(NON-CONFIDENTIAL)

Government of Pakistan
National Tariff Commission

Decision of National Tariff Commission Pursuant to Remand Order dated December 20, 2022 by the Antidumping Appellate Tribunal regarding Antidumping Investigation against Dumped Imports of Polyester Filament Yarn (PFY) into Pakistan Originating in and /or Exported from the People's Republic of China and Malaysia

A.D.C No.46/2016/NTC/PFY

November 6, 2023

Introduction:

The National Tariff Commission (hereinafter referred to as the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (hereinafter referred to as the "Act.") and the Anti-Dumping Duties Rules, 2022 (hereinafter referred to as the "Rules") relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (hereinafter referred to as "Pakistan"), 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 and to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "Agreement on Anti-dumping").

2. The Commission had conducted an antidumping investigation under the Act and the Rules against dumped imports of Polyester Filament Yarn ("PFY") into Pakistan originating in and/or exported from China and Malaysia (the "Exporting Countries"). The Commission made Final Determination in this investigation under Section 39 of the Act.

3. The Notice of Final Determination and imposition of antidumping duties ranging from 3.25 percent to 11.35 percent on the dumped imports of the investigated product from the Exporting Countries for a period of five years, was published in the press on August 26, 2017, in accordance with Section 39(5) of the Act. The definitive antidumping duty rates were determined on C&F value in *ad val.* terms. Definitive antidumping duties at C&F value were equivalent to the final dumping margins determined at ex-factory price level. The investigated product was classified under PCT heading No. 5402.3300, 5402.4600 and 5402.6600 excluding colored PFY.

4. The Commission's final determination was challenged before the Anti-Dumping Appellate Tribunal (the "Tribunal"), and the Tribunal after hearing the parties in Appeal No. 219 of 2017 and others decided to remand the matter to the Commission vide order dated December 03, 2021 with the following directions: -

> *"there are certain mistakes in calculations of dumping margins and the NTC did not carry out a proper causation analysis of 'other known factors' while determining the injury; therefore, we deem it appropriate to remand the matter to the NTC to re-investigate the matter as per observations made in the above paragraphs, strictly in accordance with ADD laws."*

5. In pursuance of the Tribunal's order dated December 3, 2021, the Commission re-investigated the matter to the extent of re-determination of dumping margins and carrying out the causation analysis of other known factors and issued a Final Determination dated January 25, 2022 and imposed definitive antidumping duties ranging from 2.78 percent to 6.82 percent on the dumped

imports of the investigated product from the Exporting Countries effective from the date of publication of the Notice of Final Determination till August 25, 2022.

6. The Commission's determination dated January 25, 2022 pursuant to Remand Order dated December 3, 2021 of the Tribunal was again challenged by numerous importers of PFY before the Tribunal. The Tribunal, after hearing the parties, vide its judgment dated December 20, 2022, held that:

> *"The Commission by refusing the right of hearing to the appellants denied them the opportunity to challenge the data and conclusions drawn in causation analysis of 'other known factors' and thus acted arbitrarily, which is not sustainable. Hence, paragraphs 13, 14 and 15 in part "A" of the impugned reports are remanded to the Commission for de-novo consideration after hearing the appellants. We, thus, direct the Commission to provide an opportunity of being heard to the appellants and decide the matter strictly in accordance with the law."*

7. The Commission, upon its constitution, took up the matter and conducted a hearing on September 19, 2023. Submissions of the appellants and domestic industry are made available to the interested parties by placing them in the Public File. During the hearing, the appellants raised points related to overview of the PFY market, exclusion of Fully Drawn Yarn ("FDY") from the scope of investigation, consequent impact on determination of dumping, material injury to the domestic industry, and injury caused due to the other known factors.

8. Before proceeding to analyze the other known factors raised during the hearing, that were also causing injury to the domestic industry during the original investigation, it is necessary to examine the background of the domestic industry producing PFY, current tariff structure of PFY, market conditions in Pakistan, and the impact on the downstream industry using PFY.

9. The domestic industry had earlier approached the NTC in 2005 for imposition of antidumping duties on dumped imports of PFY from Indonesia, Korea, Malaysia and Thailand. The Commission, after due process under Antidumping Duties Ordinance, 2000 (as it then was) imposed antidumping duties ranging from 2.36% to 29.07% *ad val.* on dumped imports of PFY from Indonesia, Korea, Malaysia and Thailand for a period of five years effective from March 17, 2006. A sunset review of antidumping duties imposed on dumped imports of PFY from the Exporting Countries was conducted in 2011 and the antidumping duties were extended for a period of further three years effective from January 16, 2011. Subsequently, the domestic industry again approached the NTC in 2016 with a request to impose antidumping duty on dumped imports of PFY from two countries namely China and Malaysia. The Commission after due process imposed antidumping duties ranging from 2.78% to 6.82% vide Notice of Final Determination published in the press on August 26, 2017 for a period of five years.

10. It is pertinent to mention that besides antidumping duties, the imports of PFY were subject to customs duty 11%. Furthermore, the Federal Government had also imposed additional customs duty @ 2 percent and regulatory duty at 2.5 percent on the import of PFY in 2018, which was removed in the budget 2021-22 effective from July 1, 2021. Subsequently, the Federal Government **imposed a regulatory duty @ 5% w.e.f. December 21, 2022** which is intact. Following is the tariff structure of Polyester Filament Yarn for the financial year 2022-23:

Table – V
Tariff Structure of Polyester Filament Yarn (2022 – 2023)

PCT Code	Description	CD	ACD		RD	Concessions/ FTA Rates
(1)	(2)	(3)	(4)		(5)	(6)
54.02						
5402.3300	- Textured yarn: -- Of polyesters	11%	0%		5%	SAFTA=5
5402.4700	- Other yarn, single, untwisted or with a twist not exceeding 50 turns per meter: -- Others, of polyesters	11%	0%		5%	SAFTA=5
5402.6200	- Other yarn, multiple (folded) or cabled: -- Of polyesters	11%	0%		5%	SAFTA=5

11. To analyze the total market of PFY in Pakistan, it is imperative to see total sales of the domestic industry and imports from dumped as well as from non-dumped sources. For this purpose, the Commission has analyzed the data available in the report of original investigation and the Application for the sunset review has been examined. As per the original Final Determination and recent available data, the supply and demand position of the PFY is reflected in the following Table:

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Demand and Supply of PFY before and after the Imposition of Antidumping Duty (%)

Period	Volume of Sales of Local Industries	Volume of Dumped Imports	Volume of Other Imports	Total Domestic Market
2014-15	29.78	65.29	4.93	100
2021-22	26.25	62.28	11.47	100

Source: the Applicants and PRAL

12. The above table shows that the domestic market of PFY was 225,000 MT in the year 2014-15 and the domestic industry was catering 30% of domestic demand before the imposition of antidumping duties. The situation concerning demand and supply of PFY is further exacerbated as in the year 2021-22 the domestic market increased to 328,000 MT (an increase of 46%), whereas,

the domestic industry is catering only 26% of the total demand. This indicates the domestic industry can only cater small portion of total domestic demand for PFY i.e. from 26% to 30%.

13. Move on to the factors relating to the causation analysis, it is pertinent to mention that Section 18 of the Act requires the Commission to examine all other relevant factors which are causing injury to the domestic industry. In this regard adequate and reasoned explanation of the qualitative effects of other known factors must be provided by the Commission to ensure that the injury caused by other known factors is not attributed to dumped imports.

14. In this context the following factors are analyzed by the Commission to determine the injury caused to the domestic industry **by <u>other known factors,</u>** which are before the Commission at the time of decision. In this regard, the interested parties submitted that in the earlier decision of the Commission in pursuance of the judgement of Appellant Tribunal dated December 3, 2021, the Commission did not properly distinguish the injury caused by dumped imports and by other known factors.

14.1 Inability of the Domestic Industry to Meet the Total Domestic Demand

a) According to the Appellants the domestic demand for PFY has grown notably, while the domestic industry could cater only 26% of total demand. Keeping in view the increasing demand of the downstream industry using PFY as input, the users are forced to import large quantities of PFY at a higher landed cost owing to over protection of the domestic industry producing PFY locally. The domestic industry is merely able to supply $1/4^{th}$ of the market demand and the downstream user industry is becoming uncompetitive due to expensive imported PFY. Which appears to be an unwarranted toll on the user industry and pressure on depleting foreign exchange reserves.

b) The facts mentioned in para-11 supra appears supporting the above viewpoint of the interested parties that the domestic industry produces only limited types and quantity of PFY. The information available with the Commission also reveals that the domestic industry has not enhanced its production capacity corresponding to the increasing demand for PFY, which unnecessarily hinders the growth of textile producers (the downstream industry) in competing locally as well as internationally.

14.2 Over protection to the domestic PFY industry by way of customs duty and regulatory duty, besides antidumping duty

The Commission imposed antidumping duties ranging from 3.25% to 11.35% w.e.f. August 26. 2017 for a period of five years. In addition, a regulatory duty @ 2.5 % and ACD @ 2% was imposed in 2018, which was removed in the budget for 2020-21. The

Commission's final determination was challenged before the Anti-dumping Appellate Tribunal (December 21, 2021) and the Tribunal after hearing the parties decided to remand the case to the Commission with the direction that there are certain mistakes in the calculation of dumping margin and the NTC did not carry out a proper causation analysis of "other known factors" while determining the injury. Accordingly, the Commission re-calculated the dumping margin and imposed the revised antidumping duties rates ranging from 2.78% to 6.82%. Subsequently, the Federal Government again levied a regulatory duty @5% w.e.f. 21.12.2022. In nutshell, currently downstream industry is importing PFY after paying 11% customs duty and 5% regulatory duty. The Commission is of the view that the import duties being paid by the downstream user industries are already on higher side per international standard for textile inputs.

14.3 Exclusion of FDY from the scope of investigated product at the time of initiation of Sunset Review

a) The Commission while initiating sunset review excluded FDY from the scope of investigated product on the basis that the domestic industry does not produce FDY as it is supplying merely 2% of total domestic demand. The exclusion of FDY from the scope of investigated product has made the final determination in the original investigation un-representative of the facts that are before the Commission in ascertaining the injury to the domestic industry caused on account of other known factors. It is therefore, necessary to distinguish and separate effects of dumped imports DTY and imports of FDY for the purpose of determining injury.

b) The remand order of the Tribunal requires the Commission for de-novo consideration of other known factors causing injury to the domestic industry. While the Commission has already acknowledged the fact that imports of FDY should not be subject of antidumping proceedings, so proprietary dictates that this Commission either undertakes injury analysis afresh by excluding FDY imports or the domestic industry may like to file application afresh against dumped imports of DTY only.

c) It is important to note that in case the analysis of the other known factor after excluding FDY is carried out, it will have implications on the following aspects of the original antidumping investigation:

S. No	Description	Justification for change
1.	Evaluation and Examination of the Application	Re-evaluation of the Application to the extent of DTY only
2.	Investigated Product, Like Product and Domestic Like Product	Re-determination of Investigated Product, Like Product and Domestic Like Product
3.	Information/Data Gathering	Data to be obtained in case certain data is not available for DTY only
	Determination of Dumping Margin	**Justification for change**
4.	Dumping Determination	Dumping was determined for together for both types of PFY i.e. FDY and DTY in the original final determination. Now, re-determination is required for DTY only.
5.	Determination of Normal Value of following exporters : - i) Zhejiang Hengyi Petrochemicals Co. Ltd. ii) Shaoxing Huaqing Polyester and Textile Co. Ltd. iii) Fujian Jinlun Fiber Shareholding Co. Ltd iv) Suzhou Shenghong Fiber Co. Ltd v) Jiangsu Guowang High-Technique Fiber Co., Ltd. vi) Jiangsu Zhonglu Technology Development Co Ltd. vii) Jiangsu Shenghong Petro Chemical Group Ltd viii) Jiangsu Shenghong Technology Trading Co., Ltd ix) Tongkun Group Co. Ltd. x) Tongkun Group Zhejiang Hengsheng xi) All other Chinese cooperating exporters/producers xii) All other Chinese exporters/producers xiii) Recron (M) Sdn, Bhd xiv) All other Malaysian exporters/producers	Afresh determination of normal value for DTY only, as in the original investigation normal value for these exporters was determined on the basis of their domestic sales of both DTY and FDY.
6.	Determination of Export Price of following exporters : - i) Zhejiang Hengyi Petrochemicals Co. Ltd. ii) Shaoxing Huaqing Polyester and Textile Co. Ltd. iii) Fujian Jinlun Fiber Shareholding Co. Ltd iv) Suzhou Shenghong Fiber Co. Ltd v) Jiangsu Guowang High-Technique Fiber Co., Ltd.	Afresh determination of export price for DTY only, as in the original investigation export price for these exporters was determined on the basis of their export sales to Pakistan of both DTY and FDY.

	vi) Jiangsu Zhonglu Technology Development Co Ltd. vii) Jiangsu Shenghong Petro Chemical Group Ltd viii) Jiangsu Shenghong Technology Trading Co., Ltd ix) Tongkun Group Co. Ltd. x) Tongkun Group Zhejiang Hengsheng xi) All other Chinese cooperating exporters/producers xii) All other Chinese exporters/producers xiii) Recron (M) Sdn, Bhd xiv) All other Malaysian exporters/producers	
7.	Determination of Dumping Margin of following exporters : - i) Zhejiang Hengyi Petrochemicals Co. Ltd. ii) Shaoxing Huaqing Polyester and Textile Co. Ltd. iii) Fujian Jinlun Fiber Shareholding Co. Ltd iv) Suzhou Shenghong Fiber Co. Ltd v) Jiangsu Guowang High-Technique Fiber Co., Ltd. vi) Jiangsu Zhonglu Technology Development Co Ltd. vii) Jiangsu Shenghong Petro Chemical Group Ltd viii) Jiangsu Shenghong Technology Trading Co., Ltd ix) Tongkun Group Co. Ltd. x) Tongkun Group Zhejiang Hengsheng xi) All other Chinese cooperating exporters/producers xii) All other Chinese exporters/producers xiii) Recron (M) Sdn, Bhd xiv) All other Malaysian exporters/producers	Afresh determination of dumping margin for DTY only, as in the original investigation dumping margin for these exporters was determined on the basis of their domestic sales of both DTY and FDY.
8.	Negligible Volume of Dumped Imports	Re-determination required on the basis of DTY imports only
	INJURY TO DOMESTIC INDUSTRY	**Justification for change**
9.	Volume of Dumped Imports	Re-determination required on the basis of DTY imports only
10	Price Effects	Re-determination would be required for price effects. Price undercutting will have to be determined based on DTY only. For this purpose, domestic industry's price for DTY

		needs to be worked out. Landed cost of DTY imports needs to be worked out too. For price depression, price of domestic industry for DTY is required. For determination of price suppression, domestic industry's cost of DTY is required.
11	Effects on Market Share	Market share to be re-determined taking into account the domestic industry's DTY production only. Imports from dumped sources and non-dumped sources of DTY only will be taken into account.
12	Effects on Sales	Domestic industry's sales of DTY segment will be considered while making re-determination.
13	Effects on Production and Capacity Utilization	Domestic industry's production and capacity utilization of DTY segment will be considered while making re-determination.
14	Effects on Inventories	Re-determination of effects on inventories excluding the FDY segment.
15	Effects on Profits/Loss	Profit/loss of DTY segment only to be considered while making re-determination.
16	Effects on Employment, Productivity and Salaries & Wages	Re-determination required on the basis of DTY segment results only.
17	Summing up of Material Injury	Re-writing of the section as per new facts
	CAUSATION	
18	Effect of Dumped Imports	Re-determination required as per new facts
19	Other Factors	Re-determination required as per remand order
20	**CONCLUSIONS**	To be drawn as per amended determination
21	**IMPOSITION OF DEFINITIVE ANTIDUMPNG DUTIES**	Re-evaluate the need for imposition of definitive antidumping duties

On the one hand exclusion of FDY from the scope of investigated product has far reaching consequences on the original determination as shown above, and on the other hand it is impossible to carry out the objective analysis of the other known factors (other than dumped imports) causing injury to the domestic industry, without obtaining fresh information from the Applicants and other interested parties.

Keeping in view the fact that the Commission has already excluded FDY from the scope of the investigated product, the calculations of dumping margin and injury analysis carried out while considering the data/information of both FDY and DTY in the original investigation may not be reasonable for causation analysis. Resultantly, the causation analysis considering all other known factors without segregating the data of FDY and DTY would not be justifiable.

15. Other Known Factors

Subsequent to the directives of the Tribunal for *de-novo consideration,* the Commission reviewed the facts on larger canvas and considered the following important aspects in addition to above factors:

a- Global perspective and position of Pakistan

The Commission studied global perspective and witnessed a paradigm shift from natural to manmade fabric in clothing and garments sectors. The share of cotton in global fiber consumption has fallen from nearly 70 percent back in 1960, to only 27 percent by end 2016 and further decreased to 22% by 2022[1]. Vietnam, Bangladesh, and Cambodia import man-made fibers, yarns, and fabric from other countries. These countries manufacture as well as export synthetic garments and are ranked at 2nd, 7th and 11th position in US textile market respectively. This implies that with adequate availability of raw materials in the country, Pakistan too could have excelled in global synthetic textiles market. After economic recovery in post Covid-19 period, global market of PFY was estimated at US$ 63.17 billion in the year 2022, which is projected to touch US$99.58 billion by 2030, exhibiting a CAGR 5.7%, during the forecast period according to latest study of international research organization, *Business Research Insights.* Despite its growing use in textile globally, in Pakistan the use of synthetic fibers in textile industry is advancing at a snail's pace, resulting in only 0.4 percent share in US man-made fiber apparel market[2]. It is therefore, essentially important that Pakistan's textile policy should encourage use of polyester fiber value added textile products.

b- Cost of Production of PFY Producers and Downstream Industry

Small and Medium Enterprise (SME) sector plays a significant role in the economic development of a country. According to Small and Medum Enterprises Development Authority, there are more than 5 million SMEs in Pakistan, which contribute 40% in GDP and 25% in overall exports, besides, 78 % of non-agriculture sector employment. In the context of textile sector, about 350,000 power looms mainly located at Karachi, Faisalabad, Lahore, Gujranwala, Peshawar, swat, Lahore, Sheikhupura, Gujrat, Kamalya etc; are specifically engaged in producing PFY based textile products and have been significantly contributing to job creation, import substitution and exports. These SMEs despite imposition of antidumping duties and RD, rely heavily upon imports of PFY

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[1] International Cotton Advisory Committee

[2] SBP report on synthetic cloths (https://www.sbp.org.pk/reports/quarterly/fy18/Third/SpecialSection-2.pdf)

due to limitation of local industry, which meets around 25% to 30% of their demand and produce fewer varieties. Higher production of blended yarn and fabric will diversify make Pakistan's exports of textile products in the world market. Besides availability of inputs at higher cost, the SMEs face other challenges like lack of finance and running capital. Owing to these factors the SMEs are unable to grow their businesses in emerging markets.

c- Protection Creates Anti-Export Bias

Although State Bank of Pakistan (SBP) Report has termed Synthetic Textiles as key to sustaining export growth momentum, it has been observed that protection to the domestic industry producing textile inputs has emerged as a key hinderance. Local manufacturers in petrochemical /polymers industry have historically enjoyed high protection rates – especially with respect to products such as purified terephthalic acid (PTA) and PSF.

In this regard, the imposition of import tariff of 25 percent back in 1998-99 was the most prominent; that was the year when the share of man-made fibers in domestic fiber consumption peaked in the country (at 22 percent). More importantly, that was also the year around which the man-made fibers-based textiles began to dominate the global textile industry. Nonetheless, the high tariff rate remained in place for the next five years, during which the use of synthetic fiber consumption in Pakistan stagnated. In 2003 however, tariffs were reduced to 20 percent to encourage the use of synthetic fibers and spur competition in the industry. With the implementation of 2005-06 budget, the tariffs were eventually reduced to only 6.5 percent. Current taxes and duties have adverse cumulative effect on PFY based value added industry. On account of such anti-export bias measures, Pakistan could not fully take the advantage of GSP status in EU market as well.[3]

d- <u>Limitations of local Industry</u>

The Commission has observed that in present circumstances, when SMEs in the downstream industry are faced with multifaced challenges, earnest efforts are required to provide them level play field. The limitations of the local PFY industry (having only few units) have been highlighted by SBP special section report, stating that hydrocarbons (like naphtha and ethylene) obtained from petroleum refining process are broken down to collect valuable compounds (olefins) which are eventually processed to form various polymers. Although Pakistan has developed a petroleum refining industry in the country, it does not have facilities to break down these hydrocarbons. As there are only three producers of polyester fiber and three to four producers of filaments in Pakistan, the scarcity of producing desired quantity and varieties would continue and dependence on imported

[3] (https://www.sbp.org.pk/reports/quarterly/fy18/Third/SpecialSection-2.pdf)

materials to meet its demand would too continue until and unless the local industry enhances its capacity to substantially meet the requirement of downstream industry[4].

It is evident from the fact that local industry comprising only the few major units does not produce types /verities of PFY besides colored PFY required by SMEs in downstream industry to produce value-added products.

In view of the above, the incumbent Commission earnestly feels that one of the its primary objectives is to undertake investigations based on principle of objectivity and impartiality. In this context has further observed that local industry even after seeking protection through imposition of duties (CS/ADD/RD), for more than a decade, has been unable to enhance its capacity to the corresponding increase in the demand for PFY. The local industry is confined to only few units and despite generating reasonable profit is constrained to produce few varieties of PFY. On the other hand, the downstream SMEs are relying upon foreign sources and importing PFY on comparatively competitive rate despite imposition of above duties.

e) <u>Textile and Apparel Policy 2020-25</u>

The Federal Government in the Textile and Apparel Policy 2020 -25 mentions that "Second major challenge being faced by textiles and apparel sector is product diversification via improvement in fiber-mix and concentration on MMF (artificial or synthetic) to enhance competitiveness and manufacture goods more in line with global demands. Tariff escalation in value-chain intended to encourage domestic value-addition only led the sector to become uncompetitive. Tariff rationalization is therefore imperative to ensure equal distribution of profits and encourage industry for investment to increase exports and diversify products." The Federal Government, in the above referred to policy has set the seven specific policy objectives which, inter-alia, include strengthening of man-made fibers sector, providing level playing field to make export sector competitive, and to give priorities to SEMs for infrastructure, compliance, quality assurance, productivity etc.

As discussed at paragraph-14.2 supra, the protection to the local PFY manufacturers undermines the objectives setout in the Textile and Apparel Policy 2020-25. It is therefore, imperative for the Commission to analyses its measures in line with the overall policy framework, rather than an isolated measure which may create friction in the overall policy and the upstream and downstream industry in the same sector.

[4] (https://www.sbp.org.pk/reports/quarterly/fy18/Third/SpecialSection-2.pdf).

Conclusions

On the basis of above facts and analysis, it is concluded that:

a) Since the imposition of antidumping duties on dumped imports of PFY from China and Malaysia effective from August 26, 2017, the Commission noted that the Tribunal has remanded back the case twice to review the Causation Analysis particularly of 'other known factors.

b) The antidumping dumping duties imposed on dumped imports of PFY from China and Malaysia effective from August 26, 2017 were expiring on August 25, 2022. The Commission initiated Sunset Review of antidumping duties imposed on dumped imports of PFY from China and Malaysia on August 24, 2022 and excluded the FDY from the scope of PFY (on the basis that the domestic industry does not produce FDY), besides excluding colored PFY. The change in the scope of product under review has made it impossible to carry out an objective analysis of other known factor causing injury to the domestic industry.

c) Section 18(1) of the Act requires the Commission that *"The consideration of a causal relationship between dumped imports and injury to domestic industry shall be based on an examination by the Commission of all relevant evidence before it."* After the initiation of sunset review the fact that scope of the product under review has been changed and now it consists of DTY only, excluding FDY and colored PFY. Therefore, the analysis of the Commission in the original investigation of both FDY and DTY is not maintainable.

d) It is pertinent to mention that besides antidumping duties, the imports of PFY were subject to customs duty 11%. Furthermore, the Federal Government had also imposed additional customs duty @ 2 percent and regulatory duty at 2.5 percent on the import of PFY in 2018, which was removed in the budget 2021-22. Subsequently, the Federal Government **imposed a regulatory duty @ 5% w.e.f. December 21, 2022,** which is intact. Hence, the claim of the domestic industry that the available remedy in terms of imposition of antidumping duties did not yield any benefit, which is contrary to the above factual position.

e) The domestic market of PFY was 225,000 MT in the year 2014-15 and at that time the domestic industry was catering 30% of domestic demand, before the imposition of antidumping duties in August 2017. The situation concerning demand and supply of PFY has further aggravated as in the year 2021-22 the domestic market increased to 328,000

MT (an increase of 46%), whereas, the domestic industry was able to meet only 26% of the total demand. This indicates the domestic industry can only cater small portion of total domestic demand for PFY i. e. from 26% to 30%. The downstream industry has no other option, but to import the remaining requirement of PFY after paying CD /ACD /RD. This increased the cost of downstream user industry making it uncompetitive in the domestic as well as export markets.

Keeping in view the above conclusions, the Commission has decided that the continuation of antidumping duties is unjustifiable and is adversely impacting the downstream industry. Therefore, the antidumping investigation against imposed on dumped imports of PFY from China and Malaysia and imposition of antidumping duties vide are terminated forthwith.

(Iqbal Tabish)	(Imran Zia)	(Ahmed Sheraz)
Member	Member	Member
Nov.6, 2023	Nov. 6, 2023	Nov.6, 2023

Naeem Anwar
(Chairman)
Nov. 6, 2023