(Non-Confidential)

Government of Pakistan
National Tariff Commission

Report

On

Conclusion of

Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Continuous Casting (Steel) Billets into Pakistan Originating in and/or Exported from the People's Republic of China

A.D.C No. 36/2015/NTC/CCB/SSR/2022
October 23, 2023

A. INTRODUCTION

The National Tariff Commission (the "Commission") having regard to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Agreement on Anti-dumping"), Anti-Dumping Duties Act, 2015 (the "Act") and the Anti-Dumping Duties Rules, 2022 (the "Rules") relating to the investigation/ review and determination of dumping of goods into the Islamic Republic of Pakistan ("Pakistan"), material injury to the domestic industry caused by such imports, and imposition of anti-dumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof. Section 58 of the Act relates to review of anti-dumping duties imposed on dumped imports of the investigated products.

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

3. The Commission has conducted a sunset review of anti-dumping duty levied on dumped imports of continuous casting (steel) billets ("CC. billets") classified under PCT codes. 7207.1110, 7207.1190, 7207.1210, 7207.1290, 7207.1910,7207.1920, 7207.1990, 7207.2010, 7207.2020, 7207.2090, 7224.1000, and 7224.9000, from the People's Republic of China ("China") under the Act and the Rules. This report on conclusion of the review has been issued in accordance with Section 39(5) of the Act and Article 12.2 of the Agreement on Anti-dumping.

4. In terms of Section 62(2) of the Act, the sunset review under Section 58 of the Act shall normally be completed within twelve months from its initiation. The sunset review was initiated on June 14, 2022. However, during the period from December 30, 2022 to August 29, 2023, the Commission lacked the quorum as defined under Section 15 of the NTC Act 2015 due to retirement of members. Therefore, this sunset review investigation was kept pending during this period.

B. BACKGROUND

5. The Anti-dumping Duty in Place

The Commission imposed definitive anti-dumping duty at the rate of 24.04 percent in *ad valorem* terms on dumped imports of CC. billets from China for a period of five years effective from June 22, 2017.

C. PROCEDURE

6. The procedure set out below has been followed with regard to this sunset review in accordance with relevant provisions of the Act.

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

In terms of Section 58(3) of the Act, a definitive anti-dumping duty shall not expire if the Commission determines in a review initiated before expiry of anti-dumping duty that the expiry of such anti-dumping duty would be likely to lead to continuation or recurrence of dumping of the investigated product and injury to the domestic industry. Further, the anti-dumping duty shall remain in force pending the outcome of such a review. The Commission published a notice of impeding expiry of the anti-dumping duty in this case in the official Gazette and national press in accordance with Section 58 (2) of the Act on March 08, 2022.

8. Receipt of Application

The Commission received an application on April 21, 2022 under Section 58 of Act for review of the anti-dumping duty imposed on dumped imports of CC. billets from China. The application was filed by M/s. Amreli Steels Limited ("ASL") Karachi, M/s. Agha Steel Industries Limited ("ASIL") Karachi, and M/s. Mughal Iron & Steel Industries Limited ("MISIL") Lahore (the "Applicants"), who are domestic producers of CC. billets. The application was in response to the notice of impending expiry of the anti-dumping duty imposed on dumped imports of CC. billets into Pakistan originating in and /or exported from China. The Applicants contended that expiry of anti-dumping duty on CC. billets would likely to lead to continuation or recurrence of dumping of CC. billets from China and injury to the domestic industry producing CC. billets.

9. Evaluation and Examination of the Application

Examination of the application showed that it met the requirements of Section 58(3) of the Act as it contained sufficient evidence of likelihood of continuation or recurrence of dumping of CC. billets from China and injury to the domestic industry.

10. Domestic Industry

According to the information available with the Commission, the domestic CC. billets industry consists of 41 units with an installed production capacity of 4.678 million MT per annum (Table-I infra). Total installed capacity of the Applicants is 1.55 million MT per annum.

11. Standing of the Application

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

11.2 In terms of Section 24(1) of the Act, an application shall be considered to have been made by or on behalf of the domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing either support for or opposition to the application. Furthermore, Section 24(2) of the Act provides that no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty five percent of the total production of domestic like product produced by the domestic industry.

11.3 The application was filed by the M/s. Amreli Steels Limited ("ASL") Karachi, M/s. Agha Steel Industries Limited ("ASIL") Karachi, and M/s. Mughal Iron & Steel Industries Limited ("MISIL") Lahore, who accounted for 33.13 percent in total installed capacity and 29.64 percent of total production of CC. billets during the year 2021. The application is supported by ten other producers. The Applicants and supporting producers' collective output constitutes 58.38 percent of the total domestic production during 2021. Therefore, the application is considered to be made on behalf of the domestic industry. Following table shows unit-wise installed production capacity, their share in domestic production and status vis-à-vis application for this sunset review:

Table-I
Unit-wise Details of Domestic Industry and Standing of the Application

Sr. No	Name of the Unit	2021 % Share in total Production	Composite or Melter only*	Status vis-à-vis application
1	Amreli Steels Limited	14.76	Composite	Applicant
2	Mughal Iron & Steel Industries Limited	9.95	Composite	Applicant
3	Agha Steel Industries Limited	4.94	Composite	Applicant
4	Asg Metals Limited	1.41	Composite	Supporting
5	Aziz Industries	3.15	Melter Only	Supporting
6	Faizan Steel	3.87	Composite	Supporting
7	Fazal Steel Private Limited	2.81	Composite	Supporting
8	Frontier Foundry Steel Pvt Ltd	7.68	Composite	Supporting
9	Hattar Steel Re Rolling Mill	1.62	Composite	Supporting
10	Ittehad Steel Industries	3.75	Composite	Supporting
11	Kamran Steel Re Rolling Mills Private Limited	3.17	Composite	Supporting
12	Karachi Steels Re Rolling Mill	0.74	Composite	Supporting
13	Naveena Steels	0.54	Composite	Supporting
14	Karim Aziz Industries Private Limited	1.84	Melter Only	Indifferent
15	Ma Steel Casting	1.73	Melter Only	Indifferent
16	Madina Steel Casting Mills	1.39	Melter Only	Indifferent
17	Mat Cast Pvt. Limited	1.48	Melter Only	Indifferent
18	Farid Steel Casting	1.84	Melter Only	Indifferent
19	Mian Steel Casting	1.73	Melter Only	Indifferent
20	Diamond Metals	1.73	Melter Only	Indifferent
21	Punjab Concast	0.72	Melter Only	Indifferent
22	Farid Steel	1.39	Composite	Indifferent
23	Km Steel Mills	1.39	Composite	Indifferent
24	Muhammad Hussain & Sons Private Limited	1.39	Melter Only	Indifferent
25	M.I.Z Rerolling Steel Mills	1.04	Composite	Indifferent

26	Rehmat Steel Furnace (Closed)	0.00	Melter Only	Indifferent
27	Mazhar Steels	1.39	Composite	Indifferent
28	Mehboob Steel Re Rolling Mills	1.30	Composite	Indifferent
29	Mujahid Enterprises	2.77	Composite	Indifferent
30	Mujahid Steel Industries Private Limited	2.77	Composite	Indifferent
31	Mustehkum Ittefaq Steel Industries Rerol	2.41	Composite	Indifferent
32	Neelum Steel Industries	1.39	Composite	Indifferent
33	Nomee Steel	1.62	Composite	Indifferent
34	Pak Iron	1.44	Composite	Indifferent
35	Pak Steel Rerolling Mills	1.01	Composite	Indifferent
36	Razzaque Steels	1.33	Composite	Indifferent
37	Royal Steel Mills	1.39	Composite	Indifferent
38	Sarhad Iron & Steel Mills Private Limited	1.73	Composite	Indifferent
39	Silichem Industries	1.01	Composite	Indifferent
40	T.A Corporation Private Limited	1.39	Composite	Indifferent
41	Tarbella Steel Rerolling Mills Private Limited	1.01	Composite	Indifferent
	Total	100.00		

Sources:the Applicants and Pakistan Association of Large Steel Producers ("PALSP")

*Composite units produce CC. billets and downstream products using billets, whereas melters units are producers of CC. billets only.

11.4 On the basis of the above information and analysis it is determined that the application is made on behalf of the domestic industry as it fulfils the requirement of Section 24 of the Act.

12. <u>Initiation of Sunset Review</u>

12.1 Upon examination of the application, the Commission established that it met requirements of Section 58 of the Act. Therefore, the Commission initiated sunset review on June 14, 2022 to determine whether there is likelihood of continuation or recurrence of dumping of CC. billets from China and injury to the domestic industry.

12.2 In terms of Section 27 of the Act, the Commission issued a notice of initiation of the Sunset Review, which was published in the official Gazette of Pakistan and in two widely circulated national newspapers ("Daily Jang" and "Pakistan Today") on June 15, 2022 and June 14, 2022 respectively.

12.3 The Commission notified the Diplomatic Mission of China in Pakistan on June 14, 2022 of the initiation of the review by sending a copy of the notice of initiation of the sunset review with a request to forward it to all exporters/ producers involved in production, sales and export of CC. billets. Copies of notice of initiation were also sent to the Applicants, known exporters/producers of CC. billets in China**,** and known importers on June 14, 2022, in accordance with the requirements of Section 27 of the Act.

12.4 In accordance with Section 28 of the Act, on June 14, 2022, the Commission also sent copy of full text of the written application (non-confidential version) to all exporters/producers of CC. billets in China whose complete addresses were available with the Commission and to the Diplomatic Mission of China in Islamabad with a request to forward it to all exporters /producers of CC. billets in China involved in production, sale and/or export of product under review.

13. Product under Review

13.1 The product under review is continuous casting (steel) billets ("CC. billets") originating in and/or exported from China to Pakistan. It is a semi-finished product of iron and non-alloy steel, and alloy steel. The said product is classified under Pakistan Customs Tariff ("PCT") codes. 7207.1110, 7207.1190, 7207.1210, 7207.1290, 7207.1910,7207.1920, 7207.1990, 7207.2010, 7207.2020, 7207.2090, 7224.1000, and 7224.9000. CC. billets are used by the re-rolling mills in production of steel bars, wire rods, beams, channels and T-iron etc.

13.2 Following table shows current tariff structure (2022-23) applicable on imports of CC. billets:

Table-II
Tariff Structure of CC. billets (%)

PCT code	Description	Customs Duty	Add. customs duty	RD	FTAs/PTAs
(1)	(2)	(3)	(4)	(5)	(6)
Chapter 72	Iron and Steel				
72.07	Semi-finished products of iron or non-alloy steel.				
	- Containing by weight less than 0.25 % of carbon:				
	- - Of rectangular (including square) cross-section, the width measuring less than twice the thickness:				
7207.1110	- - - Billets	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
7207.1190	- - - Other	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
	- - Other, of rectangular (other than square) cross-section:				
7207.1210	- - - Billets	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
7207.1290	- - - Other	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
	- - Other:				
7207.1910	- - - Of a cross section 165 X 165 mm and above	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%

7207.1920	- - - Billets	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
7207.1990	- - - Other	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
	- Containing by weight 0.25 % or more of carbon:				
7207.2010	- - - Of a cross section 165 mm x 165 mm and above	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
7207.2020	- - - Billets	11	2	15	CN_5; MY=5; SAFTA=5 SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
7207.2090	- - - Other	11	2	15	CN_5; MY=5; SAFTA=5; SAARC_ECO=Conc.10% LK_FTA Conc. = 100%
72.24	Other alloy steel in ingots or other primary forms; semi- finished products of other alloy steel.				
7224.1000*	- Ingots and other primary forms	11	2	15	CN_5; MY=0; SAFTA=5; LK_FTA Conc. = 100%
7224.9000*	- Other	11	2	15	CN_0; MY=0; SAFTA=5; LK_FTA Conc. = 100%

Source: Pakistan Customs Tariff 2022-23
* Importable @ 5% CD under Fifth Schedule to Customs Act 1969

14. Domestic like Product

14.1 The domestic like product for the purposes of this review investigation is continuous casting (steel) billets ("CC. billets"). The domestic like product is a semi-finished product of iron and non-alloy steel. It is also used by the re-rolling mills in production of steel bars, wire rods, beams, channels and T-irons etc. The domestic like product is also classified under the same PCT codes as of the product under review is classified (para 13.1 supra).

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

15. Period of Review

The period of review ("POR") for this sunset review is from January 01, 2019 to December 31, 2021.The Applicants have submitted information and evidence for this period to determine likely recurrence or continuation of dumping of the product under review and likely recurrence or continuation of material injury to the domestic industry in accordance with provisions of Section 58 of the Act.

16. Information/Data Gathering

16.1 The Commission sent questionnaires on June 14, 2022 to all known exporters/ producers of CC. billets in China whose addresses were available with the Commission, asking them to respond within 37 days of the dispatch of the questionnaires. A copy of the Questionnaire was sent to the Embassy of China in Islamabad on June 14, 2022 with a request to forward it to all known exporters/ producers of CC Billets in China. Questionnaires were also sent to known importers of CC. billets requesting them to provide information within 37 days.

16.2 No response from any exporters/foreign producers and importers was received within the prescribed time. Therefore, reminders were issued to the exporters/foreign producers and importers on July 21, 2022, explaining that, if no response of the questionnaire is submitted, the Commission will be constrained to make likely continuation or recurrence of dumping of the product under review on the basis of "best information available" including those contained in the application submitted by the Applicants. However, none of the exporters/ foreign producers from China or importers have responded to the Commission and did not provide requisite information.

16.3 Questionnaires were sent to domestic producers (other than the Applicants) on June 14, 2022 asking them to respond within 37 days of the dispatch of the questionnaires. No other producer has provided requisite information. However, Pakistan Association of Large Steel Producers ("PALSP") has provided installed production capacities and quantity produced during the POR by the individual units in the industry.

16.4 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 review the Commission has also used import data obtained from PRAL's database in addition to the information provided by the Applicants. In addition to this, the Commission has also obtained certain information from publicly available sources, which, *inter-alia*, include International Trade Centre's website (www.trademap.org) and some other sources. Besides, the Commission also sought data/information from Pakistan Association of Large Steel Producers regarding the number of known production units of Billets in the county along with their production capacity, production and their segregation into two categories i.e. Billet only producers (melters only) and the composite units.

17. Views, Comments and Hearing

17.1 All interested parties were invited for their views/comments known to the Commission and to submit information and documents (if any) with regard to this sunset review. However, the Commission has not received any comments or information from interested parties.

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

18. Verification of Information

18.1 In terms of Section 23, 32(4) and 35 of the Act and Rule 11 of the Rules, the Commission, during the course of the investigation /review, satisfies itself as to the accuracy of information supplied by the interested parties to the extent possible.

18.2 In order to verify the information/data provided by the Applicants and to obtain further information (if any), the officers of the Commission conducted on-the-spot verifications at the offices and plants of M/s Amreli Steel Limited, Karachi on August 22 to 23, 2022, M/s. Agha Steel Industries Ltd., Karachi on August 24 to 26, 2022, and M/s Mughal Iron and Steel Industries Limited, Lahore on September 6 to 7, 2022. Reports of the on-the-spot verifications are made available to the interested parties by placing them in the public file.

19. Public File

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

20. Confidentiality

20.1 In terms of Section 31 of the Act, the Commission shall keep confidential any information submitted to it, which is by nature confidential, or determined by the Commission to be of confidential nature for any other reason, or provided as confidential by parties to an investigation upon good cause shown, to be kept confidential.

20.2 The Applicants have requested the Commission to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, growth, investment, salaries and wages, number of employees and capacity etc. In addition to this, Applicants also provided certain information on confidential basis, as its disclosure would cause adverse effect upon them.

20.3 Pursuant to requests made by the Applicants, to treat certain information as confidential, the Commission has determined confidentiality in light of Section 31 of the Act and for the reasons that disclosure of such information may be of significant competitive advantage to the competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information. However, in terms of Section 31(5), non-confidential summaries of all confidential information, which provide reasonable understanding of the substance, have been placed in the public file.

21. Disclosure of Essential Facts

21.1 In terms of Rule 15(1) of the Rules, the Commission disclosed essential facts, and in this context circulated a Statement of Essential Facts (the "SEF") on December 08, 2022 to all interested parties including Applicants, exporters/producers from China, importers and the Embassy of China in Pakistan.

21.2 Under Rule 15(2) 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. None of the interested parties have submitted any comments on SEF.

22. Determination of Likely Continuation or Recurrence of Dumping

Determination of likely continuation or recurrence of dumping of the product under review from China is made in accordance with Rule 40 of the Rules and other relevant provisions of the Act. As no exporter has provided any information (paragraph 16.1 and 16.2 supra), therefore, likely continuation or recurrence of dumping of the product under review is determined on the basis of best information available. Information on these factors has been gathered/obtained from different sources including the Applicants, PRAL, articles published in different journals, websites of exporters and producers of CC billets, ITC & other sources etc. The Commission has considered following factors in determination of likely continuation or recurrence of dumping of the product under review:

i. whether exporters or producers from China stopped or continued exporting the product under review to Pakistan after imposition of anti-dumping duty;

ii. whether exporters/foreign producers of China have exportable surplus of the product under review;

iii. Whether exporters of China have developed other export markets after imposition of antidumping duty; and

iv. trade remedial actions taken by other countries on exports of the product under review and whether such actions are likely to cause a diversion of imports into Pakistan.

22.1 Whether exporters or producers from China stopped or continued exporting the product under review to Pakistan after imposition of Anti-dumping Duty

22.1.1 Investigation on whether exporters/ producers from China stopped or continued exporting the product under review to Pakistan after imposition of anti-dumping duty has revealed that the exporters/producers from China eventually stopped exporting the product under review after imposition of anti-dumping duty. During the three years of period of review (POR), imports from China completely disappeared. At the same time, the imports from other sources also declined significantly during the POR. Following table shows the volume of imports of CC. billets:

Table-III
Imports of CC. billets (MT)

Year/Period	Dumped source	Other Sources	Total
(1)	(2)	(3)	(4)=(2+3)
Apr 14 – Mar 15*	153,331	19,466	172,797
Jan – Dec 19	--	1,509	1,509
Jan – Dec 20	4	2,339	2,343
Jan – Dec 21	9	704	713

* POI of original investigation Source: PRAL

22.1.2 The above table shows that the volume of dumped imports of CC. billets from China declined to negligible level during the period of review as compared to POI of original investigation. This reduction in the volume of dumped imports of CC. billets from China was mainly due to imposition of anti-dumping duty. In case anti-dumping duty is terminated on dumped import of CC. billets from China, there is a likelihood that the exporters/producers will again start dumping into Pakistan.

22.1.3 On the basis of information and analysis above, the Commission is of the view that the anti-dumping duty imposed on dumped import of CC. billets from China is the reason for sharp decline in volume of dumped imports of CC. billets. Therefore, in case anti-dumping duty imposed on the dumped imports of CC. billets from China is terminated, there is likelihood of its recurrence of dumping into Pakistan.

22.2 whether exporters/foreign producers of China have exportable surplus of the product under review

22.2.1 As stated earlier (para 16 supra) that no exporter/foreign producer provided any information in this review investigation, therefore, a country-wide performance of the China for the product under review is assessed on the basis of best information available. As per World Steel Association, in 2022 China was the leading producer of steel in the world and about 54 percent (1.0 billion tonne) of global steel production (1.8 billion tonnes) is by China. The past couple of years have seen China's steel production has seen a declined in 2021 and 2022 fell for two consecutive years in a row. According to Institute of Export and International Trade (IOE&IT), China is the world's biggest exporter of steel as well as it is second biggest importer and traditionally consumed 95% of its own steel output, its vast capacity has meant that competing nations have claimed it is dumping low-price overcapacity on them.

22.2.2 According to CHINADAILY China's steel exports soared in the first half of the year 2023, supported by weakening yuan and competitive product prices, but a slowing global economic growth and trade conflicts may dampen the second-half performance. The whole year's exports are expected to reach around 80 million metric tons, up from 67.32 million tons last year. In the first half, China exported 43.58 million tons of steel, a year-on-year growth of 31.3 percent. Steel billet exports witnessed a surge of 112.6 percent on a yearly basis, reaching 1.67 million tons.

22.2.3 As per Reuters, China is set to export the most steel in 2023 since 2016, as the weakening yuan and competitive prices help the Chinese exporters/producers offload surplus steel due to weak domestic demand. China's massive steel industry has been hard hit by a months-long slump in the country's huge property sector, pushing steel prices to three-year lows in May. But strong demand mostly from Asia and Africa is helping keep a lid on stocks and allowing mills to continue operations. In addition, several Chinese steel mills have received instructions to cap this year's output at the same level as 2022, potentially curbing iron ore demand in the world's top steel market. China has mandated zero output growth in its steel sector for the last two years as it seeks to limit carbon emissions by one of its most polluting industries. In both 2021 and 2022, the state planner announced the zero growth target in the second quarter.

22.2.4 According to a report titled 'Latest Developments in Steel Making 2021' by the Organization for Economic Co-operation and Development ("OECD"), there are some significant expansions in process or planned in China. Summary of the capacity expansion in furnaces is provided in following table:

Table-IV
China's Plant Level Investments

LOCATION	COMPANY	CAPACITY (000' tons)	STATUS
Xinpu, Henan	Anyang Zhoukou Steel	1750	underway
Zijin Country, Guangdong	Heyuan Derun Iron and Steel	Unknown	plan
Luzhou City, SicHunan	Luzhou Xinyang Steel	2000	operating
Meishan City, SicHunan	Sichuan Jinsheng	1000	operating
Shanxi province	Shanxi Jinnan Iron and Steel	3400	plan
Ningde, Fujian	Fujian Dingsheng Iron and Steel	2000	operating
Zhanjiang, Guangdong	Guangdong Shaoguan Iron & Steel Co., Ltd.	3625	underway
Ningde, Fujian	Anshan Iron & Steel	10000	plan
Yancheng city, Xiangshui	Xuzhou Baofeng Special Steel	8000	plan
Hanzhong, Shaanxi	Shaanxi Hanzhong Iron and Steel	700	plan
Fangchenggang, Guangxi	Jinxi Iron and Steel	Unknown	plan
Hebei, Laoting	HBIS Laoting Steel Co., Ltd.	7470	plan

Jiangsu province	Baowu Iron & Steel Group	Unknown	plan
Unknown	Baowu Iron & Steel Group	3100	plan
Wuzhou, Guangxi	Wuzhou Yongda Iron and Steel	1000	operating

Source: OECD

22.2.5 According to a report titled 'Steel Market Developments: Q2 2021' by the OECD: "*China's steel production will increase by 1.4% in 2021 to about 1.065 billion tonnes.*

The China Iron and Steel Association ("CISA") uncertainty of future production trends, another main trend in the Chinese steel industry seems to be consolidation, with an increasing part of the production controlled by a reduced number of firms.

In China, the authorities and steel companies have been ramping up their efforts to consolidate the steel industry to meet the official target of 60% of total Chinese production concentrated in the hands of the top ten Chinese steelmakers by 2025. As the top 10 Chinese steelmakers currently account for about 37% of total Chinese steel production, this consolidation trend is likely to continue. The large state-owned steel producer, Baowu Steel Group, which emerged in 2016 from the merger of Baosteel and Wuhan Iron and Steel (Wugang), has been leading the way in Chinese steel mergers and acquisitions (M&As), consolidating its position as the top Chinese steel producer, but there were also significant M&A activities among other SOE and private Chinese steel firms."

22.2.6 According to another article published by S&P Global Platts:

"China's crude steel capacity expansion is likely to peak in 2019 as the rate of startups outstrips the rate of closures for one year before the two volumes move closer to parity. The expansion surge comes despite China's efforts over the past four years to reduce capacity as part of its ongoing supply-side reform agenda. Chinese steel mills are only allowed to build new capacity to replace existing capacity of a similar size that they have shut down. But as most of the old capacity earmarked for removal in 2019 has been idled or closed for some time, the new facilities will result in a significant net increase incapacity this year.

Newly commissioned facilities coming online in 2019 will add 34.9 million mt/year of new capacity, taking the country's total crude steel capacity to around 1.18 billion-1.2 billion mt/year, according to Platts estimates. In 2019 a total 51.1 million mt/year of new crude steel capacity is being commissioned, predicated on the closure of 51.9 million mt/year of old capacity, according to Platts calculations based on government announcements of new capacity approvals. However, some 35.7 million mt/year of that 51.9 million mt/year was idled or shut down before 2019, meaning only 16.2 million mt/year will be *closed during the year – far less than the volume of new capacity being commissioned, resulting in a wide disparity between the replacement and closed capacities. In contrast in 2020, China will commission 91.9 million mt/year of new capacity and close down 91.2 million mt/year, but only around 12 million mt/year of that old capacity was shut earlier, meaning the replacement-closure ratio will be much narrower. China is slated to commission 21.7 million mt/year of capacity in 2021, followed by 21.1 million mt/year in 2022 and a sharply lower 7.8 million mt/year in 2023. Any net increase in capacity in those years will be negligible for the same reasons as in 2020."*

22.2.7 According to OECD report 'Latest Developments in Steel Making 2020':

"There are a number of new investments in greenfield projects, most of which are related to China's replacement measures for outdated and small steel plants, especially in the eastern and southern coastal areas of China (OECD, 2019). These investments are aimed at facilitating access to imported raw materials, as well as enabling the production of high value-added steel products to meet demand for flat products in, for example, the automotive and home appliance industries.

With regard to investments in BOF capacity, Shandong Iron and Steel Group has commissioned new BOF facilities with a capacity of 4.36 mmt at the Rizhao steelworks, in Shandong province (Platts, 2019). In addition, Shougang Group completed an expansion project in its subsidiary, Shougang Jingtang United Iron and Steel (Shougang Jingtang). This project entails the installation of BOF facilities with a capacity of 4.0 mmt in Caofeidan port, Hebei province (Platts, 2019). Moreover, Guangxi Liuzhou Iron and Steel Group commissioned new BOF facilities with capacity of 14.7 mmt in the coastal city of Fangchenggang, in Guangxi province (Guangxi Liuzhou Iron and Steel, 2019). In addition, Liu'an Steel Holdings in Anhui province installed a new BOF mill with a capacity of 3.2 mmt (Platts, 2019). In March 2019, Baosteel Zhanjiang Iron and Steel has started the expansion of its BOF steelmaking capacity by an additional 3.6 mmt, which is scheduled to become operational in March 2021 (ME, 2018). With regard to investments in EAF capacity, Fujian Dingsheng Iron and Steel is building an EAF facility with capacity of 1.725 mmt that will be operational in 2020 (Henan Province SME Public Platform, 2019).

In addition to these projects, there are a number of projects reported in the interim capacity report which were originally planned to start operations in 2019, but the Secretariat has not yet been able to confirm the start of operations at these plants. These include: HBIS Laoting Steel with BOF capacity of 7.47 mmt, Shanxi Jinnan Iron and Steel with BOF capacity of 3.4 mmt, Shaanxi Hanzhong Iron and Steel with EAF capacity of 0.7 mmt, as well as Yaan Anshan Iron and Steel with EAF capacity of 0.83 mmt."

22.2.8 According to MEPS monthly steel reviews published in February 2021:

"Hubei Shunle Steel is close to commissioning a new two million tonnes annual capacity electric arc furnace at its facility in Xianning City. The company plans to install additional furnaces at the site, pushing its total crude steel output to six million tonnes when the work is completed. The project forms part of Hubei Shunle Steel's capacity relocation scheme."

22.2.9 According to the Center for Research on Energy and Clean Air (CREA) report 'China's steel sector invests USD 100 billion in coal-based steel plants, despite low profitability, overcapacity and carbon commitments August 2023':

"Chinese steel firms are making significant investments in new, coal-based steelmaking capacity. Companies received approvals from provincial governments for 384.3 million tonnes per annum (Mtpa) of new ironmaking capacity, and 425.9 Mtpa new steelmaking capacity from 2017 until the first half of 2023. On average, approximately 30 Mtpa steelmaking capacity was approved every six months, which is almost equal to the total steel capacity of Germany. These new approvals are under the capacity replacement policy, which requires a larger quantity of existing capacity to be retired for all new capacity that is added.

Approximately 90% of crude steel production in China is using coal-based blast furnace–basic oxygen furnace (BF–BOF) routes, wherein coal is used to extract oxygen from iron ore in BF. This method generates significant carbon emissions, thereby contributing substantially to the high carbon emission intensity in China's steel sector. However, new iron and steel capacity is continuously dominated by the BF–BOF route. Blast furnaces (BF) account for about 99% of the new ironmaking capacity and basic oxygen furnaces (BOF) account for 70% of the new steelmaking capacity approved in 2017–2023 H1. That is to say, at least one-quarter of China's existing steelmaking capacity has been renewed to further lock in carbon intensive production during their 40-year lifespan.

In spite of the 'dual carbon' goal pledge announced in 2020, during 2021–2023 H1 there was a total 119.8 Mtpa BF and 76.6 Mtpa BOF approved. To meet the 2060 carbon neutrality goal requires early retirement of carbon-intensive steelmaking facilities. Therefore, the new BF–BOF approved after 2020 alone would result in nearly USD 100 billion (CNY 700 billion) in stranded assets.

We also saw promising progress on shifting investments into facilities that are less carbon-intensive. New proposed electric arc furnace (EAF) projects significantly increased in 2021–2023 H1, with a total capacity of 52.5 Mtpa approved. EAF steelmaking is promoted under the latest capacity *replacement policy. The share of EAF in the newly announced steelmaking capacity grew to 30-40% from 2021. Several non-BF projects with a total capacity of 4.7 Mtpa, applying incremental technology or zero-emission technology in the ironmaking process also received approval."*

22.2.10 From the above information and analysis, the Commission is of the view that the installed production capacities of steel products including the product under review of China has increased and it has exportable surplus to dump in Pakistan. Therefore, in case anti-dumping duty is terminated, there is likelihood of recurrence or continuation of dumping of the product under review.

22.3 Whether Exporters of China have Developed Other Export Markets after Imposition of Antidumping Duty

22.3.1 The information regarding China's export destinations of CC Billets was checked from different sources, however no reliable information found. Therefore, this factor is non-conclusive and any analysis specific to the product under review cannot be made.

22.4 Trade remedial actions taken by other countries on exports of the product under review and whether such actions are likely to cause a diversion of imports into Pakistan:

22.4.1 To assess likely recurrence or continuation of dumping of the product under review, the Commission has analyzed trade remedial actions taken by other countries against exports of CC. billets by China. Following table shows trade defense actions taken against exports of CC. billets by China.

Table-V
Trade Defense and other Tariff Measures Imposed on China

Country	Origin(s)	Products	Measure
(1)	(2)	(3)	(4)
US	Global	Steel products	The US implemented a 25% tariff on steel imports as of March 2018, excluding imports from Australia. Canada and Mexico were exempted May 19, 2019. In December 2019 President Trump said tariffs on Brazil and Argentina would be reinstated; the countries have been subject to import quotas since 2018. Tariffs replaced with tariff-rate quota for the EU starting January 2022 as per Oct. 2021 announcement.

Egypt	All Imports	Billet, rebar & wire rod	Tariffs of 16% on billet, 25% on rebar and 25% on wire rod applied October 12, 2019. Minimal payment requirements have also been adopted. The initial duty rates will stay in place until April 11, 2020. Then they will be decreasing on a yearly basis until expiration on April 11, 2022. Egypt's Ministry of Trade and Industry decided to revoke safeguard duties on imports of billets and rebars, industry and trading sources told S&P Global Platts Nov. 15. The suspension will be effective once the decrees are published in the official gazette, according to the reports.
Turkey	Third country imports	Finished & semi-finished steel	Customs duties on some alloy and non-alloy billet, slab, hot-rolled coil, cold rolled coil, coated coil, stainless steel, sections and some bar products have been increased by 5% effective April 18 from the previous range of 9%-15% up to 14%-20%. Duties extended to September 30, 2020 in July 2020.
Brazil	All suppliers	Steel products	The Brazilian economy ministry on Nov. 5 temporarily reduced the import tariffs over a variety of steel products. The measure – valid until Dec. 31, 2022 – covers raw materials such as pig iron, ferroalloys, semi–finished ingots, billets, slabs and flats and long steel products, including tubes & pipe. HRC, CRC, rebar and wire rod had their 12% import tariff cut to 10.8%.

22.4.2 On the basis of above information, it is evident that the Chinese exports of the product under review to other countries have also been restricted/barred. Therefore, there is likelihood of recurrence of dumping and increase in volume of dumped imports of the product under review from China if anti-dumping duty is terminated.

22.4.3 Based on the information and analysis in the paragraphs 22.1 to 22.4 supra, it is concluded that there is likelihood of recurrence and continuation of dumping of the product under review if antidumping duty on dumped imports is terminated.

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

23.1 Likelihood of Injury to the domestic industry is determined in accordance with Rule 41 of the Rules. The Commission has taken into account relevant factors in order to determine likely continuation or recurrence of injury to the domestic industry. To determine likelihood of continuation or recurrence of injury to the domestic industry, the Commission, *inter alia,* considered following factors:

i. Likely change in volume of imports of the product under review if anti-dumping duty is terminated;
ii. Likely impact of imports of the product under review on prices of the domestic like product with and without anti-dumping duty;
iii. Consequent likely impact on the domestic industry, which includes likely and potential decline in: sales, profits, output, market share, productivity, return on investment, capacity utilization and likely negative effects on: cash

flow, inventories, employment, wages, growth, ability to raise capital or investments; and

23.2 As stated earlier (Table-I supra) the domestic industry comprises of 41 units, but the information on all injury factors is available for Applicants only i.e. for 3 units. However, the PALSP has provided installed production capacities and production of all units in the industry during the POR. Therefore, total domestic production, sales and capacity utilization is determined based on the information provided by PALSP. Further, as the Applicants are major units in the industry and constitute about 30 percent of the total installed capacity and 29 percent of the total domestic production during 2021, therefore, likelihood of continuation or recurrence of injury for factors other than production, sales, market share and capacity utilization is inferred from the Applicants information.

23.3 Information/facts on injury factors are provided in the following paragraphs.

23.4 **Likely Effect on Volume of Dumped Imports**

23.4.1 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act, it is considered whether there would be significant increase in dumped imports, either in absolute terms or relative to the consumption or production of the domestic like product if the anti-dumping duty is terminated.

23.4.2 The following table shows information on imports of the product under review in period of original investigation ("POI"), period of review ("POR") and domestic consumption:

Table-VI
Dumped Imports and Domestic Consumption **(Volume)**

Year/Period	Sources of Imports		Total imports	Domestic Consumption**	Dumped imports as % of:	
	Dumped	Others			Domestic Consumption	Total imports
(1)	(2)	(3)	(4)=(2+3)	(6)=(4+5)	(7)	(8)
Apr 14 – Mar 15**	18.83	2.39	21.22	100.00	19	89
Jan - Dec 19	--	0.19	0.19	284.42	--	--
Jan - Dec 20	0.00	0.29	0.29	298.15	0	0
Jan - Dec 21	0.00	0.09	0.09	344.88	0	1

* POI of Original Investigation Sources: the Applicants and PRAL **Including sales of other units

Note: To maintain confidentiality Actual figures are indexed by taking total domestic consumption in Apr 14 – Mar 15 equals to 100

23.4.3 The above table shows that the share of dumped imports from China during period of original investigation was 89 percent of total imports of CC. billets which after imposition of anti-dumping duty completely disappeared during the period of review. Similarly, share of dumped imports of the product under review in total consumption which was 19 percent in the original POI has completely disappeared after imposition of anti-dumping duty.

23.4.4 As there is strong likelihood that the dumped imports of the product under review will recur if anti-dumping duty is terminated (paragraph 22 supra), therefore, on the basis of above information and analysis, the Commission has concluded that termination of anti-dumping duty on dumped imports of the product under review would likely lead to significant increase in its absolute volume as well as relative to domestic consumption. Therefore, termination of anti-dumping duty on dumped imports would likely lead to the recurrence of injury to the domestic industry on account of increase in volume of dumped imports.

23.5 Likely Price Effects on the Domestic Like Product

23.5.1 Cost to make and sell and ex-factory price of domestic like product is as follows:

Table-VI (A)
Cost to Make & Sell and Ex-factory Price (per MT)

Year	Domestic Like Product		Increase/(decrease)	
	Cost to make & sell	Ex-factory Price	Cost to make & sell	Ex-factory Price
Apr 14 – Mar 15*	100.00	57.78	34.37	2.70
Jan – Dec 19	76.10	75.15	--	--
Jan – Dec 20	82.65	74.72	6.55	(0.43)
Jan – Dec 21	90.86	90.90	8.21	16.19

*Original POI
Note: To maintain confidentiality Actual figures are indexed by taking cost to make & sell in Apr 14 – Mar 15 equals to 100

23.5.2 As there were no imports of the product under review during the POR, therefore, the analysis of Price Undercutting analysis could not be carried out. However, the analysis of Price Suppression and Price Depressions has been carried out based on the information provided in the above table. The above table shows that the ex-factory prices increased during the POR, therefore, the industry did not suffer price depression. The above table further shows that the domestic industry experienced price suppression during Jan-Dec 2020.

23.5.3 In case anti-dumping duty imposed on dumped imports of C.C. Billets is terminated, there is likelihood of injury to the domestic industry on account of price depression and price suppression.

23.6 Likely Effects in Sales and Market Share

23.6.1 The sales made by the domestic industry and the market share of domestic industry in the domestic market during the period of original investigation and period of review are given in the table below:

Table – VII
Sales and Market Share

Year	Domestic Industry's sales		Dumped imports		Other imports		Total Market	
	Value***	%share	Value	%share	Value	%share	Value	%change**
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(2+4+6)	(9)
Apr 14 – Mar 15*	78.78	78.78	18.83	18.83	2.39	2.39	100.00	--
Jan - Dec 19	284.42	99.93	--	--	0.19	0.07	284.60	184.60
Jan - Dec 20	297.86	99.90	0.00	0.00	0.29	0.10	298.15	198.15
Jan - Dec 21	344.79	99.97	0.00	0.00	0.09	0.03	344.88	244.88

Sources: the Applicants and PRAL * POI of Original Investigation ** % change vis-à-vis original POI
***Including sales of other units
Note: To maintain confidentiality Actual figures are indexed by taking total market in Apr 14 – Mar 15 equals to 100

23.6.2 The above table shows that the share of domestic industry which was around 79 percent of total market during the period of original investigation increased significantly and almost entire domestic market is captured by the domestic industry because of imposition of the anti-dumping duty on dumped imports of the product under review. Imports from dumped sources as well as other sources declined to a negligible level during the last year of POR as compared to the total domestic market.

23.6.3 The total domestic market of CC Billets has significantly increased by 245 percent since the imposition of anti-dumping duty. Resultantly, sales of the domestic industry have also increased manifold during the POR. According to the Applicants, substantial increase in the demand for CC Billets is due to growth in construction sector that is driven by new investment in infrastructure projects including construction of dams, highways, roads and houses under China Pakistan Economic Corridor and Prime Minister's Naya Pakistan Housing Scheme etc.

23.6.4 On the basis of fore-going information and analysis, there is likelihood of increase in volume of imports of the product under review if anti-dumping duty is terminated (paragraph 22 supra), resultantly there is a likelihood of significant increase in market share of dumped imports which will adversely affect sales and market share of the domestic industry.

23.7 Likely Effects on Production and Capacity Utilization

23.7.1 The following table shows installed production capacity, production of the domestic like product and capacity utilization of the entire domestic industry during the period of original investigation and POR:

Table – VIII
Production and Capacity Utilization (Volume)

Year/ Period	Installed Capacity	Quantity Produced	Capacity Utilization (%)
(1)	(2)	(3)	(4)=3/2
Apr 14 – Mar 15*	100	43	43.21
Jan - Dec 19	294	167	56.74
Jan - Dec 20	302	174	57.53
Jan - Dec 21	335	199	59.32

Source: Applicants, PALPS
Note: To maintain confidentiality Actual figures are indexed by taking installed capacity in Apr 14 – Mar 15 equals to 100

23.7.2 The above table reveals that installed capacity of the domestic industry has increased manifold after imposition of anti-dumping duty on CC. billets as compared to the installed capacity during the original POI. Similarly, production of the domestic like product increased significantly during the POR. Resultantly, capacity utilization also increased up to 59 percent during the POR besides a significant increase in production capacity.

23.7.3 As there is likelihood of increase in volume of dumped imports of CC. billets if anti-dumping duty is terminated (paragraph 22 supra), which will result in increased market share of dumped imports, therefore, on the basis of the above information and analysis it is concluded that the domestic industry would likely face injury on account of production and capacity utilization in case of termination of the anti-dumping duty imposed on dumped imports of CC. billets from China.

23.8 **Likely Effects on Profits**

23.8.1 Net profit of the domestic industry during the period of original investigation and POR is given in the following table:

Table –IX
Applicants' Profits/Loss

Year/Period	Profit/(Loss)(Value)**
(1)	(2)
Apr 14 – Mar 15*	(42,102)
Jan - Dec 19	(1,723)
Jan - Dec 20	(15,439)
Jan - Dec 21	100

* POI of Original Investigation **For the Applicants only
Note: To maintain confidentiality Actual figures are indexed by taking figure in Jan-Dec 21 equals to 100

23.8.2 The above table shows that the domestic industry suffered loss during POI of original investigation. However, after imposition of anti-dumping duty, the net loss declined significantly and eventually the domestic industry became profitable during the last year of POR (Jan-Dec 21).

23.8.3 As there is likelihood of increase in volume of dumped imports of the product under review (paragraphs 23.4 supra) and adverse price effects if anti-dumping duty on CC. billets is terminated. Therefore, the domestic industry would likely face injury on account of decline in profits and/or profitability on termination of anti-dumping duty imposed on dumped imports of CC. billets from China.

23.9 **Likely Effects on Inventories**

23.9.1 Inventory position of the Applicants of domestic like product during the period of original investigation and POR is given in the following table:

Table – X
Applicants' Opening and Closing Inventory (Volume)

Period	Opening Inventory	Closing Inventory
(1)	(2)	(3)
Apr 14 – Mar 15*	100	120
Jan - Dec 19	561	1,079
Jan - Dec 20	1,079	892
Jan - Dec 21	892	886

* POI of Original Investigation Sources: the Applicants

Note: To maintain confidentiality, actual figures are indexed by taking opening inventory figure in Apr 14 – Mar 15 equals to 100.

23.9.2 The above table shows that closing inventory in the first year of POR i.e., Jan-Dec 19 was more than the closing inventory in the POI for original investigation. During the second year of POR i.e., Jan-Dec 20 closing inventories decreased, and which further decreased during the last year of POR i.e., Jan-Dec 21. According to the Applicants, the increase in closing inventory during the POR is due to sharp increase in demand for steel products, the domestic industry had to maintain higher inventory level to ensure smooth operations and timely deliveries to its customers.

23.9.3 Termination of anti-dumping duty on dumped imports of CC. billets from China would likely lead to increase in its volume, which would negatively affect production and sales of the domestic like product. Therefore, termination of anti-dumping duty on dumped imports of CC. billets would negatively affect inventories of the domestic like product of the domestic industry.

23.9.4 On the basis of the above information and analysis it can be said that the domestic industry would likely face injury on account of increase in inventories of the domestic like product if anti-dumping duty imposed on dumped imports of CC. billets is terminated.

23.10 **Likely Effect on Employment, Productivity and Wages**

23.10.1 The Applicants data on employment, productivity and the wages paid during the period of original investigation and POR is given in following table:

Table – XI
Applicants' Employment, Productivity and Wages

Year/Period	Number of employees	Salaries & Wages (Value)	Production (Volume)	Productivity (per worker)	Salaries & wages (per MT)
(1)	(2)	(3)	(4)	(5)	(6)
Apr 14 – Mar 15*	100	100	100	100	100
Jan - Dec 19	174	230	233	134	99
Jan - Dec 20	180	281	237	132	119
Jan - Dec 21	186	294	278	149	106

* POI of Original Investigation Sources: the Applicants
Note: To maintain confidentiality Actual figures are indexed by taking figures in Apr 14 - Mar 15 equals to 100

23.10.2 The above table shows that after imposition of anti-dumping duty the production capacity of the domestic industry and number of employees increased and productivity per worker improved during the last two years of POR as compared to POI of original investigation. However, likely recurrence of dumping of the product under review would adversely effect employment and productivity of the domestic industry. Termination of anti-dumping duty on dumped imports from China would likely to lead to increase in volume of dumped imports of the product under review, which would negatively affect production of the domestic industry.

23.10.3 On the basis of the above information and analysis the Commission has reached the conclusion that the domestic industry would likely face injury on account of decrease in productivity if anti-dumping duty imposed on dumped imports of the product under review is terminated.

23.11 **Likely Effect on Investment and Return on Investment**

23.11.1 All the three Applicants i.e. M/s. Amreli Steels Limited, M/s. Agha Steel Industries Limited, and M/s. Mughal Iron & Steel Industries Limited are multi-product companies. Therefore, investment and return on investment of the Applicants are determined for whole companies as it cannot be determined separately for each product. The information regarding the return on investment of the Applicants during original POI and the POR is given in the following table:

Table – XII
Applicants' Return on Investment

Year/Period	Return on investment (%)
(1)	(2)
Apr 14 – Mar 15*	4.16
Jan - Dec 19	4.69
Jan - Dec 20	7.12
Jan - Dec 21	18.94

* POI of Original Investigation   Sources: the Applicants

23.11.2 The above table shows that the overall return on investments improved after imposition of anti-dumping duty on dumped imports of the product under review. The return on investment also significantly increased from 4.16 percent in period of original investigation (Apr 14 – Mar 15) to 7.12 percent in 2020 and 18.94 percent in 2021.

23.11.3 As termination of anti-dumping duty on dumped imports from China would likely lead to increase in volume of dumped imports of the product under review, which would negatively affect production, sales, profits and investment of the domestic industry.

23.11.4 On the basis of the above information and analysis it is concluded that the domestic industry is likely to face injury on account of return on investment on termination of anti-dumping duty imposed on dumped imports of CC. billets under review from China.

23.12 **<u>Likely Effects on Cash Flow</u>**

23.12.1 The Applicants are multi-product companies and the cash flows for different products cannot be determined separately as number of factors are combined for all products. Therefore, total net cash flow of the entire operations of the Applicants for the POR is given in following table:

Table – XIII
Applicants' Cash Flows

Year/Period	(Value)
(1)	(2)
Apr 14 – Mar 15*	(99.80)
Jan - Dec 19	(98.68)
Jan - Dec 20	100.00
Jan - Dec 21	(208.94)

* POI of Original Investigation   Sources: the Applicants
Note: To maintain confidentiality Actual figures are indexed by taking figure in Jan-Dec 20 equals to 100

23.12.2 It is evident from the above table that domestic industry was able to generate positive cash flows during the second year of POR (Jan-Dec 20). However, during the last year of POR the net cash flows from operations decreased to Rs.8,533 million. According to the Applicants this was due to higher level of inventory maintained by the domestic industry as part of its strategic decision to ensure continued supply of CC. billets at affordable prices to the user industry.

23.13 **Likely Effects on Growth and Investment**

23.13.1 After imposition of anti-dumping duty on CC. billets, the domestic market has increased manifold (Table-VII) and the entire domestic demand of CC. billets is catered by the domestic industry. The domestic industry significantly increased its production capacity of CC. billets by making investment for expansion/set up new plants. This shows significant growth in the domestic industry after the imposition of anti-dumping duty. As there is likelihood of increase in the volume of dumped imports of CC. billets in case anti-dumping duty is terminated, which may adversely affect sales and market share of the domestic industry.

23.14 **Summing up Likely Recurrence or Continuation of Injury**

On the basis of information and analysis at preceding paragraphs the Commission has reached at conclusion that termination of anti-dumping duty imposed on dumped imports of the CC. billets from China would likely lead to recurrence of injury to the domestic industry on account of the following:

(a) Likely increased volume of dumped imports of the product under review from China;

(b) Likely price depression and price suppression;

(c) Likely decline in production, capacity utilization, sales and market share of the domestic like product; and

(d) Likely negative effect on profits, inventories, and productivity of the domestic industry.

D. CONCLUSIONS

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

(a) The Applicants filed an application for sunset review within prescribed time-period in accordance with Section 58(3) of the Act. The Applicants and the supporting producers represent 58.38 percent of the domestic production of CC. billets during the POR;

(b) The product under review and the domestic like product are like products;

(c) There is likelihood of recurrence of dumping of the product under review from China, if anti-dumping duty imposed on dumped imports of the product under review is terminated because:

(i) After imposition of anti-dumping duty, dumped imports of the product under review became uncompetitive and the exporters of China stopped their exports of the product under review to Pakistan; and

(ii) The exporters of the product under review have abundant export surplus.

25. If anti-dumping duty imposed on dumped imports of the product under review is terminated the domestic industry would likely suffer injury on account of the following:

(a) increased volume of dumped imports of the product under review;

(b) price depression and price suppression;

(c) decline in production, capacity utilization, sales and market share; and

(d) negative effect on profits/profitability and productivity of the domestic industry

E. CONTINUATION OF DEFINITIVE ANTI-DUMPING DUTY

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

27. In view of the information, analysis and conclusions in preceding paragraphs, the Commission has determined that the expiry of anti-dumping duty imposed on dumped imports of the product under review would be likely to lead to recurrence of dumping and injury to the domestic industry. The Commission has, therefore, decided to continue anti-dumping duty **at the rate of 24.04 percent** in *ad val* terms on dumped imports of CC. billets from China for a further period of three years effective from June 22, 2022.

28. In accordance with Section 51 of the Act, the anti-dumping duty shall take the form of *ad valorem* duty and would be deposited in Commission's account "G1270X", titled "National Tariff Commission fund" maintained with State Bank of Pakistan. The definitive anti-dumping duty would be collected in the same manner as customs duty is collected. Release of the dumped imports of the product under review for free circulation in Pakistan shall be subject to imposition of such anti-dumping duty.

29. Further, in accordance with Section 51(1)(ea) of the Act, definitive anti-dumping duty will not be levied on imports of the product under review that are to be 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.

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

-sd- (Ahmed Sheraz) Member October 23, 2023	-sd- (Imran Zia) Member October 23, 2023
-sd- (Muhammad Iqbal Tabish) Member October 23, 2023	-sd- (Naeem Anwar) Chairman October 23, 2023