

(NON-CONFIDENTIAL)



**Government of Pakistan
National Tariff Commission**

Report

On

**Preliminary Determination in Anti-Dumping Investigation on
Dumped Imports of Vinyl/PVC Flooring into Pakistan
Originating in and/or Exported from the People's Republic
of China and Imposition of Provisional Anti-Dumping Duty**

**ADC NO 62/2022/NTC/VPF
October 26, 2022**

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

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

3. The Commission is conducting an investigation on dumped imports of Vinyl/PVC Flooring, cut to length in form of planks and tiles of a thickness ranging from 1 mm to 5 mm ("PVC flooring") into Pakistan originating in and/or exported from the People's Republic of China ("China") under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with Rule 10 of the Rules.

4. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on May 27, 2022. The 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 April 01, 2022, the Commission received a written application under Section 20 and 24 of the Act from M/s Asia Vinyl and Rubber Industries, Lahore (the "Applicant"). The Applicant is engaged in manufacturing and sales of PVC flooring. The Applicant alleged that PVC flooring (PCT No. 3918.1000) originating in and/or exported from China is being dumped into Pakistan, which have caused and/is causing material injury to the domestic industry producing PVC flooring.

6.2 The Commission informed Diplomatic Mission of China in Islamabad through note verbal dated April 06, 2022, of the receipt of application in accordance with the requirements of Section 21 of the Act.

7. Evaluation and Examination of the Application

Examination of the application showed that it met requirements of Section 20 of the Act as it contained sufficient evidence of dumping of PVC flooring into Pakistan from

China 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. Initiation of the Investigation

8.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 23 of the Act and determined that there was sufficient evidence of dumping of PVC flooring (PCT No. 3918.1000) into Pakistan from China and consequent material injury to the domestic industry. Therefore, the Commission decided to initiate an investigation in this case on May 27, 2022.

8.2 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 two widely circulated national newspapers² (one in English language and one in Urdu Language) on May 27, 2022. Investigation concerning dumped imports of PVC flooring into Pakistan originating in and/or exported from China was thus initiated on May 27, 2022 in accordance with Section 27(2) of the Act.

8.3 In pursuance of Section 27 of the Act, the Commission notified Diplomatic Mission of China in Islamabad of initiation of the investigation (by sending a copy of the notice of initiation) on May 30, 2022 with a request to forward it to all exporters/producers involved in production, sales and export of PVC flooring in China. Copy of the notice of initiation was also sent to exporters/producers directly (whose addresses were available with the Commission), Pakistani importers, the Applicants and other domestic producers on May 30, 2022.

8.4 In accordance with Section 28 of the Act copies of full text of the written application (non-confidential version) were sent on May 30, 2022 to all exporters/producers, whose complete addresses were available with the Commission and to the Diplomatic Mission of China in Islamabad with a request to forward it to their respective exporters/producers involved in production, sale and/or export of Vinyl/PVC Flooring.

9. The Domestic Industry

9.1 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

¹ The official Gazette of Pakistan (Extraordinary) dated May 27, 2022.

² The daily 'The News' and 'Express' of May 27, 2022 issues.

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.

9.2 According to the information available with the Commission, the domestic industry of PVC flooring consists of following two units:

- a. Asia Vinyl & Rubber Industries, Lahore (the Applicant); and
- b. Decora Plastic Industry, Lahore

The Commission on May 30, 2022 sent questionnaire to Decora Plastic Industry Pvt. Ltd. for necessary data/information. In response, Decora Plastic Industry Lahore informed that they were producing PVC flooring in the past but due to dumping of PVC flooring they stopped production from 2019 onwards. Therefore, as per the information available with the Commission, the Applicant is the only producer of PVC flooring in Pakistan and constitute the domestic industry for purposes of this investigation. Installed production capacity of the Applicant is 540,000 square meters (“sqm”) per annum on 1.3 to 1.4 mm thickness on double shift basis.

10. **Standing of the Application**

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

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

10.2 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."

10.3 As Applicant is the only producer of PVC flooring in Pakistan, therefore, it fulfills requirements of Section 24 of the Act. Thus, the application is made by the domestic industry, which is supported by the 100 percent domestic production.

11. **Applicants' Views**

11.1 The Applicants, *interalia*, raised the following issues in application regarding dumping of PVC flooring and material injury to the domestic industry caused therefrom:

- a. PVC flooring imported from China into Pakistan and PVC flooring produced in Pakistan by the domestic industry are like products;
- b. Exporters/producers from China are exporting PVC flooring to Pakistan at dumped prices; and
- c. Exports of PVC flooring by the exporters/producers from China to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing PVC flooring mainly through:
 - (i) Increase in volume of dumped imports;
 - (ii) price under cutting;
 - (iii) price suppression;
 - (iv) Restricted to gain market share;
 - (v) decline in productivity;
 - (vi) decline in capacity utilization;
 - (vii) decline in sales;
 - (viii) decline in profits;
 - (ix) magnitude of dumping margins

11.2 The Applicants also claimed that there is threat of material injury to the domestic industry due to dumped imports of PVC flooring from China.

11.3 The Applicant made following requests to the Commission:

- a. Initiate an investigation on dumping of PVC flooring from China under Section 23 of the Act;
- b. Impose appropriate antidumping duties on dumped imports of PVC flooring in accordance with Section 50 of the Act; and
- c. Impose provisional measures under Section 43 of the Act to prevent injury being caused during the investigation.

12. **Exporters/ Producers of Vinyl/PVC Flooring from the China:**

In application, the Applicant has identified 27 exporters/producers involved in dumping of the investigated product from China. The Applicant has also stated that there may be other exporters/producers of PVC flooring in China, which are not known to them. Therefore, the Applicant has requested for imposition of antidumping duty on all imports of PVC flooring originating in and/or exported from China.

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:

a. **Investigated Product:**

“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.

b. **Domestic Like Product:**

“means a like product that is produced by the domestic industry”.

c. **Like Product:**

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

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 The investigated product as defined in notice of initiation is PVC flooring, cut to length in form of planks and tiles of a thickness ranging from 1 mm to 5 mm. The investigated product is classified under Pakistan Customs Tariff¹ (“PCT”) heading No. 3918.1000

13.3.2 The Investigated product is generally used for flooring in residential, commercial, retail, healthcare and offices

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

13.3.3 Following table shows customs tariff structure of 2022-23 applicable on imports of PVC flooring:

Table-I
Tariff Structure of Vinyl/PVC Flooring (%)

PCT Heading	Description	Customs + Add. Duty	RD	FTAs/PTAs
(1)	(2)	(3)	(4)	(5)
Chapter 39	Plastics and Articles thereof			
39.18	Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter.			
3918.1000	- Of polymers of vinyl chloride	20+6	-	CN_20; MY=20

13.4 Domestic Like Product

13.4.1 Domestic like product the domestically produced PVC flooring, cut to length in form of planks and tiles of a thickness ranging from 1mm to 5mm. The domestic like product is classified under PCT heading No. 3918.1000

13.4.2 The domestic like product is also used for flooring in residential, commercial, retail, healthcare and offices.

13.5 Like Products:

13.5.1 For the purposes of determination of dumping of the investigated product the like product is PVC flooring produced and sold by the exporters/producers of China in their domestic market as well as exported to the countries other than Pakistan. For the purposes of determination of injury to the domestic industry the like product is the investigated product and the PVC flooring imported into Pakistan from countries other than China and produced by the domestic industry.

13.5.2 For determination of like products the Commission has analysed number of factors such as raw materials and production process used for production of PVC flooring, their Customs classification, their interchangeably usage, marketing and sales channels in Pakistan etc., and has reached on the conclusion that there is no difference between the investigated product, the domestic like product and the PVC flooring imported from sources other than China as all the three products are:

- a. produced with same/similar inputs and manufacturing process;
- b. have same/similar appearance;
- c. are substitutable in use and application;
- d. are sold in domestic market through same channels.

13.5.3 Therefore, the Commission is satisfied that the investigated product, domestic like product and Vinyl/PVC Flooring imported from sources other than China are like products.

14. Period of Investigation

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

- a. *"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."*
- b. *"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 for the purposes of this investigation for determination of dumping of the investigated product and injury to the domestic industry are fixed as follows:

For determination of dumping:	From January 01, 2021 to December 31, 2021
For determination of injury:	From January 01, 2019 to December 31, 2021

15. Information/Data Gathering

15.1 The Commission sent questionnaires on May 30, 2022 to the known exporters/ producers of PVC flooring from China, 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 China in Pakistan on May 30, 2022 with a request to forward it to all known exporters/ producers of PVC flooring in China.

15.2 The deadline for the submission of the data/information on the prescribed exporter's questionnaire was July 05, 2022. No response from any exporter/ foreign producer was received within the prescribed time period. Therefore, reminders were issued to the exporters/foreign producers on July 07, 2022 explaining them in case of no response of the questionnaire, the Commission will be constrained to make determination of dumping of the investigated product on the basis of "Best Information Available" including those contained in the application submitted by the domestic industry. However, none of the exporters/ producers from China has responded to the Commission's questionnaire and did not provide requisite information necessary for determination of dumping margins.

15.3 Questionnaires were also sent to known importers of the investigated product on May 30, 2022, followed by the reminder on July 07 ,2022. However, none of the

importers have responded to the Commission's questionnaire and did not provide requisite information necessary for analysis.

15.4 The Commission has access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this investigation, the Commission has also used import data obtained PRAL/Pakistan Customs in addition to the information provided by the Applicant in the application.

15.5 Interested parties were invited to offer their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. However, the Commission did not receive any written submissions/comments from any interested party.

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

16. 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 available with it to the extent possible for the purposes of this preliminary determination.

16.2 In order to verify the information/data provided by the Applicant and to obtain further information (if any), officers of the Commission conducted on-the-spot investigations at office and plants of the Applicant from August 15 to August 17, 2022. The report of on-the-spot investigation/verification conducted at premises of the Applicant was provided in full to the Applicant. Non-confidential version of the on-the-spot investigation/verification report is made available to other interested parties by placing the same on the public.

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 has requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries & wages, number of employees etc. In addition to this, the Applicant have also provided certain other information on confidential basis under Section 31(2)(c), as such information, e.g. export or import price and import volume of the investigated product, may lead to the disclosure of the by nature confidential information of the Applicant by way of reverse calculations. However, the Applicant 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.

18.3 Pursuant to request made by the Applicant 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 public file for review and copying of the interested parties.

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 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.

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Vinyl/PVC flooring into Pakistan Originating in and/or Exported from the People's Republic of China.

“(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:

As stated earlier (paragraphs 16.1 and 16.2 supra) the Commission has not receive any information in response to the questionnaire from any of the exporter/ foreign producer of the investigated product in this investigation, therefore, dumping of the investigated product in this preliminary determination is determined on the basis of best information available in accordance with Section 32 of the Act. Details of determination of normal value, export price and dumping margin are provided in the following paragraphs.

23. Determination of Normal Value for the Investigated Product:

23.1 The Applicant has provided in application invoices of PVC flooring obtained from Chinese domestic market as evidence of domestic prices of the PVC flooring in China during the POI for dumping. Following table shows details of invoices and prices provided by the Applicant:

**Table-II
Chinese Domestic Prices of PVC Flooring**

Sr.No	Date	Invoice Number	Quantity	Total value without Tax	Price
(1)	(2)	(3)	(4)	(5)	(6)=(5/4)
1	26-5-2021	****	10.94	100	174.17
3	26-5-2021	****	0.69	9,163	138.91
2	26-5-2021	****	1.70	18,300	111.98
4	31-5-2021	****	12.10	169,664	145.92
5	28-7-2021	****	18.95	218,127	119.80
6	24-09-2021	****	6.25	49,097	81.83
7	11/10/2021	****	49.38	313,395	66.06
Total/weighted average			100.00	306.57	100.00

Note: To keep confidentiality, invoice numbers have been deleted. Further, actual figures have been indexed w.r.t total quantity and weighted average price.

23.2 Information on domestic prices provided by the Applicant for purposes of determination of normal value consists of only seven invoices, which cover only four months of the POI for dumping (Table-II supra). Thus, the major portion of the POI is not covered in these prices. Therefore, the Commission is of the view that it is not the best available information to determine normal value. Thus, the Commission has constructed normal value of the investigated product on the basis of the cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and profits in accordance with Section 6 of the Act. Following are the basis of construction of the normal value:

- a. Per unit cost of raw materials/inputs of the Applicant is deflated by the rates of taxes and duties applicable on respective inputs to reach at Chinese domestic cost of inputs of the investigated product.
- b. Since the Applicant operated at 5 percent of its installed capacity during the POI for dumping which cannot be considered as a representative or economic level for determination of normal value, therefore, Applicant's Labor cost is determined at 50 percent capacity utilization for purposes of determination of normal value.
- c. Per unit conversion cost of the Applicant at 50 percent capacity utilization is deflated according to the difference between Chinese and Pakistani electricity rates prevailing in China and Pakistan to arrive at overheads cost in construction of normal value. Electricity rates for China and Pakistan are obtained from the website of a website: www.globalpetrolprices.com/China/ electricity prices.
- d. Same amount of per unit fixed cost including depreciation of Applicant have been taken at 50 percent capacity utilization for construction of normal value.
- e. Selling and admin expenses of the Applicant are taken same at 50 percent capacity utilization for construction of normal value.
- f. In construction of the normal value, financial charges are calculated by using actual financial charges of the Applicant and the same has been deflated by difference between interest rate of China and Pakistan. Interest rate of China is obtained from www.ceicdata.com
- g. Profit at the rate of 5 percent of the constructed cost to make and sell has been applied to reach at constructed normal value for the investigated product.

23.3 The constructed normal value for the investigated product on the above-mentioned basis is provided in the following table:

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Vinyl/PVC flooring into Pakistan Originating in and/or Exported from the People's Republic of China.

**Table-III
Construction of Normal Value**

Description	Value per m ²
Raw and Packing Materials	91.22
Manufacturing Salaries and wages	0.82
Manufacturing Overheads:	2.17
Fixed Overheads	0.04
Depreciation	0.27
Cost of Production	94.52
Selling & Administrative Exp.	0.71
Financial Exp.	0.01
Cost to Make and Sell	95.24
Profit (5% of cost to make & sell)	4.76
Constructed normal value (per m ²)	100.00
Constructed normal value (US\$/ m ²)*	0.62

Note: To keep confidentiality, the actual figures have been indexed w.r.t constructed normal value in Pak Rs.

US\$ = Pak Rs 162.6 (average exchange rate of POI for dumping)

24. Determination of Export Prices of the Investigated Product

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

24.2 The prices in the PRAL's import data are provided at C&F level. To reach at ex-works level of the export price, the C&F price is adjusted on account of ocean freight, inland freight and other handling charges. The amount for ocean freight is obtained from the information provided by the Chinese exporters/producers in another review investigation being conducted by the Commission on dumping of polyester filament yarn. Inland freight and other handling charges are assumed 2 percent of the C&F price.

24.3 Based on the above information, export price of the investigated product during the POI works out as follows:

**Table-IV
Export Prices**

Description	Value per m ²
(1)	(2)
Weighted Average C&F Price	0.50
Ocean Freight	0.05
Inland Transportation and other charges	0.01
Adjusted Ex-factory Price	0.43

Source: PRAL and NTC

Note: To keep confidentiality, the actual figures have been indexed w.r.t constructed normal value in Pak Rs.

25. Dumping Margin

25.1 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*”.

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

25.3 The Commission has also complied with the requirements of Section 11 of the Act which states that the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade, time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place.

25.4 Taking into account relevant provisions of the Act, preliminary dumping margins work out as follows:

**Table-V
Dumping Margin**

Description	Value per m ² *
(1)	(2)
Normal Value	0.62
Adjusted Export Price	0.43
C&F Export Price	0.50
Absolute Dumping Margin	0.18
Dumping Margin in % of ex-factory price	41.67%
Dumping Margin in % of export price	36.41%

* Indexed figures

26. De minimis Dumping Margins and Negligible Volume of Dumped Imports

26.1 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 margin, set out in paragraph 25.4 supra, are above the *de minimis* level.

26.2 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 the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports of a like product collectively account for more than seven per cent of the imports of like product.

26.3 Volume of dumped imports of PVC flooring imported from China and other sources during the POI is given in the table below:

**Table-VI
Volume of Dumped Imports**

Source of import	% of total
(1)	(2)
China	78.83
Other Sources	21.17
Total	100.00

Source: PRAL

26.4 It appears from the above table that the volume of dumped imports of the investigated product from China is well above the negligible threshold set out in Section 41(3) of the Act.

C. INJURY TO THE DOMESTIC INDUSTRY

27. Determination of Injury

27.1 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...”*

27.2 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”.

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

28. Volume of Dumped Imports

28.1 The data/information relating to volume of imports of the investigated product, imports of PVC flooring from other sources and total consumption of the domestic like product during the POI for injury is given in the following table:

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Vinyl/PVC flooring into Pakistan Originating in and/or Exported from the People's Republic of China.

**Table-VII
Volume of Dumped Imports**

Year	Sources of Imports:			Domestic consumption	Dumped imports as % of:	
	Dumped	Other Sources	Total		Total imports	Domestic consumption
(1)	(2)	(3)	(4)=(2+3)	(5)	(6)=(2/4)	(7)=(2/5)
2019	52.72	21.32	74.04	100.00	71.2	52.72
2020	72.95	14.48	87.43	96.87	83.44	75.31
2021	66.23	17.78	84.01	92.02	78.83	71.97

Year: January to December

Sources: PRAL & the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of domestic consumption during year 2019.

28.2 The above table shows that the dumped imports of the investigated product, increased by 38 percent in the year 2020 and then decreased by 9 percent in the POI for dumping i.e. 2021.

28.3 Dumped imports of the investigated product, which were 53 percent of the domestic consumption in the year 2019 increased to 75 percent of domestic consumption in the year 2020 and then slightly decreased to 72 percent of domestic consumption in the POI for dumping i.e. 2021. Dumped imports of the investigated product which were 71 percent of total imports in 2019 increased to 83 percent of total import in 2020 and then slightly declined to 79 percent of total import in 2021. Thus, dumped imports of the investigated product significantly increased in absolute as well as relative to domestic consumption during 2020 and 2021 as compared to 2019.

29. Price Effects:

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

29.2 Price Undercutting

29.2.1 Following table shows the weighted average ex-factory price of the domestic like product and weighted average landed cost of the investigated product during the POI:

**Table-VIII
Price Undercutting**

Year	Domestic like product's price	Landed cost of Dumped imports	Price undercutting	
			Absolute	Percentage
(1)	(2)	(3)	(4)=(2-3)	(5)=(4/2)
2019	100.00	63.81	36.19	36
2020	115.27	61.09	54.18	47
2021	138.49	90.59	47.91	35

Year: January to December

Sources: The Applicant and PRAL

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of domestic like product price during year 2019.

29.2.2 The above table shows that, the dumped imports of the investigated product significantly undercut prices of the domestic like product throughout POI. The landed cost of the dumped imports was lower by 36 percent in 2019, 47 percent in 2020 and then 35 percent in 2021 as compared to the price of the domestic like product.

29.3 Price Depression

The information provided in Table-VIII above shows that the prices of domestic like product increased in every successive year of the POI. The domestic industry increased its price due to significant increase in its cost to make & sell (Table-IX infra). Resultantly, the domestic industry significantly lost its sales, market share and production (Tables X, XI, and XII infra).

29.4 Price Suppression

29.4.1 Information/data relating to the Applicant's cost to make & sell and ex-factory prices of the domestic like product during the POI is given in the following table:

**Table-IX
Price Suppression**

Year	Cost to make & sell	Domestic product's price	Increase in:	
			Cost to m&s	Price
(1)	(2)	(3)	(4)	(5)
2019	100.00	108.39	-	-
2020	124.49	124.94	24.49	16.55
2021	159.18	150.11	34.69	25.17

Year: January to December

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of domestic like product cost to make and sell during year 2019.

29.4.2 The above table shows that the domestic industry faced price suppression during the POI despite increase in price. Weighted average cost to make and sell of the domestic like product increased by 24.5 percent and 27.9 percent in the years 2020 and 2021 respectively, whereas weighted average prices of the domestic like product increased by 15.3 percent and 20.1 percent in the years 2020 and 2021 respectively. Thus, increase in price was less than the increase in cost to make & sell, therefore, the domestic industry faced price suppression in the year 2020 and 2021 as it was unable to recover increased cost to make and sell by way of an increase in price.

29.4.3 Investigation has revealed that the landed cost of the investigated product was significantly lower by 47 percent and 35 percent during 2020 and 2021 respectively (Table-VIII supra), therefore, the domestic industry could not increase its prices up to the level to recover entire increase in its cost to make & sell.

30. Effects on Market Share

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

**Table-X
Market Share**

Year	Domestic industry's sales		Sources of Imports:				Total domestic market	
			Dumped Source		Other Sources			
	volume	%share	volume	%share	volume	%share	volume	%change
(1)	(2)	(3)=(2/8)	(4)	(5)=(4/8)	(6)	(7)=(6/8)	(8)=(2+4+6)	(9)
2019	25.96	25.96	52.72	52.72	21.32	21.32	100.00	--
2020	9.43	9.74	72.95	75.31	14.48	14.95	96.87	(3.13)
2021	8.01	8.71	66.23	71.97	17.78	19.32	92.02	(5.00)

Year: January to December

Sources: PRAL & the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of total domestic market during year 2019.

30.2 The above table shows that the domestic market of PVC flooring decreased by 3 percent in year 2020 and then decreased by 5 percent during the year 2021.

30.3 Domestic industry's market share decreased from 26 percent to 10 percent and 9 percent during the years 2020 and 2021 i.e. decline by 66 percent in market share as compared to the market share of 2019. Market share of dumped imports of the investigated product increased from 53 percent in the year 2019 to 75 percent during the year 2020 and then slightly decreased to 72 percent in the year 2021, which is an increase of 26 percent in the market share as compared to the market share of 2019. Market share of imports from other sources decreased from 21 percent in the year 2019 to 15 percent in the year 2020 and then increased to 20 percent in the year 2021, therefore, other sources gained its market share according to the year 2019.

30.4 The above information and analysis show that the domestic industry suffered material injury on account of loss of market share during the POI for injury.

31. Effect on Sales of the Domestic Like Product

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

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Vinyl/PVC flooring into Pakistan Originating in and/or Exported from the People's Republic of China.

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

Year	Domestic sales		Export sales
	volume	% change	
(1)	(2)	(3)	(4)
2019	100.00	--	--
2020	36.34	(63.7)	--
2021	30.87	(15.1)	6.03

Year: January to December Source: the Applicant and PRAL

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of sales during year 2019.

31.2 The above table shows that domestic sales of the domestic like product decreased by 63.7 during 2020, and further decreased by 15.1 percent in the year 2021.

31.3 The above information and analysis shows that, the domestic industry suffered material injury on account of decline in sales of the domestic like product during the POI.

32. Effects on Production and Capacity Utilization

32.1 Information on production of the domestic like product and capacity utilization of the domestic industry during the POI are given in the following table:

**Table-XII
Capacity Utilization**

Year	Installed capacity	Capacity utilization (%)
(1)	(2)	(4)=(3/2)
2019	100	16.74
2020	100	5.64
2021	100	5.06

Source: the Applicant

Year: January to December

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of installed capacity during year 2019.

22.2 The above table shows that the installed production capacity of the domestic industry remained same during the POI. Production of the domestic like product decreased by 66 percent in the year 2020 and further declined by 10 percent in the year 2021. Similarly, the capacity utilization of the domestic industry declined from 16.7 percent in 2019 to 5.64 percent and 5 percent in the years 2020 and 2021.

22.2 It appears from the above information and analysis that the domestic industry, suffered material injury on account of production and capacity utilization during the POI for injury.

33. Effects on Inventories

33.1 Data on inventories, production, and sales of the domestic like product is provided in the following table:

Table-XIII
Inventories of the Domestic Like Product

Year	Opening Inventory	Production	Domestic sales	Export sales	Closing Inventory
(1)	(2)	(3)	(4)	(5)	(6)=(2+3-4-5)
2019	3.45	100.00	98.65	-	4.80
2020	4.80	33.66	35.85	-	2.61
2021	2.61	30.22	30.45	5.95	2.38

Source: the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of production during year 2019.

33.2 The above table shows that the closing inventory of the domestic like product decreased by 46% in the year 2020 and then decreased by 9% in the year 2021. Therefore, the domestic industry did not suffer material injury on account of inventories during the POI for dumping, however, decline in inventory of the domestic like product during the year 2021 was a result of decline in production and its exports in this year, otherwise, domestic sales during this year had declined, which means the closing inventory level of the domestic like product would have been increased to 7,535 m², That is more than the opening and closing inventories of the base year i.e. 2019. Thus, the domestic industry has faced potential negative effect on inventories.

34. Effects on Profits and Profitability

34.1 The data/Information relating to Applicant's profit/(loss) on domestic sales of the domestic like product during the POI is provided in the following table:

Table-XIV
Profits of the Applicant

Year	Gross Profit	Net Profit/(Loss)	
			Per unit
(1)	(2)	(3)	(4)
2019	100.00	61.99	0.00069
2020	16.72	0.99	0.00003
2021	(5.75)	(20.76)	(0.0008)

Source: the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of gross profit during year 2019.

34.2 It appears from the above table that the Applicant's profits and profitability significantly declined during the POI. Decline in profits and profitability was mainly due to price under cutting and price suppression faced by the domestic industry during the POI (Tables VIII & IX supra). Therefore, the domestic industry suffered material injury

on account of profits and profitability during the POI.

35. Effects on Return on Investment

35.1 I Applicant is a multi-product company and the investment and return on investment cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, the return on investment of the domestic industry is assessed for its entire operations during the POI. Information on Applicant's investments and return on investment is provided in the following table:

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

Year	Equity	Long term loans	Total Investment*	Net Profit Tax	Return on Investment
(1)	(2)	(3)	(4)=(2+3)	(5)	(6)=(5/4)*100
2019	100.00	-	100.00	19.70	19.70%
2020	110.69	-	110.69	12.20	11.02%
2021	121.03	-	121.03	20.39	16.85%

Source: the Applicant

*Investment=Equity+ Long term liability

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of equity during year 2019.

35.2 The above table shows that the Applicant's total investments increased throughout the POI and return on investment (ROI) for its entire operations also increased during POI. However, this increase in ROI was due to other products because net profits of the domestic like product have decreased significantly during the POI (Table-XVI supra). Thus, on production and sales of the domestic like product, the domestic industry suffered material injury on ROI during the POI.

36. Effects on Cash Flows

36.1 As the Applicant is a multi-product company and the cash flow cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, cash flow position has been assessed for entire operations of the Applicant. Information on Applicant's net cash flows from its entire operations is provided in the following table:

**Table-XVI
Net Cash Flows of the Applicant**

Year	Value
(1)	(2)
2019	100.00
2020	33.89
2021	68.73

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figures of cashflow during year 2019.

36.2 The above table shows that the domestic industry's net cash flows decreased by 66 percent in year 2020 and 45 percent in year 2021 compared to the net cash flows of the year 2019. Therefore, the domestic industry suffered material injury on account of cash flows during the POI.

37. Effects on Employment, Productivity and Salaries & Wages

37.1 The data/information relating to the Applicant's employment, salaries & wages, production and productivity for the domestic like product during the POI is given in following table:

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

Year	No. of Employees	Salaries & wages	Production	Productivity	Salaries & wages (per m ²)
(1)	(2)	(3)	(4)	(5)=(4//2)	(6)=(3/4)
2019	100.00	100.00	100.00	100.00	100.00
2020	146.67	156.51	33.66	22.95	464.92
2021	146.67	164.38	30.22	20.61	543.96

Source: the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t respective figures during year 2019.

37.2 The above table shows that the employment increased from during the last year of POI (2021) i.e. by 46.6 percent as compared to year 2019.

37.3 Productivity per worker decreased throughout the POI. Cost of salaries and wages per square meter increased during the POI.

37.4 It appears from the above information that the domestic industry, suffered material injury on account of productivity and salaries & waged during the POI.

38. Effects on Growth and Investment

As stated earlier (paragraph 9.2 supra) that there were two units in the domestic industry i.e. the Applicant and M/s Decora Plastic Industry, Lahore. M/s Decora Plastic Industry Lahore has informed that they were producing PVC flooring till 2018 but due to dumping of PVC flooring they stopped production from 2019 onwards. Further, Applicant's installed capacity is sufficient to meet domestic demand, however, it operated at 5 percent of the capacity. This shows that the domestic industry has suffered material injury on account of growth and investment.

39. Ability to Raise Capital

The Applicant is of the view that as it is incurring loss on production and sales of the domestic like product, therefore, its ability to raise capital has affected adversely.

However, the Applicant has not provided any evidence in this regard.

40. Magnitude of Dumping Margin

Dumping margin determined for the investigated product at paragraph 25.4 supra is 41.93 percent, which is enough to cause material injury the domestic industry. Further, injury factors discussed above show that domestic industry has suffered material injury on number of factors including the significant price under cutting and price suppression.

41. Summing up of Material Injury

41.1 The information/ data and analysis in the foregoing paragraphs and the documents submitted in application show that the domestic industry, suffered material injury during the POI on account of following factors:

- a. Significant increase in volume of dumped imports;
- b. Significant price undercutting;
- c. Significant price Suppression;
- d. Decline in sales and market share;
- e. Decline in Production;
- f. Decline in productivity;
- g. Decline in profits and profitability;
- h. Decline in capacity utilization;
- i. Negative effect on return on investment;
- j. Negative effect on salaries and wages;
- k. Negative effect on inventories;
- l. Negative effect on growth and investment and
- m. Significant magnitude of dumping margin.

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

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Vinyl/PVC flooring into Pakistan Originating in and/or Exported from the People's Republic of China.

**Table-XVIII
Effects of Dumped Imports**

Injury Factor	2019	2020	2021
(1)	(2)	(3)	(4)
Volume of dumped imports (indexed figures)	100.00	138.39	125.63
Dumped imports as % of total imports (%)	71.20	83.44	78.83
Production of domestic like product (indexed figures)	49.92	16.80	15.09
Market share of dumped imports (%)	52.72	75.31	71.97
Market share of domestic like product (%)	25.96	9.74	8.71
Sales of the domestic like product (indexed figures)	49.25	17.90	15.20
Capacity utilization of domestic industry (%)	16.76	5.66	5.06
Profits/(loss) (indexed figures)	100.00	1.61	(33.49)
ROI (%)	19.70	11.02	16.85
Productivity per worker (indexed figures)	100.00	22.95	20.61
Salaries and wages (per M ²) (indexed figures)	100.00	464.92	543.81

Note: To keep confidentiality, the actual figures for volumes are indexed w.r.t respective volume of imports in 2019 where as profits, productivity and salaries & wages are indexed with respective figures of 2019.

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

D. CAUSATION

42. Effect of Dumped Imports

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

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to the domestic consumption during the POI for injury;
- ii. Domestic industry suffered significant price undercutting and price Suppression due to dumped imports of the investigated product during the POI for injury;
- iii. Market share of dumped imports of the investigated product increased whereas market share of the domestic like product declined simultaneously during the POI for injury;
- iv. Domestic industry faced decline and negative effect due to dumped imports of the investigated product on profits, profitability, sales, production, capacity utilization, productivity, salaries & wages, inventories and growth & investment, as dumped imports and injury happened simultaneously.

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

43. Other Factors

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

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

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

43.3 Volume of Imports of PVC Flooring from Other Sources:

43.3.1 Following table shows volume of imports of the investigated product and PVC flooring imported from other sources during the POI:

**Table-XIX
Volume of Imports**

Year	Sources of Imports:	
	Dumped (China)	Others
(1)	(2)	(3)
2019	100.00	40.45
2020	138.39	27.46
2021	125.63	33.73

Sources: PRAL & the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t dumped imports figures during year 2019.

43.3.2 It appears from the above information that dumped imports of the investigated product increase by 26 percent whereas imports of PVC flooring from other sources decreased by 17 percent during the POI for dumping (2021) compared to the imports of the base year i.e. 2019. Thus, imports from other sources, were not the major cause of material injury to the domestic industry during the POI as the major share of the domestic market is captured by the dumped imports.

43.4 Prices of Imports of PVC Flooring from Other Sources

43.4.1 Following table shows C&F prices (weighted average C&F prices in US\$) of imports of the investigated product and PVC flooring imported from other sources:

**Table-XX
C&F Prices of Imports of PVC Flooring**

Year	C&F Price	
	Dumped imports	Other imports
(1)	(2)	(3)
2019	100.00	247.50
2020	86.88	96.25
2021	128.75	191.25

Sources: PRAL and the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figure of C&F price of dumped imports during year 2019.

43.4.2 The above table shows that the C&F prices of PVC flooring imported from other sources remained higher than the C&F prices of the investigated product during the POI for injury. Therefore, imports from other sources were not the cause of material injury to the domestic industry during the POI.

43.5 Contraction in Demand or Change in Pattern of Consumption

43.5.1 Information obtained from PRAL and submitted by the Applicant shows that, there was contraction in demand in the year 2021 due to economic slowdown as compared to the size of domestic market in year 2019 and 2020. Following table shows sources of supply and size of the market during the POI:

**Table-XXII
Domestic Market of Vinyl/PVC Flooring**

Year	Domestic industry's sales	Sources of Imports:		Total domestic market	
		Dumped	Other	Volume	%change
	Volume	Volume	Volume	Volume	
(1)	(2)	(3)	(4)	(5)=(2+3+4)	(6)
2019	25.96	52.72	21.32	100.00	--
2020	9.43	72.95	14.48	96.87	(3.13)
2021	8.01	66.23	17.78	92.02	(5.00)

Sources: PRAL & the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t figure of total domestic market during year 2019.

43.5.2 The above table shows that there was slight contraction in demand during the POI for injury i.e. 3 percent and 5 percent during 2020 and 2021 respectively. However, it was not the major cause of injury as investigated product heavily undercut prices of the domestic like product (Table-VIII supra) and held major market share during the POI. Even in the year 2020 the volume of dumped imports of the investigated product

increased by 38 percent whereas sales by the domestic industry as well as imports from other sources declined by 64 percent and 32 percent respectively. Therefore, contraction in demand was not the major cause of material injury to the domestic industry during the POI.

43.5.3 Investigation of the Commission has also revealed that the trend to use PVC flooring is increasing, therefore, there was a positive change in pattern of consumption of the PVC flooring, which is not a cause of injury to the domestic industry. Rather this change in pattern of consumption is beneficial for the domestic industry.

43.6 **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.

43.7 **Developments in Technology**

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

43.8 **Export Performance of Domestic Industry**

The domestic industry did not suffer any material injury due to its exports during the POI for dumping, as there was no exports of the domestic like product during the years 2019 and 2020. Rather, the domestic industry started exporting the domestic like product in 2021 and exported **** m² in this year.

44. **Causal link**

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

45. **Threat of Material Injury**

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

E. CONCLUSIONS

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

- i. the application was filed by the domestic industry as the Applicant represented 100 percent of total production of the domestic like product during the POI;
- ii. the investigated product and the domestic like product are like products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/ producers from China at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product from China are above the negligible and *de minimis* levels;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is 41.93 percent;
- vi. the domestic industry suffered material injury on account of volume of dumped imports of the investigated product, price under cutting, price suppression decline in: market share, capacity utilization, profits, profitability, and negative effects on: production, sales, productivity, growth & investment, salaries & wages, and return on investment in terms of Sections 15 and 17 of the Act; and
- vii. there was a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry during the POI.

F. IMPOSITION OF PROVISIONAL ANTIDUMPING DUTY

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

48. As no exporter/ foreign producer of the investigated product has provided requisite information in this investigation, therefore, individual dumping margins have not been determined for the exporters/producers of the investigated product. A single dumping margin has been determined for China. Dumping margin and anti-dumping duty rate for China is determined on the basis of best available information in terms of Section 32 of the Act.

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Vinyl/PVC flooring into Pakistan Originating in and/or Exported from the People's Republic of China.

49. For the purposes of imposition of lesser duty in terms of Section 43 (1) of the Act the Commission has calculated injury margin to ascertain whether a lower duty would be adequate to remove injury being suffered by the domestic industry due to dumped imports of investigated product from China. As the domestic industry operated at 5 percent of its installed capacity during the POI for dumping, which is not a reasonable level to determine injury margin. Therefore, for the purposes of determination of injury margin, fixed costs of the domestic industry are determined at 50 percent capacity utilization. Calculation of injury margin is given below:

**Table-XXIII
Calculation of Injury Margins**

Description	Value per m ²
(1)	(2)
Cost to make & Sell of the domestic like product	100.00
Estimated non-injurious price with 5% profit	105.00
C & F price of investigated product	51.18
Landed cost of investigated product	66.28
Absolute Injury margin	38.72
Injury Margin as % of C&F Price	75.65%

Note: Non-injurious price and landed costs are without sales tax

Landed cost: C&F Price + Customs duty + Add. duty + Incidentals 3%

Note: To keep confidentiality, the actual figures have been indexed w.r.t figure of cost to make and sell of domestic like product

50. The above table shows that the injury margin works out 75.65 percent , which is above the dumping margin determined for the investigated i.e. 36.61 percent of the C&F price (Table-V supra). Thus, in terms of Section 43 (1) of the Act, lesser duty would not be adequate to remove injury to the domestic industry. Therefore, provisional antidumping duty at full margin of dumping i.e. **36.61 percent *ad valorem*** on dumped imports of the investigated product importable from China is hereby imposed for a period of four months effective from 29 October 2022. However, in accordance with Section 51(e) of the Act, provisional antidumping duty will not be levied on imports of the investigated product that are used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act, 1969. The investigated product is classified under PCT heading No. 3918.1000:

52. PVC flooring imported from sources other than China shall not be subject to the above-mentioned provisional antidumping duties.

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

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Vinyl/PVC flooring into Pakistan Originating in and/or Exported from the People's Republic of China.

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

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

-sd-
(Anjum Assad Amin)
Chairperson
October 26, 2022

-sd-
(Muhammad Saleem)
Member
October 26, 2022