of the Act.

-sd-

(Muhammad Saleem)
Member
February 07, 2022

-sd-

(Anjum Assad Amin)
Member
February 07, 2022

-sd-

(Robina Ather)
Chairperson
February 07, 2022