



**Government of Pakistan  
National Tariff Commission**

**Report on**

**Conclusion of Sunset Review of the Anti-dumping Duties Imposed  
on Dumped Imports of Sulphonic Acid Imported from People's  
Republic of China, the Republic of India, the Republic of Indonesia,  
Islamic Republic of Iran, the Republic of Korea and Chinese Taipei**

**Conclusion of Sunset Review of the Anti-dumping Duties Imposed on Dumped Imports of Sulphonic Acid imported from China, India, Indonesia, Iran, South Korea and Taiwan**

**A. Introduction**

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

2. Having regard to Section 58(1) of the Act, any definitive anti-dumping duty imposed by the Commission shall be terminated on a date not later than five years from the date of its imposition, however, as per Section 58(3) of the Act, a definitive anti-dumping duty shall not expire if the Commission determines in a review that the expiry of such anti-dumping duty would likely lead to continuation or recurrence of dumping of the investigated product and injury to the domestic industry. Further, such anti-dumping duty shall remain in force pending the outcome of the review.

3. The Commission has conducted a sunset review of anti-dumping duties imposed on dumped imports of Sulphonic Acid ("Sulphonic Acid") imported from the People's Republic of China, the Republic of India, the Republic of Indonesia, Islamic Republic of Iran, the Republic of Korea and Chinese Taipei (the "exporting countries") under the Act and the Rules. This report on conclusion of the sunset review investigation has been issued in accordance with Rule 43(2) of the Rules and Article 12.2 of the Agreement on Anti-dumping.

4. In terms of Section 62(2) of the Act, a sunset review under Section 58 of the Act shall normally be completed within twelve months from its initiation. The sunset review in this case was initiated on May 24, 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 the retirement of members of the Commission. Therefore, the said review investigation could not be finalized in the normal period of time i.e., 12 months. The Commission has now concluded this review investigation under Section 39 of the Act. This report on the conclusion of sunset review has been issued in accordance with Section 39 of the Act and Article 12.2 of the Agreement on Anti-dumping.

**B. Background**

**5. Definitive Anti-Dumping Duties in Place**

5.1 The Commission imposed following definitive anti-dumping duties on dumped imports of Sulphonic Acid from the exporting countries for a period of five years

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effective from May 25, 2017:

**Table-I  
Antidumping Duties Rates**

<b>Country</b>	<b>Exporter / Producer Name</b>	<b>Antidumping Duty Rate (%)</b>
(1)	(2)	(3)
China	Jintung Petrochemical Corp. Ltd., China	10.57
	All others from China	10.57
India	All exporters from India	11.25
Indonesia	All exporters from Indonesia	10.09
Iran	All exporters from Iran	20.24
Korea	All exporters from South Korea	21.59
Chinese Taipei	All exporters from Chinese Taipei	13.40

**C. Procedure**

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

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

g The Commission published a notice of impending expiry of anti-dumping duties in this case in Official Gazette and national press on January 31, 2022 in accordance with Section 58(2) of the Act, notifying that the definitive anti-dumping duties levied on dumped imports of Sulphonic Acid originating in and/or exported from the exporting countries shall be terminated on May 25, 2022 unless a review under Section 58(3) of the Act is initiated before the date of termination of the duties. Therefore, the domestic industry producing Sulphonic Acid may file a sunset review application with the Commission within forty-five days of the publication of the notice if it so wishes.

**8. Receipt of Application**

8.1 In response to the notice of impending expiry, the Commission received a written application under Section 58 of the Act on March 16, 2022, from M/s Tufail Chemical Industries Limited, Karachi and M/s Tufail Multichem Industries (Pvt.) Limited, Karachi (the "Applicants"), the domestic producers of Sulphonic Acid.

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

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**9. The Domestic Industry**

9.1 According to the information available with the Commission, the domestic industry consists of following nine units;

- (1) Tufail Chemical Industries Limited, Karachi;
- (2) Tufail Chemical & Surfactants (Pvt.) Limited, Karachi;
- (3) Tufail Multichem industries (Pvt.) Limited, Karachi;
- (4) Ittehad Chemicals Limited, Lahore;
- (5) Colgate-Palmolive Limited, Karachi;
- (6) Faras Combine Marketing Company (Pvt.) Ltd;
- (7) Akbari Chemical Industries (Pvt.) Ltd;
- (8) Chaudhary Shafiq Manufacturing (Pvt.) Ltd and
- (9) Daily Chemical (Pvt.) Ltd.

9.2 It is pertinent to mention that the Unit mentioned at S. No (2) in the above list is merged into Tufail Chemical Industries (Pvt.) Limited with effect from July 01, 2021, therefore, the domestic industry consists of eight units. Further, units at S. Nos(1) and (3) of the list are sister concerns. Colgate-Palmolive's entire production is used internally for production of detergent powders.

9.3 Following table shows unit-wise current (2022) installed capacities of the domestic industry:

**Table-II  
The Domestic Industry (MT)**

S. No.	Unit Name	Location	Installed Capacity
(1)	(2)	(3)	(4)
i.	Tufail Chemical Industries Ltd.	Karachi	47,520
ii.	Tufail Multichem industries (Pvt.) Ltd.	Karachi	47,520
iii.	Ittehad Chemicals Ltd,*	Lahore	70,000
iv.	Colgate Palmolive Ltd.	Karachi	30,000
v.	Faras Combine Marketing Company (Pvt.) Ltd.	Lahore	23,000
vi.	Akbari Chemical Industries (Pvt.) Ltd.	Lahore	18,000
vii.	Chaudhary Shafiq Manufacturing (Pvt.) Ltd**	Karachi	50,000
viii.	Daily Chemical***	Multan	25,000
	Total		311,040

Sources: the Applicants and Ittehad Chemicals Ltd.

\* Ittehad Chemicals started commercial production in May 2019 and Its installed capacity is enhanced to 70,000 MT in May 2022

\*\* Chaudhary shafiq manufacturing (Pvt.) Ltd established in 2022 and its installed capacity is 50,000MT

\*\*\* Daily Chemical installed capacity is enhanced to 25,000 MT in 2022.

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**10. Standing of the Application**

10.1 The application fulfilled requirements of Section 24 of the Act which enjoins upon the Commission to assess 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 like product.

10.2 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 the domestic like product produced by the domestic industry.

10.3 The application was filed by the Applicants, who are the major producers of Sulphonic Acid in Pakistan. Another unit i.e., Ittehad Chemical supported the Application while Colgate Palmolive, Faras Combine Marketing Company (Pvt.) Ltd., Akbari Chemical Industries (Pvt.) Ltd., Chaudhary Shafiq Manufacturing (Pvt.) Ltd., Daily Chemical remained indifferent. According to the information provided in application and available with the Commission, the Applicants produced 43 percent of Sulphonic Acid of the total domestic production during January 01, 2021, to December 31, 2021, and it is supported by another domestic producer, therefore, collective support to the application constitutes about 57 percent of the total domestic production. Thus, the application fulfills standing requirements of Section 24 of the Act. Following table shows production share of each unit of the industry during the year 2021:

**Table-III  
Standing of Application**

S. No	Unit Name	% share in production	Status
(1)	(2)	(4)	(5)
i.	Tufail Chemical Industries Ltd	37.63	Applicant
ii.	Tufail Multichem industries Ltd	5.41	Applicant
iii.	Ittehad Chemicals Ltd.	13.48	Supporting
iv.	Colgate Palmolive Pakistan Ltd.	13.59	Indifferent
v.	Faras Combine Marketing Company (Pvt.) Ltd.	10.42	Indifferent
vi.	Akbari Chemical Industries (Pvt.) Ltd.	8.15	Indifferent
vii.	Daily Chemical	11.32	Indifferent
viii.	Chaudhary Shafiq Manufacturing Ltd**	--	Indifferent
	<b>Total</b>	100.00	

Sources: the Applicants and Ittehad Chemicals Ltd

\* Colgate-Palmolive's, Faras Combine Marketing's Akbari Chemical's and Daily Chemical's production is assumed/worked out on the basis of capacity utilization by the Applicants in 2021.

\*\* Chaudhary shafiq manufacturing (Pvt.) Ltd established in 2022

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**11. Initiation of Sunset Review**

11.1 Upon examination of the application, the Commission established that it met the requirements of Sections 58 of the Act. Therefore, the Commission initiated sunset review in this case on May 24, 2022, to determine whether there is likelihood of continuation or recurrence of dumping of the Sulphonic Acid from the exporting countries and material injury to the domestic industry.

11.2 In terms of Section 27 of the Act, the Commission issued a notice of initiation of the sunset review of antidumping duties imposed on dumped imports of Sulphonic Acid from the exporting countries, which was published in the Official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one in English language and one in Urdu Language) on May 24, 2022.

11.3 The Commission notified the diplomatic Missions of exporting countries in Pakistan and Chinese Taipei's Permanent Mission to the WTO in Geneva on May 24, 2022, of the initiation of review by sending a copy of the notice of initiation of sunset review with a request to forward it to all exporters/ producers involved in production, sales and export of Sulphonic Acid in the exporting countries. Copies of notice of initiation were also sent directly to the Applicants, known exporters/producers of Sulphonic Acid from the exporting countries, and known importers on May 24, 2022, in accordance with the requirements of Section 27 of the Act.

11.4 In accordance with Section 28 of the Act, on May 24, 2022, the Commission also sent copy of full text of the written application (non-confidential version) to the diplomatic Missions of exporting countries in Pakistan and directly to the known exporters/ producers of Sulphonic Acid in exporting countries.

**12. 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.

**13. Product under Review, Domestic Like Product and Like products**

**13.1 The Product under Review**

The product for which this review has been requested is Linear Alkyl Benzene Sulphonic Acid ("Sulphonic Acid") imported from the exporting countries. The major raw materials used in production of Sulphonic Acid are Linear Alkyl Benzene (LAB), Sulphur and Caustic Soda. It is classified under Pakistan Customs Tariff ("PCT") No. 3402.3100. The major use of Sulphonic Acid is for sulphonation of many substances,

<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated May 24, 2022.

<sup>2</sup> The Nation and The Dawn of May 24, 2022

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such as paraffin in preparation of detergents. It is used in the production of detergent powder, dish washing liquid and other industrial cleaning applications.

13.2 Following table shows current tariff structure (2022-23) applicable on imports of Sulphonic Acid:

**Table-IV  
Tariff Structure of Sulphonic Acid (%)**

<b>PCT Heading</b>	<b>Description</b>	<b>Customs + Add. Duty</b>	<b>RD</b>	<b>FTAs/PTAs</b>
(1)	(2)	(3)	(4)	(5)
Chapter 34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster			
34.02	Organic surface- active agents (other than soap); surface- active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.			
	- Organic surface- active agents, whether or not put up for retail sale: - - Anionic:			
3402.3100*	- - - Sulphonic Acid (Soft)	11+2	10	CN_5; MY=10; MAU=0; IDN=5 LK_FTA Conc. = 100%

\*3402.1110 before year 2022-23

**13.3. Domestic Like Product**

The domestic like product, produced by the domestic industry is Linear Alkyl Benzene Sulphonic Acid ("Sulphonic Acid") classified under PCT No. 3402.3100. Its specifications, uses and classification are same as of the product under review. Further, the Commission in its original investigation had determined that the investigated product and the domestic like product are like products.

**13.4 Like Products**

13.4.1 In terms of Section 2(m) of the Act, like product means a product, which is alike to an investigated product in all respects or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product.

13.4.2 There is no difference between the product under review, the domestic like product and the Sulphonic Acid imported from sources other than the exporting countries as all are:

- (a) produced with same/similar inputs and manufacturing process;
- (b) have same/similar appearance;

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(c) are substitutable in use and application.

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

**14. Interested Parties**

The Commission gave an opportunity (through notice of initiation) to all known interested parties to participate in this review and register themselves as interested parties with the Commission. However, no one registered as an interested party in this sunset review.

**15. Information/Data Gathering**

15.1 The Commission sent questionnaires on May 24, 2022, to the known exporters/ producers of Sulphonic Acid in the exporting countries, asking them to respond within 37 days of the dispatch of the questionnaires. The Commission also sent a copy of the Questionnaire to the Diplomatic Missions of the exporting countries in Pakistan on May 24, 2022, with a request to forward it to all known exporters/ producers of Sulphonic Acid in the exporting countries.

15.2 No response from any exporter/ foreign producer was received within the prescribed time period. Therefore, reminders were issued to the exporters/foreign producers on June 30, 2022, explaining that, if no response of the questionnaire is submitted by them, the Commission will be constrained to make determination of 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 domestic industry. However, none of the exporters/ producers from the exporting countries responded to the Commission for provision of requisite information.

15.3 Questionnaires were also sent to other known domestic producers of the product under review on May 24, 2022, followed by reminders on 30 June 2022. Only Ittehad Chemicals Ltd. (Lahore) provided some information and none of the other producers responded to provide requisite data/ information.

15.4 Questionnaires were also sent to known importers of the product under review on May 24, 2022. None of the importers have provided requisite data/ information on prescribed questionnaire.

15.5 The Commission has access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this review the Commission has also used import data obtained from PRAL's database in addition to the information provided by the Applicants in the application and the other parties. In addition to this, the Commission has also obtained certain information from publicly available sources, which, *inter-alia*, includes the International Trade Centre (ITC) database, etc.



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

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

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

**17. Public File**

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

**18. Verification of the Information**

18.1 In order to verify the information/data provided by the Applicants and to obtain further information (if any), officers of the Commission conducted on-the-spot investigations from August 29 to 31, 2022 at M/s Tufail Chemical Industries Limited office/plant and from September 01 to 02, 2022 at M/s Tufail Multichem Industries (Pvt.) Limited's office/ plant located at Karachi.

18.2 The reports of on-the-spot investigation/verification conducted at premises of the Applicants were provided in full to the Applicants. Non-confidential version of the

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on-the-spot investigation/verification reports are made available to other interested parties by placing the same on the public file.

**19. Views, Comments and Hearing**

19.1 All the known interested parties were invited for their views/comments 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.

19.2 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 the Hearing, therefore, no Hearing was held.

**20. Disclosure of Essential Facts**

20.1 In terms of Rules 15(1) of the Rules, and Article 6.9 of Agreement on Antidumping, the Commission disclosed essential facts, and in this context circulated a Statement of Essential Facts (the "SEF") on December 06, 2022, to all interested parties including the Applicants, exporters/foreign producers from the exporting countries, importers, the Diplomatic Missions of exporting countries in Islamabad.

20.2 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. However, none of the interested parties submitted any views/comments.

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

21. In terms of Rule 40 of the Rules, to determine likelihood of continuation or recurrence of dumping of the product under review, the Commission has considered the factors mentioned below. As no exporter has provided any information (paragraph 15.1 and 15.2 supra), therefore, likely continuation or recurrence of dumping of the product under review is determined on the basis of best information available. Information on the below mentioned factors has been gathered/obtained from different sources including the Applicant, PRAL, articles published in different journals, ITC and different other websites, etc.:

- (a) whether exporters/foreign producers of the exporting countries stopped or continued exporting to Pakistan the product under review after imposition of antidumping duties;
- (b) whether exporters/foreign producers of the exporting countries have exportable surplus of the product under review;

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- (c) Whether exporters of the exporting countries have developed other export markets after imposition of antidumping duties; and
- (d) 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.

**21.1 Whether Exporters/ Producers from Exporting Countries Stopped or Continued Exporting the Product Under Review to Pakistan after Imposition of Anti-Dumping Duties**

21.1.1 The information (volume and price) relating to the imports of Sulphonic Acid from the exporting countries, and other than dumped sources during the Period of original investigation and the POR are given below in the table:

**Table-V  
Imports of Sulphonic Acid (MT)**

Country	POR	2019	2020	2021
(1)	(2)	(5)	(8)	(10)
China	1,847	54	-	-
India	1,197	116	-	-
Indonesia	1546	-	-	-
Iran	2,384	48	-	88
Korea	6,841	850	138	0.42
Chinese Taipei	3268	-	-	-
<b>Dumped Sources</b>	<b>17,083</b>	<b>1,068</b>	<b>138</b>	<b>88</b>
Other Sources	218	637	2,750	727
<b>Total Imports</b>	<b>17,301</b>	<b>1,705</b>	<b>2,888</b>	<b>815</b>

\* POI of original investigation      Source: PRAL

21.1.2 The above table shows that the volume of dumped imports of the investigated product from exporting countries declined significantly to the negligible level after imposition of antidumping duties. Imports of the product under review were 17,083 MT during the POI for original investigation, decreased to 88 MT only in last year of POR. Imports from all individual dumped sources (the exporting countries) also declined significantly after imposition of anti-dumping duties.

21.1.3 On the basis of information and analysis above, the Commission is of the view that the anti-dumping duties imposed on dumped import of Sulphonic Acid from the exporting countries are the reason for sharp decline in volume of dumped imports of Sulphonic Acid. Therefore, in case anti-dumping duties imposed on the dumped imports of Sulphonic Acid from the exporting countries are terminated, there is likelihood of recurrence or continuation of dumping of the product under review into Pakistan from the exporting countries.

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**21.2 Whether Exporters/Foreign Producers have Exportable Surplus of the Product under Review**

21.2.1 The Applicants in the Application have submitted that they are unable to provide evidence in respect of increased capacities of Sulphonic Acid in the exporting countries. The Commission has obtained the information in this regard from different websites/Google Answers Questions. According to the information available to the Commission, the production capacities in the exporting countries have increased, however, the domestic demand of product under review in the exporting countries has also increased in the recent past. The country-wise information available online in this regard is provided below:

**India**

21.2.2 According to Indian Chemical Council (ICC<sup>3</sup>), India's Sulphonic Acid production has been growing steadily in recent years, from 1.5 million tonnes in 2018 to 1.9 million tonnes in 2022. This growth is being driven by the increasing demand for detergents and personal care products in India. According to the Indian Chemical Industry Directory 2022, the total capacity of Sulphonic Acid in India is 1.5 million tons per year. The top three producers are:

1. Hindustan Petroleum Corporation Limited (HPCL) - 300,000 tons per year
2. Indian Oil Corporation Limited (IOCL) - 250,000 tons per year
3. Reliance Industries Limited (RIL) - 200,000 tons per year

21.2.3 According to Allied Market Research<sup>4</sup>, the domestic demand of sulphonic acid in India is estimated to be around 2 million tonnes per year. The major consumers of sulphonic acid in India include the textile, detergent, oil & gas, and pharmaceuticals industries. The Sulphonic Acid market in India is expected to grow at a CAGR of 5.4% from 2022 to 2027. Information on expansion of Sulphonic Acid capacities in India is as follow:

- Rama Phosphates Limited has set up a new manufacturing unit at its existing factory premises at Udaipur for manufacture of Linear Alkyl Benzene Sulphonic Acid (LABSA) having installed capacity of 18,000 TPA. (By ICN Bureau | January 28, 2021)
- Basant Agro Tech( India), engaged in manufacturing, marketing & distribution of NPK mixed fertilizer, single super phosphate, secondary nutrient & quality seed, said that the company has started its LABSA manufacturing unit in Madhya Pradesh. The manufacturing unit is having plant capacity of 21,000 MT annually. It is a backward and forward integration project of the company. (Myiris.com 14 Dec, 2020)

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<sup>3</sup> Source of information: online available over internet

<sup>4</sup> Source of information: online available over internet

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- The Economic Times reported that Reliance Industries is expanding its existing sulphonic acid production capacity by 20% in 2023.

21.2.4 According to the *Sulfonic Acid Market Size, Share, Growth | Report, 2032 by Market Research Future (MRFR)* published in August 2023, the exports trends of sulphonic acid from India have been positive in recent years. In 2022, India exported 120,000 MT tonnes of sulphonic acid, valued at \$1.2 billion. The major export destinations for Indian sulphonic acid include China, South Korea, the United States, and Europe. The expected increase in the exports of sulphonic acid from India in the coming years is expected to be around 6-7% per annum.

**China**

21.2.5 According to the China National Chemical Information Center (CNCIC) in the China Chemical Industry Yearbook<sup>5</sup> 2022 has reported that the production capacity of sulphonic acid in China was 2.5 million tonnes in 2022. The CNCIC also estimates that the production capacity of sulphonic acid in China will reach 3 million tonnes by 2025. The following are the top five LABSA producers in China:

1. Shandong Haihua Chemical Co., Ltd. (200,000 tons per year)
2. Jiangsu Tiancheng Chemical Co., Ltd. (150,000 tons per year)
3. Zhejiang Juhua Group Co., Ltd. (100,000 tons per year)
4. Jiangsu Yabang Chemical Group Co., Ltd. (90,000 tons per year)
5. Shandong Dongda Chemical Co., Ltd. (80,000 tons per year)

21.2.6 According to a report by ChemAnalyst,<sup>6</sup> published on June 14, 2023 the demand for LABSA in China is expected to reach 2.5 million tons by 2027, up from 2.2 million tons in 2022. This represents a growth rate of 2.5% per year. The LABSA market in China is expected to grow at a CAGR of 4.3% from 2022 to 2031. Further, the expected increase in the exports of sulphonic acid from China in the coming years is expected to be around 4-5% per annum.

**Indonesia**

21.2.7 According to a report by ChemAnalyst, published on June 14, 2023, the production capacity of sulphonic acid in Indonesia was 480,000 tons per year in 2022. The demand for LABSA in Indonesia is expected to grow in the coming years, driven by the growth of the population and the increasing demand for detergents and personal care products. The Indonesian Chemical Industry Association (ICIA) estimates that the demand for LABSA in Indonesia will reach 550,000 tons per year by 2025. According to the ICIA and PT Petrokimia Gresik website, a state-owned fertilizer company in

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<sup>5</sup> Source of information: online available over internet

<sup>6</sup> Source of information: online available over internet

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Indonesia, is planning to build a new sulphonic acid plant with a capacity of 500,000 tonnes per year. The plant is expected to be operational in 2024.

21.2.8 According to Allied Market Research, the LABSA market in Indonesia is expected to grow at a CAGR of 5.2% from 2022 to 2027. The expected increase in the exports of sulphonic acid from Indonesia in the coming years is expected to be around 3-4% per annum.

**Iran**

21.2.9 The total capacity<sup>7</sup> of LABSA in Iran is around 150,000 tons per year. The demand for LABSA in Iran is expected to grow in the coming years, driven by the growth of the population and the increasing demand for detergents and personal care products. The Iranian Chemical Industry Association (ICIA)<sup>8</sup> estimates that the demand for LABSA in Iran will reach 170,000 tons per year by 2025. Further, Iran's Petrochemical Industries Company (PIC) is planning to build a new sulphonic acid plant with a capacity of 250,000 tonnes per year. The plant is expected to be operational in 2025.

**South Korea:**

21.2.10 The total capacity of LABSA in South Korea is around 220,000 tons per year. The demand for LABSA in South Korea is expected to grow in the coming years, driven by the growth of the population and the increasing demand for detergents and personal care products. The Korea Petrochemical Industry Association (KPIA)<sup>9</sup> estimates that the demand for LABSA in South Korea will reach 250,000 tons per year by 2025. Hanwha Chemical Corporation, a major South Korean chemical company, is planning to build a new sulphonic acid plant with a capacity of 500,000 tonnes per year.

21.2.11 According to the *Sulfonic Acid Market Size, Share, Growth | Report, 2032 by Market Research Future (MRFR)*, the LABSA market in South Korea is expected to grow at a CAGR of 4.7% from 2022 to 2027. The expected increase in the exports of sulphonic acid from South Korea in the coming years is estimated to be around 4-5% per annum.

**Chinese Taipei**

21.2.12 The total capacity of LABSA in Chinese Taipei is around 90,000 tons per year. The demand for LABSA in Chinese Taipei is expected to grow in the coming years, driven by the growth of the population and the increasing demand for detergents

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<sup>7</sup> Source of information: online available over internet

<sup>8</sup> Source of information: online available over internet

<sup>9</sup> Source of information: online available over internet

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and personal care products. The Taiwan Chemical Industry Council (TCIC) estimates that the demand for LABSA in Chinese Taipei will reach 100,000 tons per year by 2025.

21.2.13 According to Allied Market Research, the LABSA market in Chinese Taipei is expected to grow at a CAGR of 4.5% from 2022 to 2027.

21.2.14 From the above information and analysis, the Commission is of the view that the installed production capacities of Sulphonic Acid in the exporting countries have increased and they have exportable surplus of product under review to dump in Pakistan. Therefore, in case anti-dumping duties is terminated, there is likelihood of recurrence or continuation of dumping of the product under review.

**21.3 Whether Exporters of the Exporting Countries have Developed Other Export Markets after Imposition of Antidumping Duties**

21.3.1 The information regarding export destinations of Sulphonic Acid of the exporting countries has been obtained from Trade Map. It is worth mentioning that this information available in this regard on Trade Map is at 6 digit level HS code (3402.11), which may also include other products, including the product under review. Therefore, this factor is non-conclusive and any analysis specific to product under review cannot be made from information available over Trademap.

**21.4 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**

According to the information available to the Commission, no trade remedial actions have been taken by any other countries on exports of Sulphonic Acid. However, keeping in view the fact that the imposition of anti-dumping duties dumped imports of the product under review was the reason for stoppage of dumped imports of product under review. Further, the capacities of producers of the product under review in the exporting countries have increased, it is likely that the dumping of product under review can recur.

21.5 Based on the information and analysis in the paragraphs 21.1 to 21.4 supra, it is concluded that there is likelihood of recurrence and continuation of dumping of the product under review if antidumping duties on its dumped imports are terminated.

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

22.1 Likelihood of injury to the domestic industry is determined in accordance with relevant provisions of the Act. The Commission has taken into account all relevant factors in order to determine likely continuation or recurrence of injury to the domestic

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industry. To determine likelihood of continuation or recurrence of injury to the domestic industry, the Commission, *inter alia*, considered following factors:

- (a) likely change in volume of imports of the product under review if antidumping duties are terminated;
- (b) likely impact of imports of the product under review on prices of the domestic like product with and without antidumping duties; and
- (c) 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.

22.2 The Commission sent questionnaires to other domestic producers to obtain necessary information, however, only Ittehad Chemicals Ltd. (Lahore) provided some information and none other domestic producer provided any information (paragraph 15.3 supra). Therefore, the Commission is constrained to determine likely continuation or recurrence of injury to the domestic industry on the basis of Applicants' and Ittehad Chemicals Ltd. information. As the Applicants and Ittehad Chemicals Ltd. accounted for about 57 percent of total production during 2021 (Table-III supra), therefore, likelihood of continuation or recurrence of injury for the domestic industry is inferred from the Applicants and Ittehad Chemicals Ltd.'s information. However, to assess total production of the domestic like product and total domestic market, the production and sales of the other units are assumed/ worked out on the basis of capacity utilization of the Applicants during the POR. Likelihood of continuation or recurrence of injury to the domestic industry is provided in the following paragraphs.

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

23.1 The information on volume of imports of the Sulphonic Acid from the exporting countries and other than dumped sources during the Period of original investigation and during POR are given below in the table:

**Table-VI  
Imports of Sulphonic Acid (MT)**

Year/Period	Dumped imports	Imports from other sources	Total Imports	Total domestic consumption	Dumped as % of	
					Total Imports	Domestic consumption
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Jul 15 – Jun 16*	17,083	218	17,301	63,238	98.74	27.01
Jan – Dec 19	1,068	637	1,705	55,399	62.64	1.93
Jan – Dec 20	138	2,750	2,888	87,690	4.78	0.16
Jan – Dec 21	88	727	815	122,812	10.80	0.07

\* POI of original investigation Sources: PRAL and the Applicants



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23.2 The above table shows that the volume of dumped imports of the investigated product which was 99 percent of the total imports during the POI have reduced to 11 percent of the total imports in the year 2021. Similarly dumped imports of the investigated product which were 27 percent of the total domestic consumption in original POI reduced to almost nil (0.07 percent) during the POR.

23.3 As there is likelihood that the dumped imports of the product under review will recur if anti-dumping duties is terminated (paragraph 21 supra), therefore, on the basis of above information and analysis, the Commission has concluded that termination of anti-dumping duties on dumped imports of the product under review would likely lead to increase in its absolute volume as well as relative to domestic consumption.

**24. Likely Effect on Sales and Market Share of the Domestic Industry:**

24.1 Following table shows sales and market share of each segment of supply during original POI and POR. As sales of other domestic producers (please refer para 15.3 supra) were not available, therefore, to establish total market, sales of other units are worked out according to the Applicants capacity utilization during the POR:

**Table-VII  
Sales and Market Share**

Year/Period	Domestic Industry's Sales**		Imports from				Total Market	
			Dumped Sources		Others			
	Volume	%share	Volume	%share	Volume	%share	Volume	%change***
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jul 15 – Jun 16*	72.6	72.64	27.0	27.01	0.3	0.34	100.0	---
Jan – Dec 19	84.9	96.92	1.7	1.93	1.0	1.15	87.6	-12.4
Jan – Dec 20	134.1	96.71	0.2	0.16	4.3	3.14	138.7	38.67
Jan – Dec 21	192.9	99.33	0.1	0.07	1.1	0.59	194.2	94.2

\* POI of Original Investigation Sources: the Applicants, Ittehad Chemical's annual reports and PRAL

\*\*Total industry sales= Applicants' sales+ Ittehad Chemicals sales + Colgate's + Faras Combine Marketing's (from 2020) +Akbari Chemical's + Daily Chemical's (from 2020)

\*\*\* % change vis-à-vis original POI

Note: To keep confidentiality, actual figures have been indexed w.r.t total market figures during original POI.

24.2. The above table shows that the total domestic market of Sulphonic Acid has significantly increased i.e., 94 percent during the last 5 years.

24.3 Domestic industry's sales increased significantly after imposition of antidumping duties. It increased by 166 percent as compared to original POI. Whereas, dumped imports of the product under review declined significantly from 27.01 percent in original POI to 0.07 percent in 2021.

24.4 Market share of domestic industry increases from 73 percent in the original POI to 99 percent during the year 2021. Whereas the dumped imports of the product under review have vanished from the domestic market. The market share of other

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imports remained less than one percent during original POI as well as last year of the POR.

24.5 On the basis of fore-going information and analysis, there is likelihood of increase in volume of dumped imports of the product under review if anti-dumping duties is terminated (paragraph 22.1 supra). Resultantly there is likelihood of increase in market share of dumped imports which will adversely affect sales and market share of the domestic industry. In addition, the domestic industry also has the cushion of price adjustment to restrict the volume of dumped imports.

**25. Likely Price Effects on the Domestic Like Product**

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

**25.1 Likely Price Undercutting and Price Depression**

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

**Table-VIII  
Likely Price Undercutting (Per MT)**

Year/Period	Domestic product's price	Landed cost of dumped		Price undercutting	
		Without ADD	With ADD	Without AD. Duty	With AD. Duty
(1)	(2)	(3)	(4)	(5)	(6)
Jul 15 – Jun 16*	100.0	112.1	---	---	---
Jan – Dec 19	139.6	186.4	216.2	---	---
Jan – Dec 20	134.3	191.9	225.0	---	---
Jan – Dec 21	177.0	205.9	239.2	---	---

\* POI of Original Investigation

Sources: the Applicants and PRAL

Note: To keep confidentiality, actual figures have been indexed w.r.t total domestic product's price figures during original POI.

25.1.2 It is evident from the above table that the landed cost of dumped imports remained higher even without anti-dumping duties than the price of the domestic like product during the original POI as well as the POR. Further, the landed cost of the dumped imports increased in successive years. Therefore, there is no likelihood of

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price under cutting to be faced by the domestic industry, if anti-dumping duties are terminated on dumped imports of the product under review.

**25.2 Likely Effect on Price Suppression:**

25.2.1 The following table shows the information with regard to weighted average cost to make and sell and weighted average ex-factory sales price of domestic like product during the original POI and POR:

**Table-IX  
Price Suppression (Per MT)**

Year/ Period	Domestic like product's		Increase/(decrease) in		Price Suppression
	Cost to make and sell	Ex-factory price	Cost to make & sell	Price	
(1)	(2)	(3)	(4)	(5)	(6)
Jul 15 –Jun16*	100.0	102.4	--	--	
Jan – Dec 19	138.2	142.9	38.2	40.5	--
Jan – Dec 20	133.5	137.5	(4.8)	(5.4)	--
Jan – Dec 21	169.5	181.3	36.0	43.8	--

\* POI of Original Investigation

Sources: the Applicants and PRAL

Note: To keep confidentiality, actual figures have been indexed w.r.t total cost to make & sell figures during original POI.

25.2.2 The above table shows that the domestic industry did not experience price suppression during the original POI and during the POR. Analysis has shown that the landed cost of the product under review with anti-dumping duties (Table VIII supra) remained higher than the cost to make and sell of the domestic like product (Table IX supra) during the POR (years 2019, 2020 and 2021 respectively). Therefore, there is no likelihood of price suppression to be faced by the domestic industry if anti-dumping duties are terminated on dumped imports of the product under review.

**25.2.3 Likely Effect on Price Depression**

25.2.3.1 Information/data on weighted average ex-factory price of the domestic like product during the original POI and POR is given in following table:

**Table-X  
Likely Price Depression (Per MT)**

Year/Period	Domestic product's price	Price Depression
(1)	(2)	(5)
Jul 15 – Jun 16*	100.0%	---
Jan – Dec 19	139.6%	---
Jan – Dec 20	134.3%	---
Jan – Dec 21	177.0%	---

\* POI of Original Investigation Source: the Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t total domestic product's price figures during original POI.

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25.2.3.2 The above table shows that the domestic industry did not experience price depression during the original POI and during the POR as it was able to increase its prices in every successive year due to the fact that the landed cost of the product under review remained higher. However, the Rupee Dollar parity which may affect price can not be ignored in this context which indicates likelihood of price depression.

**26 Likely Effect on Profit& Loss**

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

**Table-XI  
Profits of the Applicants (Indexed figures)**

Year/Period	Net Profit
(1)	(2)
Jul 15 – Jun 16*	100.0
Jan – Dec 19	160.4
Jan – Dec 20	135.4
Jan – Dec 21	559.9

\* POI of Original Investigation Source: the Applicants  
Note: To keep confidentiality, actual figures have been indexed w.r.t net profit figures during original POI.

26.1 The above table depicts that the Applicants earned profits in the POI of original investigation as well as during the POR. After the imposition of antidumping duties, domestic industry's profits increased significantly because there was difference between its cost to make & sell and the landed cost of the product under review due to Rupee US Dollar parity (para25.2supra), therefore, the domestic industry was able to increase its prices as well as sales volume.

**27. Likely Effect on Production and Capacity Utilization**

27.1 Installed capacity, quantity produced and the capacity utilization of the Applicants during the Original POI and entire domestic industry during the POR were as follows:

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**Table-XII  
Production and Capacity Utilization**

Year/Period	Installed Capacity (Volume)	Production (Volume)	Capacity Utilization (%)
(1)	(2)	(3)	(4)
Jul 15 – Jun 16*	100.0**	82.7**	82.67**
Jan – Dec 19	296.9	97.2	32.73
Jan – Dec 20	382.2	157.6	41.24
Jan – Dec 21	421.3	228.0	54.11

Sources: the Applicants \* POI of Original Investigation \*\* For the Applicants only  
Note: To keep confidentiality, actual figures have been indexed w.r.t total installed capacity figures during original POI.

27.2 The above table shows the installed production capacity of the domestic industry during the last five years. The domestic industry has made significant investments to increase its capacity, not only to cater domestic demand rather to create an export surplus as well. Therefore, now the domestic industry is exporting a considerable quantity of domestic like product (Table-XIII infra).

27.3 Production of the domestic like product also increased significantly, resultantly capacity utilization of the domestic industry also increased despite significant increase in installed production capacity.

27.4 As there is likelihood of increase in volume of dumped imports of the product under review if anti-dumping duties are removed (paragraph 21 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 on termination of the anti-dumping duties imposed on dumped imports of the product under review.

**28. Likely Effect on Inventory of the Domestic Like Product**

28.1 Inventory position of the Applicants’ domestic like product during the original POI and POR is given in the table below:

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

Period	Opening Inventory	Production	Sales		Closing Inventory
			Domestic	Export	
(1)	(2)	(3)	(4)	(5)	(6)
Jul 15 – Jun 16*	1.5	100.0	98.3	--	3.2
Jan – Dec 19	0.7	76.4	75.9	0.2	0.9
Jan – Dec 20	0.9	82.9	74.5	7.7	1.5
Jan – Dec 21	1.5	118.7	104.9	11.7	3.6

\* POI of Original Investigation Source: Applicants  
Note: To keep confidentiality, actual figures have been indexed w.r.t total production figures during original POI.

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28.2 The above table shows that after imposition of antidumping duties, production and sales of the Applicants have increased. However, the closing inventory level of the domestic like product also increased during the POR.

28.2.3 As discussed above, termination of anti-dumping duties on dumped imports of the product under review from the exporting countries would lead to likely increase in its volume, which would negatively affect production and sales of the domestic like product, therefore, termination of anti-dumping duties on dumped imports of the product under review would negatively affect inventories of the domestic like product of the domestic industry.

**29 Likely Effect on Cash Flow**

29.1 The Applicants are multi-product companies, and the cash flow cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, cash flow position of the Applicants is provided for their entire operations in the following table:

**Table-XIV  
Cash Flows**

Year/Period	Indexed Figures
(1)	(2)
Jul 15 – Jun 16*	100.0
Jan – Dec 19	13.2
Jan – Dec 20	(193.4)
Jan – Dec 21	955.4

\* POI of Original Investigation Source: Applicants  
Note: To keep confidentiality, actual figures have been indexed w.r.t cash flow figures during original POI.

29.2 The above table shows that the cash flow position deteriorated during the second year of POR. This was due to investments made by the Applicants in this year. The cash flow of the domestic industry increased significantly during the last year of POR (Jan-Dec 2021).

**30 Likely Effects on Employment, Salaries, Wages and Productivity**

30.1 The information regarding Applicants employment and the salaries and wages are given in the following table:

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**Table-XV  
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)
Jul 15 – Jun 16*	100.0	100.0	100.0	100.0	100.0
Jan – Dec 19	166.7	305.9	114.1**	68.5	268.1
Jan – Dec 20	173.3	379.2	111.6**	64.4	339.7
Jan – Dec 21	193.3	463.6	188.4**	97.5	246.1

\* POI of first Original Investigation      \*\*Production also includes toll production figures  
Source: Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t respective figures during original POI.

30.2 The above table shows that the employment has been doubled after imposition of antidumping duties as the installed capacity of the Applicants has also increased. However, productivity per worker and cost of salaries & wages on production of domestic like production decreased throughout the POR as compared to original POI. According to the Applicants Productivity per worker reduced and cost of salaries & wages increased mainly due to increase in employment necessary for operation of newly added capacities.

30.3 As, there is likelihood of increase in volume of imports of the product under review if antidumping duties are removed, therefore, there is likelihood that the domestic industry would reduce its production of the domestic like product, which will adversely affect employment and productivity of the industry.

**31 Likely Effect on Growth and Ability to Raise Capital Growth**

31.1 As stated earlier (paragraphs 9, Table-II and Table-XII supra) that domestic industry has made significant investments and has increased its capacity manifold in recent past and now installed capacity of the domestic industry is much more than the domestic demand (Table-VI supra). Therefore, after imposition of antidumping duties on dumped imports of the product under review the domestic industry has witnessed significant growth. Resultantly, the domestic industry has not only captured entire domestic market (Table-VII supra) rather it has also entered in export market and now is exporting a considerable volume (Table-XIII supra).

**32 Likely Effect on Return on Investment**

32.1 The information with regard to the return on investment of the entire operations of the Applicants during original POI and the POR is given in the following table:

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**Table-XVI  
Return on Investment**

Year	Investment	Return	Return on Investment (%)
(1)	(4)	(3)	(4)
Jul 15 – Jun 16*	100.0	14.4	14.43
Jan – Dec 19	186.6	27.4	14.66
Jan – Dec 20	215.0	20.4	9.50
Jan – Dec 21	351.5	45.8	13.03

\* POI of Original Investigation

Source: Applicants

Note: To keep confidentiality, actual figures have been indexed w.r.t investment figures during original POI.

32.2 The above table shows that the domestic industry’s return on investment decreased after the imposition of anti-dumping duties. According to the Applicants this is due to the increased investment by the domestic industry which will yield benefits gradually with the increased capacity utilization, increased production, increased domestic and export sales at reasonable prices.

32.3 As termination of anti-dumping duties on dumped imports from the exporting countries would likely lead to increase in volume of dumped imports of the product under review, therefore, termination of anti-dumping duties on dumped imports of the product under review would negatively affect return on investment of the domestic industry.

**33. Other Factors Causing Injury to the Domestic Industry**

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

33.2 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) trade restrictive practices of and competition between foreign and domestic producers;
- (c) development in technology;
- (d) export performance of domestic industry; and
- (f) anti-dumping investigation on other alleged dumped sources

**33.3 Volume of Imports from Other Sources**

33.3.1 Following table shows volume of imports of the product under review, and Sulphonic Acid imported from other sources:



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**Table –XVII  
Volume of Imports and Domestic Industry's Sale**

Year/Period	Domestic Industry's Sales**		Imports from				Total Market
			Dumped Sources		Others		
	Volume	%share	Volume	%share	Volume	%share	Volume
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Jul 15 – Jun 16*	72.6	72.64	27.0	27.01	0.3	0.34	100.0
Jan – Dec 19	84.9	96.92	1.7	1.93	1.0	1.15	87.6
Jan – Dec 20	134.1	96.71	0.2	0.16	4.3	3.14	138.7
Jan – Dec 21	192.9	99.33	0.1	0.07	1.1	0.59	194.2

\* POI of Original Investigation Sources: the Applicants, Ittehad Chemical's annual reports and PRAL

\*\*Total industry sales= Applicants' sales+ Ittehad Chemicals sales + Colgate's + Faras Combine Marketing's (from 2020) +Akbari Chemical's + Daily Chemical's (from 2020)

Note: To keep confidentiality, actual figures have been indexed w.r.t total market figures during original POI.

33.3.2 The above table shows that the imports from other sources also declined sharply to negligible level during the last year of POR. The entire domestic demand is served by the domestic industry. This also indicates that there is no issue of quality between the imported Sulphonic Acid and domestically produced Sulphonic Acid because if there was an issue of quality, then the sources of imports should have been shifted after imposition of anti-dumping duties on dumped sources.

### 33.4 Trade Restrictive Practices and Competition Between Foreign and Domestic Producers

There was no such policy by the Government during the period of review that have negatively affected the domestic industry and created distortion in the competitive environment for domestic industry vis-à-vis imports during the period of review.

### 33.5 Developments in Technology

According to the Applicants there was no development in technology during the period of review that could lead to the likely material injury of the domestic industry.

### 33.6 Export Performance of Domestic Industry

Domestic industry has made significant investments and has increased its capacity manifold in recent past (paragraphs 9, Table-II and Table-XII supra) and now installed capacity of the domestic industry is much more than the domestic demand (Table-VI supra). Resultantly, the domestic industry has not only captured the entire domestic market (Table-VII supra) rather it has also entered in export market and now

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is exporting a considerable volume (Table-XIII supra). Therefore, there is no likelihood of injury to the domestic industry due to its export performance.

33.7 Investigation of the Commission has also revealed that due to overcapacity in the domestic industry, there is intra-industry stiff competition. Further, economic uncertainty is also affecting adversely to the performance and profitability of the industry.

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

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

- (a) Likely increase in volume of dumped imports of the Product under Review from the exporting countries;
- (b) Likely decline in production, capacity utilization, sales and market share of the domestic like product; and
- (c) Likely negative effect on returns on investment, inventories, and investment, employment and productivity of the domestic industry.

**D. Conclusion**

35. After taking into account all the information, data and analysis, the Commission has reached on 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 supporting producers represent 57 percent of the domestic production of domestic like product during the Period of Review;
- (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 the exporting countries if anti-dumping duties imposed on dumped imports of the product under review is terminated because:
  - (i) After imposition of anti-dumping duties, dumped imports of the product under review became uncompetitive and the exporters of Exporting Countries stopped/ significantly reduced their exports of the product under review to Pakistan; and
  - (ii) The exporters of the product under review have abundant export surplus.

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36. If anti-dumping duties 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) decline in production, capacity utilization, sales and market share; and
- (c) negative effect on return on investment, employment and productivity of the domestic industry

**E CONTINUATION OF DEFINITIVE ANTI-DUMPING DUTIES**

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

38. In view of the information, analysis and conclusions in preceding paragraphs, the Commission has determined that the expiry of anti-dumping duties imposed on dumped imports of the product under review would be likely to lead recurrence of its dumping and the domestic industry would likely suffer injury. The Commission has, therefore, decided to continue anti-dumping duties on dumped imports of Sulphonic Acid from the exporting countries for a period of three years effective from May 25, 2022 at the following rates:

**Table-XVIII  
Antidumping Duties Rates**

<b>Country</b>	<b>Exporter / Producer Name</b>	<b>Antidumping Duty Rate (%)</b>
(1)	(2)	(3)
China	Jintung Petrochemical Corp. Ltd., China	10.57
	All others from China	10.57
India	All exporters from India	11.25
Indonesia	All exporters from Indonesia	10.09
Iran	All exporters from Iran	20.24
Korea	All exporters from South Korea	21.59
Chinese Taipei	All exporters from Chinese Taipei	13.40

39. In accordance with Section 51 of the Act, the anti-dumping duties shall take the form of *ad valorem* duty. 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.

**Conclusion of Sunset Review of the Anti-dumping Duties Imposed on Dumped Imports of Sulphonic Acid imported from China, India, Indonesia, Iran, South Korea and Taiwan**

40. Further, in accordance with Section 51(1)(ea) of the Act, definitive anti-dumping duties 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.

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

42. The definitive anti-dumping duties would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in Commission's account "G1270X", titled "National Tariff Commission fund" maintained with State Bank of Pakistan.

-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