

(NON-CONFIDENTIAL)



**Government of Pakistan
National Tariff
Commission**

Report

On

Final Determination and Levy of Definitive Anti-Dumping Duty on Dumped Imports of Poly Vinyl Chloride (PVC) Flooring into Pakistan Originating in and/or Exported from the People's Republic of China

**ADC NO 62/2022/NTC/VPF
September 18, 2023**

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

The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (the "Act"), the Anti-Dumping Duties Rules, 2022 (the "Rules") and the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement") has conducted an investigation on dumped imports of Poly Vinyl Chloride 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.

2. In terms of Section 29 of the Act, the Commission shall, except in special circumstances, conclude an investigation within twelve months, and in no case more than eighteen months, after its initiation. This investigation was initiated on May 27, 2022. However, during the period from December 30, 2022, to August 29, 2023 the quorum of the Commission was not complete as defined under Section 15 of the Act due to retirement of members. Therefore, the said investigation could not be finalized in a normal period of time i.e., in 12 months. The Commission has now made this final determination in this investigation under Section 39 of the Act. This report of final determination has been issued in accordance with Section 39 of the Act and Article 12.2 of the Agreement on Anti-dumping.

A. PROCEDURE

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

4. **Receipt of Application**

4.1 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 has caused and/is causing material injury to the domestic industry producing PVC flooring.

4.2 The Commission informed embassy 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.

5. **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.

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6. The Domestic Industry

6.1 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.

6.2 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

6.3 The Commission on May 30, 2022 sent questionnaire to Decora Plastic Industry Pvt. Ltd. for obtaining 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. The 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.

7. Standing of the Application

7.1 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:

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".... 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."

7.2 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."

7.3 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.

8 Applicant's Views

8.1 The Applicant, *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

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

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- 8.3 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.

9. **Exporters/ Producers of PVC Flooring from China:**

In application, the Applicant 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.

10. **Initiation of the Investigation**

10.1 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.

10.2 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.

10.3 In pursuance of Section 27 of the Act, the Commission notified embassy 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 Applicant and other domestic producers on May 30, 2022.

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

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

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10.4 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 embassy of China in Islamabad with a request to forward it to their respective exporters/producers involved in production, sale and/or export of PVC Flooring.

11 Investigated Product, Domestic Like Product and Like Product

11.1 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”.

11.2 The product under investigation in this case is PVC flooring, cut to length in the form of planks and tiles of a thickness ranging from 1 mm to 5 mm. The primary components of PVC floorings include polyvinyl chloride (virgin as well as recycled) resins, plasticizers, pigments, stabilizers, and fillers. The Applicant mainly used PVC virgin resin, recycled PVC, DOP, whitening agent, stabilizer, and carbon black for production of PVC Flooring sheets.

- **Plasticizers** soften the PVC and increase flexibility
- **Stabilizers** minimize degradation and fading from heat and sunlight
- **Pigments** give the PVC flooring its colour
- **Fillers** act as resin extenders and can assist pigments in producing a desired color
- **antimicrobial additives:** Some PVC floorings may include antimicrobial additives to prevent mold and bacteria growth. The Applicant has recently started production of this kind of flooring to serve hospitals etc.

11.3 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.

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11.4 Investigated Product:

11.4.1 The investigated product as defined in notice of initiation is Viny/PVC flooring, cut to length in the 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

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

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

**Table-I
Tariff Structure of 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

11.5 Domestic Like Product

11.5.1 Domestic like product is 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.

11.5.2 The primary components of the domestic like product include PVC (virgin as well as recycled) resins, plasticizers, pigments, stabilizers, and fillers. The Applicant mainly used PVC resin, recycled PVC, DOP, whitening agent, stabilizer, and carbon black for production of PVC Flooring sheets. The production process of the domestic like product includes mixing of raw materials then the mixture is heated to melting and consolidating. Small pellets made after mixing the raw materials are fed into the extrusion machine for extrusion. The production sheets of PVC flooring are then cut to size into different plank sizes. The final step is to pack the planks in the carton boxes.

11.5.3 The domestic like product is also 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.

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11.6 Like Products:

11.6.1 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.

11.6.2 For determination of like products the Commission has analyzed 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.

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

12. Period of Investigation

12.1 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".*

12.2 The POI for the purposes of this investigation for determination of dumping of the investigated product and injury to the domestic industry was 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

13. Information/Data Gathering

13.1 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 embassy of China in Islamabad, Pakistan on May 30, 2022 with a request to forward it to all known exporters/ producers of PVC flooring in China.

13.2 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.

13.3 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.

13.4 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 from PRAL/Pakistan Customs in addition to the information provided by the Applicant in the application.

13.5 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.

13.6 Thus, the Commission has sought from all reasonably available sources i.e. the exporters, importers, users, and other publically available sources, the relevant data and information deemed necessary for the purposes of this investigation. Therefore, this final determination is based on the information available to the Commission.

14. Verification of the Information

14.1 In terms of Sections 32(4) and 35 of the Act and Rule 11 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

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adequacy of information and evidence available with it to the extent possible for the purposes of this final determination.

14.2 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 the office and plants of the Applicant from August 15 to 17, 2022. The report of on-the-spot investigation/verification conducted at premises of the Applicant was provided in full to the Applicant. A non-confidential version of the on-the-spot investigation/verification report is made available for other interested parties by placing the same on the public file.

15. Public File

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file at its office. This file remained 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, correspondence, and other documents for disclosure to the interested parties.

16. Confidentiality

16.1 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.

16.2 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.

16.3 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.

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16.4 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 the public file for review and copying of the interested parties.

17. Preliminary Determination

17.1 The Commission made preliminary determination in this investigation on October 29, 2022 in terms of Section 37 of the Act and imposed provisional antidumping duty at the rate of 36.61 percent ad valorem of the C&F price on imports from China on the dumped imports of the investigated product importable from China for a period of four months.

17.2 The Commission issued a notice of preliminary determination and imposition of provisional anti-dumping duty, which was published on October 29, 2022 in Official Gazette of Pakistan and in two widely circulated national newspapers (the "Express Tribune" and "Daily Nawa-e-Waqt") notifying the preliminary determination.

17.3 On October 31, 2022 the Commission sent copy of the notice of preliminary determination and imposition of provisional anti-dumping duty to the embassy of China in Islamabad, the exporters, the importers, and the Applicant in accordance with the requirements of Section 37(4) of the Act. A detailed report (non-confidential version) of the preliminary determination was placed at the public file and was also posted on Commission's website www.ntc.gov.pk. However, no interested party offered any comment on preliminary determination of the Commission.

18. Hearing

In terms of Rule 14 of the Rules, the Commission shall, upon request by an interested party made not later than thirty days after publication of notice of preliminary determination, hold a hearing at which all interested parties may present information and arguments. None of the interested parties requested for hearing in this investigation. Therefore, no hearing was held in this investigation.

19. Disclosure of Essential Facts

19.1 In terms of Rules 15 of the Rules, and Article 6.9 of Anti-dumping Agreement, the Commission disclosed essential facts to the interested parties in this investigation. In this context a Statement of Essential Facts ("SEF") was dispatched on December 07, 2022, to all interested parties including the known exporters/ foreign producers, the Applicant, known Pakistani importers, and to the embassy of China in Islamabad.

19.2 Under Rule 14(1) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Commission received following comments from Radiant

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Medical (Pvt.) Ltd., Lahore:

“PVC/Vinyl sheets are widely used in Modular Operation Theaters, ICU, CCU and even in complete hospital in all around the world and also in Pakistan as well. PVC/Vinyl sheets have the following properties: Bacteria Resistance EN 846, Resistance to chemicals EN ISO 26987, Electrical Resistance IEC 61340-4-1, Slip Resistance DIN 51130, Electrical Insulation to ground VDE0100 and many more. The above-mentioned properties are not locally available in the market and these properties are very important for hygienic point of view.”

19.3 The Commission's investigation has revealed that the domestic industry (the Applicant) has produced and/or is producing and selling PVC flooring sheets having all above-mentioned properties i.e. bacteria resistant, chemicals resistant, electrical resistant, slip resistant, electrical insulation to ground etc. The Applicant has provided test report of the domestic like product from Pakistan Standard & Quality Control Authority and invoices of their sales to Pakistan Atomic Energy Commission (PAEC), National Development Complex (NDC), hospitals, pharmaceutical companies and even to the Radiant Medical (Pvt.) Ltd., Lahore. Therefore, the Commission has concluded that the investigated product and the domestic like products are like products for purposes of this investigation.

B. DETERMINATION OF DUMPING

20. Dumping

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

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

21. Normal Value

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

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

21.2 Further, Section 6 of the Act states:

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

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

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appropriate third country provided that this price is representative; or

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

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

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

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

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

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

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

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

22. Export Price

The export price is defined in Section 10 of the Act as “a price actually

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paid or payable for an investigated product when sold for export from an exporting country to Pakistan.”

23. Dumping Determination

As stated earlier (paragraphs 13.1 and 13.2 supra) the Commission has not received any information from any of the exporter/ foreign producer of the investigated product in this investigation, therefore, dumping of the investigated product in this final determination is determined on the basis of best information available in accordance with Section 32 of the Act. Details of determination of normal value, export price and dumping margin are provided in the following paragraphs.

24. Determination of Normal Value for the Investigated Product

24.1 The Applicant provided in the application the 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 Gross Domestic Prices of PVC Flooring**

Sr.No	Date	Invoice Number	Quantity	Price (without tax)
(1)	(2)	(3)	(4)	(5)
1	26-5-2021	****	10.94	174.17
3	26-5-2021	****	0.69	138.91
2	26-5-2021	****	1.70	111.98
4	31-5-2021	****	12.10	145.92
5	28-7-2021	****	18.95	119.80
6	24-09-2021	****	6.25	81.83
7	11/10/2021	****	49.38	66.06
Total/weighted average			100.00	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.

24.2 Information on gross 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:

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- 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.

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

**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
Selling & Administrative Exp.	0.71
Financial Exp.	0.01
Profit (5% of cost to make & sell)	4.76
Total	100.00

Sources: The Applicant and NTC

Note: To keep confidentiality, the actual figures have been indexed w.r.t the total

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25. Determination of Export Prices of the Investigated Product

25.1 As stated earlier (paragraph 13 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.

25.2 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.

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

**Table-IV
Export Price**

Description	Value/M²
(1)	(2)
Weighted Average C&F Price	80.78
Ocean Freight	3.92
Inland Transportation and other charges	1.57
Adjusted Ex-factory Price	75.29

Source: PRAL and NTC

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

26. Dumping Margin

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

26.2 Section 12 of the Act provides three methods for 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.

26.3 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.

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

**Table-V
Dumping Margin**

Description (1)	Value per m ² (2)
Normal Value	100.00*
Export Price at ex-factory level	75.29*
Export Price at C&F level	80.78*
Absolute Dumping Margin	24.71
Dumping Margin in % of ex-factory price	32.79%
Dumping Margin in % of C&F price	30.60%

* Indexed figures

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

27.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margin, set out in paragraph 26.4 supra, are above the *de minimis* level.

27.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the 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.

27.3 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 (1)	Volume (m ²) (2)	% of total (3)
China	227,513	78.83
Other Sources	61,082	21.17
Total	288,595	100.00

Source: PRAL

27.4 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.

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C. INJURY TO THE DOMESTIC INDUSTRY

28. Determination of Injury

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

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

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

28.2 Section 15 of the Act further provides that:

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

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

29. Volume of Dumped Imports

29.1 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:

Table-VII
Volume of Dumped Imports (Volume)

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	71.20	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 by taking it as 100.

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

29.3 The above table also shows that the 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, the 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.

30. Price Effects

30.1 The Act requires the Commission to assess whether there has been significant price undercutting, price suppression and price depression. The effects of dumped imports on price of the domestic like product are analyzed in following paragraphs.

30.2 Price Undercutting

30.2.1 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 (Value./ m²)

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	36.19
2020	115.27	61.09	54.18	47.01
2021	138.49	90.59	47.91	34.59

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 by taking it equal to 100

30.2.2 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.

30.3 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. Therefore, the domestic industry did not face price depression during the POI. However, analysis of the

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information has shown that 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 (Tables X, and XI, and XII infra).

30.4 Price Suppression

30.4.1 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 (Value/m²)**

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 cost to make & sell of domestic like product during year 2019 by taking it equal to 100

30.4.2 The above table shows that the domestic industry faced price suppression during the POI despite the 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.

30.4.3 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.

31. Effects on Market Share

31.1 Total domestic demand of PVC flooring in Pakistan is met through local production and imports. The 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:

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**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 by taking it as 100.

31.2 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.

31.3 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. The 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.

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

32. Effect on Sales of the Domestic Like Product

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

**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	-63.70	--
2021	30.87	-15.10	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 by taking it as 100.

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32.2 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.

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

33. Effects on Production and Capacity Utilization

33.1 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	Production	Capacity Utilization (%)
(1)	(2)	(3)	(4)=(3/2)
2019	100.00	16.74	16.74
2020	100.00	5.64	5.64
2021	100.00	6.06	6.05

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 by taking it as 100

33.2 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 slightly increased in the year 2021. However, this increase was due to the exports made by the domestic industry. The domestic industry exported **** MT in the year 2021. The capacity utilization of the domestic industry declined from 16.74 percent in 2019 to 5.64 percent and 6.05 percent in the years 2020 and 2021 respectively.

33.3 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.

34. Effects on Inventories

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

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

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	36.18	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 by taking it as 100

34.2 The above table shows that the closing inventory of the domestic like product significantly decreased during the years 2020 and 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 have declined, which means the closing inventory level of the domestic like product would have been increased to **** 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 effects on inventories.

35. Effects on Profits and Profitability

35.1 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 (value)	Net Profit/(Loss)	
		Total (value)	per m ²
(1)	(2)	(3)	(4)
2019	100.00	61.99	0.0007
2020	16.72	0.99	0.0000
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 by taking it as 100.

35.2 It appears from the above table that the Applicant's profits and profitability significantly declined during the POI. The 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.

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36. Effects on Return on Investment

36.1 The 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 (combine for all products)**

Year	Equity (Value)	Long Term Loans	Total Investment*	Net Profit before 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 by taking it as 100.

36.2 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 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.

37. Effects on Cash Flows

37.1 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 the 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 (combine for all products)**

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 by taking it as 100.

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37.2 The above table shows that the domestic industry's net cash flows decreased by 66 percent in the year 2020 and then increases to 103% in 2021. However, cash flows in 2020 and 2021 decreased as compared to the net cash flows of 2019. Therefore, the domestic industry suffered material injury on account of cash flows during the POI.

38. Effects on Employment, Productivity and Salaries & Wages

38.1 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 (Million Rs)	Production (m ²)	Productivity (m ² /worker)	Salaries & Wages (Rs/ 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 by taking then as 100.

38.2 The above table shows that employment increased during the POI (2021) i.e., by 46.6 percent.

38.3 Productivity per worker decreased during the years 2020 and 2021. Cost of salaries and wages per square meter increased during the POI.

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

39. Effects on Growth and Investment

As stated earlier (paragraph 7.2 supra) 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.

40. 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.

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

41. Magnitude of Dumping Margin

The dumping margin determined for the investigated product at paragraph 26.4 supra is 32.79 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.

42. Summing up of Material Injury

42.1 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.

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

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**Table-XVIII
Effects of Dumped Imports**

Injury Factor	2019	2020	2021
(1)	(2)	(3)	(4)
Volume of dumped imports (M ²)	181,099	250,622	227,513
Dumped imports as % of total imports (%)	71.2	83.44	78.83
Production of domestic like product (Indexed figures)	100.00	33.66	36.18*
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)	100.00	36.34	30.87
Capacity utilization of domestic industry (%)	16.76	5.66	6.05
Profits/(loss) (Indexed figures)	100.00	1.61	-33.49
ROI (%)	19.7	11.02	16.85
Productivity per worker (per worker) (Indexed figures)	100.00	22.95	20.61
Salaries and wages (per M ²) Indexed figures	100.00	464.92	543.81

Source: Previous tables

*includes exported quantity as well

42.3 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

43. 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

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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.

44. Other Factors

44.1 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.

44.2 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

44.3 Volume of Imports of PVC Flooring from Other Sources

44.3.1 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 (m²)

Year	Sources of Imports:	
	Dumped (China)	Others
(1)	(2)	(3)
2019	181,099	73,253
2020	250,622	49,738
2021	227,513	61,082

Sources: PRAL & the Applicant

44.3.2 The above table shows that, Imports from other sources which were 73,253 m² in 2019 decreased to 61,082 m² in the year 2021, i.e., lower than the base year's imports.

44.3.3 It appears from the above information that dumped imports of the investigated product increased by 26 percent whereas imports of PVC flooring from other sources

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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.

44.4 Prices of Imports of PVC Flooring from Other Sources

44.4.1 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 in (price per m ²) of:	
	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 dumped imports price in the year 2019 by taking it as 100.

44.4.2 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.

44.5 Contraction in Demand or Change in Pattern of Consumption

44.5.1 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-XXI
Domestic Market of PVC Flooring**

Year	Domestic Industry's Sales Volume	Sources of Imports:		Total Domestic Market	
		Dumped Volume	Other Volume	Volume	%change
(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 total domestic market in the year 2019 by taking it as 100.

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44.5.2 The above table shows that there was a 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 the 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.

44.5.3 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.

44.6 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.

44.7 Developments in Technology

According to the information available with the Commission, there was no development in technology during the POI that could have contributed to the material injury of the domestic industry.

44.8 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 were no exports of the domestic like product during the years 2019 and 2020. Rather, the domestic industry started exporting domestic like product in 2021 and exported 5,382 m² in this year.

45. Causal Link

Based on the above information and analysis provided at paragraph 44 supra, the Commission has determined that no other factor was a cause of material injury to the domestic industry during the POI for dumping, rather dumped imports of the investigated product have caused material injury to the domestic industry (see paragraphs 29 to 43 supra). Further, there was a causal link between dumped imports of the investigated product and material injury to the domestic industry during the POI as increase in dumped imports and material injury to the domestic industry happened simultaneously.

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46. 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 the threat of material injury.

E. CONCLUSIONS

47. After taking into account all considerations for this final 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 32.79 percent and 30.60 at C&F export price. Dumping margin at C&F export price is determined for the purposes of levy of the anti-dumping duty;
- vi. the domestic industry suffered material injury on account of volume of dumped imports of the investigated product, price undercutting, 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 DEFINITIVE ANTIDUMPING DUTY

48. In view of the analysis and conclusions with regard to dumping of the investigated product, material injury to the domestic industry and causal link between dumping and injury, the Commission has decided to impose antidumping duty on

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dumped imports of the investigated product under Section 50(1) of the Act.

49. 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.

50. For the purposes of imposition of lesser duty in terms of Section 50 (2) of the Act, the Commission has calculated injury margin in accordance with Rule 21 of the Rules 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-XXII
Calculation of Injury Margins**

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

Note: To keep confidentiality, the actual figures have been indexed w.r.t cost to make & sell in the year 2019 by taking it as 100.

51. 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. 30.60 percent of the C&F price (Table-V supra). Therefore, definitive antidumping duty at full margin of dumping i.e. **30.60 percent ad valorem** on dumped imports of the investigated product importable from China is hereby imposed for a period of five years effective from 29 October 2022. However, in accordance with Section 51(ea) of the Act, definitive antidumping duty will not be levied on imports of the investigated product that are used as inputs in products destined solely for exports or for use in the foreign grant-in-aid projects and are covered under any scheme exempting customs duties for exports or foreign grant-in-aid projects under the Customs Act, 1969 (IV of 1969). The investigated product is classified under PCT heading No. 3918.1000.

52. The Commission on October 29, 2022 imposed provisional antidumping duty at the rate of 36.61 percent ad valorem of the C&F price on imports from China on the dumped imports of the investigated product importable from China for a period of four

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months i.e. till February 28, 2023. Thus, there was no provisional duty in place with effect from 1st March 2023 to September 18, 2023. In terms of Section 55(2) of the Act, If definitive anti-dumping duty imposed under sub-section (1) is higher than the amount of provisionally determined dumping margin set forth in the notice of preliminary determination referred to in sub-section (2) of section 37, the difference shall not be collected, and if such definitive anti-dumping duty is lower than the amount of such provisionally determined dumping margin the difference shall be refunded by the Commission. Thus, the period for which there was no duty due to quorum non judice of the Commission i.e. from 1st March 2023 to September 18, 2023, the duty for this period will not be collected. Since the definitive antidumping duty is lower than to the provisional antidumping duty, therefore, the importers who have paid provisional anti-dumping duty at the rate of 36.61 percent ad valorem on imports of the investigated product may approach the Commission for refund of the difference amount (difference between provisional duty rate and the definitive duty rate) under Section 55(2) of the Act read with Rule 46 and 47 of the Rules.

53. PVC flooring imported from sources other than China shall not be subject to the above-mentioned definitive antidumping duty.

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

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

56. The definitive antidumping duty would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in the head of account "G1270X", titled "National Tariff Commission fund" maintained with State Bank of Pakistan.

-sd-
(Ahmed Sheraz)
Member
September 18, 2023

-sd-
(Imran Zia)
Member
September 18, 2023

-sd-
(Muhammad Iqbal Tabish)
Member
September 18, 2023

-sd-
(Naeem Anwar)
Chairman
September 18, 2023