

(NON-CONFIDENTIAL)



**Government of Pakistan
National Tariff Commission**

REPORT OF

PRELIMINARY DETERMINATION AND IMPOSITION OF PROVISIONAL ANTI-DUMPING DUTIES ON DUMPED IMPORTS OF POLYESTER FILAMENT YARN (DRAWN TEXTURED YARN - DTY) INTO PAKISTAN ORIGINATING IN AND/OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

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Preliminary Determination and Imposition of Provisional Anti-Dumping Duties on Dumped Imports of Polyester Filament Yarn (Drawn Textured Yarn - DTY) into Pakistan Originating in and/or Exported from the People's Republic of China

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The National Tariff Commission (hereinafter referred to as the "Commission" or "NTC") having regard to the Anti-Dumping Duties Act, 2015 (the "Act"), the Anti-Dumping Duties Rules, 2022 (the "Rules") and the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement").

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

3. The Commission is conducting an investigation on dumped imports of Polyester Filament Yarn - Drawn Textured Yarn (DTY) excluding Fully Drawn Yarn (FDY) into Pakistan originating in and/or exported from the People's Republic of China ("China"), under the Act and the Rules.

4. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on May 26, 2024. The Commission has made a preliminary determination in this investigation under Section 37 of the Act. This report of preliminary determination has been issued in accordance with Rule 12 of the Rules.

5. The preliminary determination is based on the data /information available to the Commission at this time.

A. PROCEDURE

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

7. Receipt of Application

7.1 On March 29, 2024, the Commission received a written application under Section 20 and 24 of the Act from M/s. Gatron Industries Limited, Karachi and M/s. Rupali Polyester Limited (the "Applicants") on behalf of the domestic industry. The Applicants are producers of DTY.

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7.2 The Applicants alleged that DTY classified under PCT code 5402.3300 and 5402.6200 originating in and/or exported from China is being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing DTY.

7.3 The Commission informed the Diplomatic Mission of China in Islamabad through note verbale dated April 17, 2024, of the receipt of application in accordance with the requirements of Section 21 of the Act.

8. Evaluation and Examination of the Application

The examination of the application showed that it met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of DTY into Pakistan from China and consequent material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of requisite data / information prescribed therein were also found to have been met.

9. The Domestic Industry

9.1 Section 2(d) of the Act defines domestic industry as:

“Domestic industry” means the domestic producers as a whole of a domestic like product or those of them whose collective output of that product constitutes a major proportion of the total domestic production of that product, except that when any such domestic producers are related to the exporters or importers, or are themselves importers of the allegedly dumped investigated product in such a case “domestic industry” shall mean the rest of the domestic producers”. Explanation.- For the purposes of this clause, producers shall be deemed to be related to exporters or importers only if;

- (i) one of them directly or indirectly controls the other;*
- (ii) both of them are directly or indirectly controlled by the same third person; or*
- (iii) together they directly or indirectly control a third person;*

Provided that there are grounds for believing or suspecting that the effect of the relationship is such as to cause the producer concerned to behave differently from non-related producers and for that purpose one shall be deemed to control another when the former is legally or operationally in a position to exercise restraint or direction over the latter”.

9.2 The domestic industry producing DTY consists of the following five units having installed production capacity of **** MT per annum (based on 150 denier):

- i. M/s. Gatron Industries Limited
- ii. M/s Rupali Polyester Limited,
- iii. M/s Rupafil Limited,

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- iv. M/s Kamal Industries; and
- v. M/s Sindh Industries.

9.3 Following table shows unit-wise installed capacity of the domestic industry:

Table-I
Unit-wise Installed Production Capacity (MT)

S. No.	Unit Name	*Installed Capacity
(1)	(2)	(3)
i.	M/s. Gatron Industries Limited	54.1
ii.	M/s Rupali Polyester Limited	19.7
iii.	M/s Rupafil Limited**	21.9
iv.	M/s Kamal Industries	3.9
v.	M/s Sindh Industries	0.4
	Total	100

* Installed capacity is determined on the basis of DTY on 150 deniers.

** Installed capacity of Rupafil increased from *** MT to *** MT in Nov. 2023

Sources: The Applicants and M/s Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of total installed capacity by taking it equal to 100.

10. Standing of the Application

10.1 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."

10.2 The application has been filed by the Applicants i.e. M/s. Gatron Industries Limited, Karachi and M/s. Rupali Polyester Limited, who are the major producers of DTY in Pakistan. The Applicants produced *** MT of DTY out of total production of *** MT, which is 75 percent of the total domestic production of DTY from January 01 to December 31, 2023. None of the domestic producers have opposed the application. Therefore, the requirement of Section 24

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that if the application 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 has been met. The following table shows the standing of the application as per Section 24 of the Act:

**Table-II
Standing of Application**

S. No	Unit Name	% Share in total production	Status
(1)	(2)	(4)	(5)
i.	M/s. Gatron Industries Limited	65.57	Applicant
ii.	M/s Rupali Polyester Limited	9.26	Applicant
iii.	M/s Rupafil Limited	17.90	Supporting
iv.	M/s Kamal Industries*	6.67	Indifferent
v.	M/s Sindh Industries*	0.61	Indifferent
	Total	100.00	

Source: the Applicants & Rupafil

* Note: Based on industry information name plate capacities are known to the Applicants. Therefore, production and sales of Kamal Industries and Sindh Industries have been assumed at name plate capacities.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of total production by taking it equal to 100.

10.3 The application is made by the two domestic producers whose collective production of DTY accounts for 75 percent of the total production of the domestic like product. Thus, the application fulfills requirement of Section 24 of the Act that domestic producers expressly supporting the application account for more than twenty five percent of the total production of the domestic like product produced by the domestic industry (paragraphs 10.1 and 10.2 supra). The application fulfills both the requirements of Section 24 of the Act; therefore, it is determined that the application is made by the domestic industry.

11. Applicants' Views

11.1 The Applicants, *inter alia*, raised the following issues in application regarding alleged dumping of DTY and material injury to the domestic industry caused therefrom:

- i. DTY imported from China into Pakistan and DTY produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from China are exporting DTY to Pakistan at dumped

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prices; and

- iii. Exports of DTY by the exporters/producers from China to Pakistan at dumped prices have caused and are causing material injury to the domestic industry producing DTY mainly through:
 - (a) Increase in volume of dumped imports;
 - (b) price undercutting;
 - (c) price suppression;
 - (d) decline in productivity;
 - (e) decline in capacity utilization;
 - (f) decline in sales;
 - (g) decline in profits;
 - (h) decline in return on investment;
 - (i) negative effect on inventories;
 - (j) negative effect on cash flows;
 - (k) negative effects on employment, productivity and salaries & wages;
 - (l) magnitude of dumping margins

11.2 The Applicants has also claimed that there is threat of material injury to the domestic industry.

11.3 The Applicants made following requests to the Commission:

- i. Initiate an investigation against dumping of DTY from China under Section 23 of the Act;
- ii. Impose appropriate antidumping duties on dumped imports of DTY in accordance with Section 50 of the Act; and
- iii. Impose provisional measures under Section 43 of the Act to prevent injury being caused during the investigation.

12. Exporters/Foreign Producers of DTY

The Applicants have submitted in the application that they were not able to get information of individual exporters/producers of the investigated product from China as they have no access to the import data. Therefore, the Applicants have requested for imposition of anti-dumping duties on all imports of the investigated product originating in and/or exported from China.

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13. Initiation of Investigation

13.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 23 of the Act and established that there was sufficient evidence of alleged dumping of DTY into Pakistan from China and consequent material injury to the domestic industry. Accordingly, the Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on May 26, 2024.

13.2 In pursuance of Section 27 of the Act, the Commission notified the Diplomatic Mission of China in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on May 29, 2024, with a request to forward it to all exporters/producers in China, who are involved in production, sales and export of DTY. Copy of the notice of initiation was also sent on June 3, 2024, to exporters/ producers of DTY from China directly (whose addresses were available with the Commission), Pakistani importers on May 30, 2024, the Applicants on May 31, 2024, and other domestic producers on June 03, 2024.

13.3 In accordance with Section 28 of the Act, a copy of full text of the written application (non-confidential version) and Exporter's Questionnaire were sent on June 03, 2024, to all exporters/ producers of DTY in China, whose complete addresses were available with the Commission. On May 29, 2024, copy of the full text of the written application along with Exporter's Questionnaire was also sent to the Diplomatic Mission of China in Pakistan with a request to forward it to all exporters/producers in China, who are involved in production and/or sale, export of DTY to Pakistan. Other domestic producer Questionnaire was sent on June 03, 2024, to all other domestic producers of DTY to provide the requisite data/information.

14. Investigated Product, Domestic Like Product and Like Product

14.1 Section 2 of the Act defines investigated product, domestic like product and like product as follows:

¹ The official Gazette of Pakistan (Extraordinary) dated May 26, 2024.

² The 'Express' and 'The News' of May 26, 2024, issue.

³ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

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i. Investigated Product

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

ii. Domestic Like Product

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

iii. Like Product

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

14.2 For the purposes of this investigation and given the definitions set out above, investigated product, domestic like product and like product are identified as follows:

14.3 Investigated Product

14.3.1 The investigated product as defined in notice of initiation was Polyester Filament Yarn – Drawn Textured Yarn (DTY) excluding Fully Drawn Yarn (FDY) originating in and/or exported from China classified under Pakistan Customs Tariff¹ ("PCT") Heading Nos. 5402.3300 and 5402.6200.

14.3.2 At the time of initiation of the investigation, the Commission included the coloured DTY while defining the scope of investigated product, subject to the verification from the records of the Applicants. During the course of the investigation, the Officers of the Commission conducted on-the-spot verification at the premises of the Applicants. During on-the-spot verification, the officers of the Commission observed the production processes as well as reviewed the production and sales records of different variants of DTY and found that the Applicants have produced and sold the colored DTY during the POI. The Applicants mainly produced and sold black coloured DTY during the POI.

14.3.3 Accordingly, the Commission has now confirmed the scope of the investigated product and defined the investigated product as Polyester Filament Yarn – Drawn Textured Yarn (DTY) excluding Fully Drawn Yarn (FDY) originating in and/or exported from China classified under Pakistan Customs Tariff¹ ("PCT") Code Nos. 5402.3300 and 5402.6200.

14.3.4 The tariff structure applicable on import of DTY is given in the following table:

¹ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.
Source: Pakistan Customs Tariff 2023-24

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**Table-III
Tariff Structure of Polyester Filament Yarn (2023 - 2024)**

PCT Code	Description	CD	ACD	RD	Concessions/ FTA Rates
(1)	(2)	(3)	(4)	(5)	(6)
54.02	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex.				
5402.3300	- Textured yarn: -- Of polyesters	11%	0%	5%	SAFTA=5
5402.6200	- Other yarn, multiple (folded) or cabled: -- Of polyesters	11%	0%	5%	SAFTA=5

14.3.5 The investigated product is generally used as an input for the manufacturing of textile fabrics and hosiery etc.

14.4 Domestic Like Product

14.4.1 Under the Section 2(f) of the Act, "Domestic Like Product" means a like product that is produced by the domestic industry.

14.4.2 The domestic like product is Polyester Filament Yarn – Drawn Textured Yarn (DTY) produced by the domestic industry classified under Pakistan Customs Tariff¹ ("PCT") Code Nos. 5402.3300 and 5402.6200 excluding Fully Drawn Yarn (FDY). The domestic like product is also used as an input for the manufacturing of textile fabrics and hosiery etc.

14.5 Like Product

14.5.1 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.

14.5.2 The like product is Polyester Filament Yarn – Drawn Textured Yarn (DTY) excluding Fully Drawn Yarn (FDY), produced by the exporters / producers in China and sold by them in their domestic market as well as exported to countries other than Pakistan and DTY imported into Pakistan from countries other than China. The like product is classified under

¹ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to 6-digit level.

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PCT Code Nos. 5402.3300 and 5402.6200. The major uses of the like product are identical to those of the investigated product and domestic like product.

14.5.3 There is no difference between the investigated product, the domestic like product and DTY imported from sources other than China as all the three products are:

- i. produced with same/similar inputs and manufacturing process;
- ii. have same/similar appearance;
- iii. are substitutable in use and application.

14.5.4 Therefore, the Commission is satisfied that the investigated product, domestic like product and DTY imported from sources other than China are like products in terms of Section 2(m) of the Act.

15. Period of Investigation

15.1 In terms of Section 36 of the Act, Period of Investigation (hereinafter referred to as "POI") is:

- i. *"for the purposes of an investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of the investigation for which data is available and in no case the investigation period shall be shorter than six months."*

- ii. *"for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:*

"Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product".

15.2 The POI selected for the purposes of this investigation for dumping and injury is, as follows:

- | | |
|-------------------------------|---|
| For determination of dumping: | From January 01, 2023, to December 31, 2023 |
| For determination of injury: | From January 01, 2021, to December 31, 2023 |

16. Information/Data Gathering

16.1 The Commission sent Exporter's Questionnaire on June 3, 2024, to all known exporters/foreign producers from China, whose addresses were available with the Commission, for collection of data/information. The exporters/foreign producers were asked

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to respond within 37 days of dispatch of the Questionnaire. On May 29, 2024, the Questionnaire was also sent to the Diplomatic Mission of China in Islamabad with a request to forward it to all exporters/foreign producers of the investigated product in China.

16.2 On the due date for submission of data/information on Exporter Questionnaires, i.e. July 10, 2024, the exporters /producers requested for extension in the timeline for provision of information. After taking into account the due cause shown by these exporters/foreign producers in their requests, the Commission acceded to the requests and granted an extension in time period for submission of information on Exporter's Questionnaire for two weeks i.e. up to July 25, 2024. The Commission received filled-in Exporter's Questionnaires from 38 exporters/producers of DTY in China within the prescribed time limit.

16.3 As large number of exporter/foreign producers provided data /information on Exporters Questionnaire, the Commission decided to limit the number of exporters/foreign producers from China for detailed examination on the basis of volume of exports. The Commission selected 29 exporters/producers of DTY from China on the basis of largest the percentage of volume of exports from China and affiliated companies in terms of Section 14 of the Act, after the consultation with the cooperating exporters/producers from China under Section 14 (3) of the Act. The exporters/producers selected in the sample are mentioned below, who represent 78% of the volume of exports of DTY from China:

- (i) M/s XFM Group (eight exporters/foreign producers)
- (ii) M/s Shenghong Group (seven exporters/foreign producers)
- (iii) M/s Hengyi Group (seven exporters/foreign producers)
- (iv) M/s Tongkun Group (five exporters/foreign producers)
- (v) M/s Hangzhou Qingyun Holding Group Co. Ltd.
- (vi) M/s Jiaxing Longyin Textile Co. Ltd.

16.4 Upon examination of the information received from the above-mentioned exporters/foreign producers, certain deficiencies were found in the information supplied by them. These deficiencies were communicated to the exporters/foreign producers and were requested to supply the deficient information.

16.5 On May 30, 2024, Questionnaires were also sent to Pakistani importers of the investigated product known to the Commission and these importers were asked to respond within 37 days of dispatch of the Questionnaires. None of the Pakistani importer responded to the Commission for provision of the requisite information on prescribed questionnaire. On June 03, 2024, a Questionnaire was also sent to the other domestic producers. Only M/s Rupafil

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Limited ("Rupafil") provided the requisite information on prescribed questionnaire on July 08, 2024.

16.6 For subject investigation, the Commission has used data / information obtained from Federal Board of Revenue (FBR) in addition to the information provided by the Applicants and the exporters / producers of DTY from China.

16.7 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. The Commission received written submissions/comments from the following parties:

- a. Pakistan Yarn Merchants Association (PYMA);
- b. Zhejiang Huilong New Materials Co. and Polyester Technology Hangzhou Co., Ltd.;
- c. importers/weavers; and
- d. The domestic producers of DTY (M/s Gatron, M/s Rupali and M/s Rupafil)

16.8 Views/comments and the information submitted by the above-mentioned interested parties have been considered in making this preliminary determination. Views/ comments of the interested parties germane to this investigation and response of the Commission are given in annotated form at Annexure-I.

16.9 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of preliminary determination of dumping and injury therefrom in this investigation.

17. Questionnaire(s) Response by Exporters / Producers Selected in the Sample for Detailed Examination:

17.1 Questionnaire Response by M/s XFM Group

17.1.1 The Commission sent the Exporter's Questionnaire on June 03, 2024, to the exporters /producers of DTY in China. On July 11, 2024, the M/s Xinfengming Group ("XFM") applied for extension of two weeks for submission of response to questionnaire. The Commission granted the extension after considering the reasons given in the request for extension till July 25, 2024. Its response was received in the Commission on July 25, 2024.

17.1.2 According to the information provided in response to the Questionnaire, M/s XFM has been engaged in the manufacture, domestic sale and export of DTY to Pakistan as well as to other countries during the POI. M/s XFM Group and its related exporters/producers namely

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(i) M/s Huzhou Zhongyue Chemical Fibre Co. Ltd., (ii) M/s Tongxiang Zhongwei Chemical Fibre Co. Ltd., (iii) M/s Tongxiang Zhongxin Chemical Fibre Co. Ltd., (iv) M/s Tongxiang Zhongyi Chemical Fibre Co. Ltd., (v) M/s Xinfengming Group Huzhou Zhongshi Technology Co. Ltd., and (vi) M/s Xinfengming Jiangsu Xintuo New Material Co. Ltd have exported the investigated product to Pakistan. M/s XFM has also informed that there are two other manufacturers of DTY in the M/s XFM Group i.e. M/s Huzhou Zhonglei Chemical Fibre Co. Ltd. and M/s Zhejiang Recycle New Material Institute Co. Ltd. but they are not involved in export to Pakistan. The company-wise details of information gathering from M/s XFM Group are as under:

17.1.3 M/s Huzhou Zhongyue Chemical Fibre Co. Ltd

17.1.3.1 M/s Huzhou Zhongyue Chemical Fibre Co. Ltd., (M/s Zhongyue) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Zhongyue is a joint venture between Taiwan, Hong Kong, Macao and China Mainland established by M/s Xinfengming Group Huzhou Zhongshi Technology Co., Ltd. and M/s Yingjin Global Development Co., Ltd. It was registered on August 2, 2017, with the registered capital of US\$ **** and started operations in July 2019. The Company's business scope is manufacturing of synthetic fibers; sales of synthetic fibers; manufacturing of paper products; sales of paper products; processing of non-metallic waste and scrap; manufacturing of plastic products etc. It has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.1.3.2 The information submitted by M/s Zhongyue in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to M/s Zhongyue on September 19, 2024. M/s Zhongyue responded to the deficiencies vide its letter dated September 26, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.1.4 M/s Tongxiang Zhongwei Chemical Fibre Co. Ltd

17.1.4.1 M/s Tongxiang Zhongwei Chemical Fibre Co. Ltd., (M/s Zhongwei) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Zhongwei was established by M/s Yang Jianfei, M/s Feng Xinwei and M/s Xu Jizhong, and was registered on March 30, 2001. After going through several equity transfers, it is now exclusively funded by M/s Xinfengming Group Company with registered capital of ****. The Company's scope of business is recycling and sales of acetaldehyde, recycling and granulation of chemical fiber and waste silk; production and sales

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of chemical fiber fabrics etc. It has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.1.4.2 The information submitted by M/s Zhongwei in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to M/s Zhongwei on October 10, 2024. M/s Zhongwei requested an extension of 15 days in the timeline for submission of information which was granted. However, the Commission granted an extension of seven days for submission of data. M/s Zhongwei responded to the deficiencies vide its letter dated October 24, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.1.5 M/s Tongxiang Zhongxin Chemical Fibre Co. Ltd

17.1.5.1 M/s Tongxiang Zhongxin Chemical Fibre Co. Ltd., (M/s Zhongxin) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Zhongxin is a Sino-foreign joint venture established in 2003. The total investment is US\$***million, and the registered capital is US\$***million. Production commenced in March 2004. The company is a limited liability company with sustainable operations and its current shareholders are M/s Xinfengming Group Co., Ltd. and M/s Tongxiang Zhongwei Chemical Fiber Co., Ltd. The business scope of this Company includes production and sale of differential chemical fibers and import and export business (excluding the distribution of import commodities). It has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.1.5.2 The information submitted by M/s Zhongxin in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 07, 2024. M/s Zhongxin requested an extension of 15 days in the timeline for submission of information which was granted. However, the Commission granted extension of 7 days for submission of data. M/s Zhongxin responded to the deficiencies vide its letter dated October 24, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.1.6 M/s Tongxiang Zhongyi Chemical Fibre Co. Ltd

17.1.6.1 M/s Tongxiang Zhongyi Chemical Fibre Co. Ltd., (M/s Zhongyi) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Zhongyi is a joint venture between Taiwan, Hong Kong,

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Macao and China Mainland established by M/s Xinfengming Group Co., Ltd. and M/s Yingjin Global Development Co., Ltd. It was registered on 8th July, 2017 in Tongxiang Municipal Market Supervision Administration. The Company's business scope is production and sales of intelligent and low-carbon differentiated fibers; wholesale of differentiated fibers and chemical fibers; import and export of goods and technology. It has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.1.6.2 The information submitted by M/s Zhongyi in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 11, 2024. M/s Zhongyi requested an extension of 15 days in the timeline for submission of information which was granted. However, the Commission granted extension of 7 days for submission of data. M/s Zhongyi responded to the deficiencies vide its letter dated October 25, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.1.7 M/s Xinfengming Group Huzhou Zhongshi Technology Co. Ltd

17.1.7.1 M/s Xinfengming Group Huzhou Zhongshi Technology Co. Ltd., (M/s Zhongshi) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Zhongshi was invested and established by the M/s Xinfengming Group Co., Ltd. and was registered in Huzhou City Industrial and Commercial Administration on July 5, 2012. The Company's business scope is production and sales of intelligent and low-carbon differentiated fibers; wholesale of differentiated fibers and chemical fibers; import and export of goods and technology. It has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.1.7.2 The information submitted by M/s Zhongshi in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 13, 2024. M/s Zhongshi requested an extension of 15 days in the timeline for submission of information which was granted. However, the Commission granted extension of 7 days for submission of data. M/s Zhongshi responded to the deficiencies vide its letter dated October 25, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

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17.1.8 M/s Xinfengming Jiangsu Xintuo New Material Co. Ltd

17.1.8.1 M/s Xinfengming Jiangsu Xintuo New Material Co. Ltd., (M/s Xintuo) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Xintuo was invested and established by M/s Xinfengming Group Co., Ltd. It was registered with the Xinyi Municipal Administrative Approval Bureau on February 4, 2021. It currently holds a business license and a registered capital of **** million. The company's business scope of the company is synthetic fiber manufacturing; synthetic fiber sales; fabric textile processing; needle textile and raw material sales; household textile product manufacturing; technical services, technical development etc. It has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.1.8.2 The information submitted by M/s Xintuo in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 13, 2024. M/s Xintuo requested an extension of 15 days in the timeline for submission of information which was granted. However, the Commission granted extension of 7 days for submission of data. M/s Xintuo responded to the deficiencies vide its letter dated October 25, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.2 Questionnaire Response by M/s Shenghong Group

17.2.1 The Commission sent the Exporter's Questionnaire to the exporters on June 03, 2024. M/s Shenghong Group ("M/s Shenghong") applied to the Commission in its letter dated July 11, 2024, for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension after considering the reasons given in the request for extension till July 25, 2024. Its response was received in the Commission on July 25, 2024.

17.2.2 According to the information provided in response to the questionnaire, M/s Shenghong and its affiliated companies have been engaged in the manufacture, domestic sale and export of DTY to Pakistan as well as to other countries during the POI. Apart from M/s Shenghong, the affiliated exporters/foreign producers namely M/s Jiangsu Guowang High-Technique Fiber Co. Ltd., and M/s Jiangsu Reborn Eco-Tech Co. Ltd have also exported the investigated product to Pakistan. M/s Shenghong also informed that there are four other related companies in the group that have not exported the investigated products to Pakistan namely M/s Jiangsu Zhonglu Technology Development Co. Ltd., M/s Guowang High-Tech

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Fiber (Suqian) Co., Ltd., M/s Ganghong Fiber Co. Ltd and M/s Jiangsu Shenghong Technology Trading Co., Ltd.

17.2.3 The company wise detail of M/s Shenghong Group regarding information gathering is as under:

17.2.4 M/s Suzhou Shenghong Fiber Co. Ltd

17.2.4.1 M/s Suzhou Shenghong Fiber Co. Ltd., (M/s Shenghong Fiber) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, it produced the investigated product and sold to Pakistan during the POI. On May 2, 2017, M/s Guowang established M/s Suzhou Shenghong Fiber Co., Ltd. Scope of business includes Development, production and sales of differentiated chemical fibers; sales of chemical products and raw materials (excluding hazardous chemicals and precursor chemicals); warehousing services; import and export of self-operated and agents of various commodities and technologies.

17.2.4.2 The information submitted by M/s Shenghong Fiber in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 3, 2024. M/s Shenghong Fiber requested for extension of another 15 days for submission of the deficient information. The Commission granted extension of five days, and the information was received on October 15, 2024. Upon examination of the response, certain deficiencies were again found which were discussed with the Representatives of M/s Shenghong Group in a meeting held on October 21, 2024. Shenghong Fiber was asked to provide the information by October 23, 2024, which was provided. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.2.5 M/s Jiangsu Guowang High-Technique Fiber Co. Ltd

17.2.5.1 M/s Jiangsu Guowang High-Technique Fiber Co. Ltd., (M/s Guowang) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire it produced the investigated product and exported to Pakistan during the POI. M/s Guowang is a foreign investment company located in Jiangsu Province China, invested by M/s Hongkong Guoxin International Holding Group Co., Limited., established on June 18, 2010, and acquiring the business license on July 7, 2010.

17.2.5.2 The information submitted by M/s Guowang in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data

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deficiencies were communicated to it on September 30, 2024. M/s Guowang requested for extension of 15 days for submission of the deficient information. The Commission granted extension of 7 days, and the information was received on October 15, 2024. Upon examination of the response, certain deficiencies were again found which were discussed with the Representatives of Shenghong Group in a meeting held on October 21, 2024. M/s Guowang was asked to provide the deficient information by October 23, 2024, which was provided. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.2.6 M/s Jiangsu Reborn Eco-Tech Co. Ltd

17.2.6.1 M/s Jiangsu Reborn Eco-Tech Co. Ltd., (M/s Reborn) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, it produced the investigated product and exported to Pakistan during the POI. M/s Reborn was registered and established on January 9, 2020, Siyang County Economic Development Zone, Suqian City. As of December 31, 2023, the registered capital of the company is **** million.

17.2.6.2 The information submitted by M/s Reborn in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 3, 2024. Reborn requested for extension of 15 days for submission of the deficient information. The Commission granted extension of 7 days, and the information was received on October 15, 2024. Upon examination of the response, certain deficiencies were again found which were discussed with the Representatives of M/s Shenghong Group in a meeting held on October 21, 2024. M/s Reborn was asked to provide the deficient information by October 23, 2024, which was provided. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.2.7 M/S Jiangsu Shenghong Technology Trading Co. Ltd

17.2.7.1 M/s Jiangsu Shenghong Technology Trading Co. Ltd., (M/s Shenghong Technology) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Shenghong Technology is a trading company that neither produced nor exported the investigated product to Pakistan. The company was established in May 2012 as a joint venture by M/s Jiangsu Shenghong Technology Co. Ltd and M/s Jiangsu Zhonglu Technology Development Co., Ltd. M/s Shenghong Technology is engaged in sales of the DTY on behalf of other affiliated producers of M/s Shenghong Group in the domestic market of China.

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17.2.7.2 The information submitted by M/s Shenghong Technology in response to the questionnaire was analyzed by the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 4, 2024. M/s Shenghong Technology requested for extension of 15 days for submission of the deficient information. The Commission granted extension of five days, and the deficient information was received on October 15, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.2.8 M/s Jiangsu Zhonglu Technology Development Co. Ltd

17.2.8.1 M/s Jiangsu Zhonglu Technology Development Co. Ltd., (M/s Zhonglu) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Zhonglu is a producer of investigated product and had not exported the investigated product to Pakistan during the POI. M/s Zhonglu was incorporated on 16 July 2007 by Suzhou Administration for Industry and Commerce of Jiangsu Province. The company produces and sells polyester chips, staple fibers, differentiated chemical fibers; research and development of differentiated chemical fibers; self-supporting and acting as agent for the import and export business of all kinds of commodities and technologies.

17.2.8.2 The information submitted by M/s Zhonglu in response to the questionnaire was analyzed by the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 4, 2024. M/s Zhonglu requested for extension of 15 days for submission of the deficient information. The Commission granted an extension of 5 days, and the deficient information was received on October 15, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.2.9 M/s Guowang High-Tech Fiber (Suqian) Co. Ltd

17.2.9.1 M/s Guowang High-Tech Fiber (M/s Suqian) Co. Ltd., replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Suqian is a producer of investigated product and had not exported the investigated product to Pakistan during the POI. M/s Suqian was established on November 15, 2019. The information submitted by M/s Suqian in response to the questionnaire was analyzed by the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 4, 2024. M/s Suqian requested for extension of 15 days for submission of the deficient information. The Commission granted an extension of 5 days, and the deficient information was received on October 15, 2024. The

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data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.2.10 M/s Ganghong Fiber Co. Ltd

17.2.10.1 M/s Ganghong Fiber Co. Ltd., (M/s Ganghong) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Ganghong is a producer of investigated product and had not exported the investigated product to Pakistan during the POI. M/s Ganghong was established in March 2014. The main business activities of the company are the production of differentiated chemical fibers, the sales of the company's own products, engaged in the acquisition and export of related products.

17.2.10.2 The information submitted by M/s Ganghong in response to the questionnaire was analyzed by the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 4, 2024. M/s Ganghong requested for extension of another 15 days for submission of the deficient information. The Commission granted an extension of another 5 days, and the deficient information was received on October 15, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.3 Questionnaire Response by M/s Hengyi Group

17.3.1 The Commission sent the Exporter's Questionnaire to the exporters on June 03, 2024. Hengyi Group ("M/s Hengyi") applied to the Commission in its letter dated July 11, 2024, for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension after considering the reasons given in the request for extension till July 25, 2024, and its response was received in the Commission on July 25, 2024.

17.3.2 According to the information provided in response to the questionnaire, M/s Hengyi has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI. Hengyi exported DTY to Pakistan through its exporter/foreign producer Zhejiang Hengyi Petrochemicals Co. Ltd. Hengyi has informed that there are other manufacturers in the group i.e. Hejiang Hengyi Petrochemical Research Institution Co. Ltd., M/s Shaoxing Keqiao Hengming Chemical Fibre Co. Ltd., M/s Haining Hengyi New Material Co. Ltd., M/s Hangzhou Yitong New Material Co. Ltd. and M/s Hangzhou Yijing Chemical Fibre Co. Ltd. M/s Hengyi has further informed that there is one trader in the group i.e. Zhejiang Hengyi Petrochemical Sales Co. Ltd. However, this trader

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is only selling DTY in the domestic market. These manufacturers and the trader are not involved in the export of DTY to Pakistan.

17.3.3 The information submitted by M/s Hengyi in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on September 23, 2024. M/s Hengyi was asked to provide the deficient information/data no later than 5 days after the issuance of the letter. Reply to deficiency letter was received on October 9, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.4 Questionnaire Response by M/s Tongkun Group

17.4.1 The Commission sent the Exporter's Questionnaire to the exporters on June 03, 2024. Tongkun Group ("Tongkun") applied to the Commission in its letter dated July 11, 2024, for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension after considering the reasons given in the request for extension till July 25, 2024. Its response was received in the Commission on July 25, 2024.

17.4.2 According to the information provided in response to the questionnaire, M/s Tongkun has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI. M/s Tongkun has informed that it has exported to Pakistan through its exporters/foreign producers M/s Tongkun Group Co. Ltd., M/s Tongxiang Hegji Chemical Fibre Co. Ltd., M/s Tongkun Group Zhejiang Heng Sheng Chemical Fibre Co. Ltd., M/s Jiangsu Tongkun Hengyang Chemical Fibre Co. Ltd. and M/s Jiangsu Tongkun Hengxin New Material Co. Ltd.

17.4.3 The company wise detail of M/s Shenghong Group regarding information gathering is as under:

17.4.4 M/s Tongkun Group Co. Ltd

17.4.4.1 M/s Tongkun Group Co. Ltd, (M/s Tongkun) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Tongkun is a producer of investigated product and had exported the investigated product to Pakistan during the POI. M/s Tongkun was established on September 27, 1999. The main business activities are the research and development, production and sales of polyester filament, and the production and sales of its main raw material Purified Terephthalic Acid.

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17.4.4.2 The information submitted by M/s Tongkun in response to the questionnaire was analyzed by the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on September 30, 2024. The deficient information was received on October 24, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.4.5 M/s Tongkun Group Zhejiang Heng Sheng Chemical Fiber Co., Ltd

17.4.5.1 M/s Tongkun Group Zhejiang Heng Sheng Chemical Fiber Co., Ltd (M/s Heng Sheng) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, Heng Sheng is a producer of investigated product and had exported the investigated product to Pakistan during the POI. Heng Sheng was established on November 13, 2000, as a result of investment by Tongkun Group Co., Ltd.

17.4.5.2 The main business of the company is direct sales of paraxylene. (Dangerous Chemicals Business License) Production and sales of special chemical fiber, modified, polyester fiber (except chemical hazardous products) raw materials and polyester yarn; wholesale of chemical raw materials (except dangerous chemicals and precursor chemicals), textile raw materials (except cotton, fresh cocoon purchase), textile machinery and equipment and accessories, and import and export business, technology import and export; warehousing services; economic information consulting (excluding securities and futures).

17.4.5.3 The information submitted by M/s Heng Sheng in response to the questionnaire was analyzed by the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on September 30, 2024. M/s Heng Sheng requested for extension of another 15 days for submission of deficient information. The Commission granted extension of another 10 days, and the deficient information was received on October 15, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.4.6 M/s Jiangsu Tongkun Hengyang Chemical Fiber Co., Ltd

17.4.6.1 M/s Jiangsu Tongkun Hengyang Chemical Fiber Co., Ltd (M/s Hengyang) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire. M/s Hengyang is a producer of investigated product and had exported the investigated product to Pakistan during the POI. M/s Hengyang was established on December 10, 2020, as a result of investment by Tongkun Group Co., Ltd.

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17.4.6.2 The main business of the company is synthetic fiber manufacturing; Synthetic fiber sales; Fabric textile processing; Needle textile and raw material sales; Sales of needle textiles; Home textile manufacturing; Technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; New material technology research and development; Port cargo handling activities; Ship port services; Loading, unloading and handling; Paper products manufacturing; Sales of paper products; Sales of special chemical products (excluding dangerous chemicals); Leasing services (excluding licensed leasing services) (except for projects subject to approval according to law, independently carry out business activities according to law with business license).

17.4.6.3 The information submitted by M/s Hengyang in response to the questionnaire was analyzed by the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on October 9, 2024. Reply to deficiency letter was received on October 18, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.4.7 M/s Tongxiang Hengji Chemical Fiber Co., Ltd

17.4.7.1 M/s Tongxiang Hengji Chemical Fiber Co., Ltd (M/s Hengji) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Hengji is a Sino-foreign joint venture established by Tongkun Group Co., Ltd. and Hong Kong Chenghui International Investment Co., Ltd. The company's business scope: general projects: fabric textile processing; chemical product production (excluding licensed chemical products); chemical product sales (excluding licensed chemical products); general cargo warehousing services. The data/information submitted in response to the Commission's questionnaire necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.4.8 M/s Jiangsu Tongkun Hengxin New Material Co., Ltd

17.4.8.1 M/s Jiangsu Tongkun Hengxin New Material Co., Ltd (M/s Hengxin) replied to the Commission's questionnaire on July 25, 2024. According to the information provided in response to the questionnaire, M/s Hengxin is invested and established by M/s Jiangsu Jiatong Energy Co., Ltd., on October 26, 2020. The company's business scope: manufacturing; Synthetic fiber sales; Textile, clothing and household goods wholesale; Sales of special textile equipment; Sales of chemical products (excluding licensed chemical products); Cellulose fiber raw materials and fiber manufacturing. The data/information submitted in response to the Commission's questionnaire necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

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17.5 Questionnaire Response by M/s Hangzhou Qingyun Holding Group Co. Ltd.

17.5.1 The Commission sent the Exporter's Questionnaire to M/s Hangzhou Qingyun Holding Group Co. Ltd. (M/s Qingyun) on July 11, 2024. M/s Qingyun applied to the Commission in its letter dated July 25, 2024, for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension keeping in view the timeline of the investigation. Its response was received in the Commission on August 01, 2024.

17.5.2 According to the information provided in response to the questionnaire, M/s Qingyun has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.5.3 The information submitted by M/s Qingyun in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on September 20, 2024. Reply to deficiency letter was received on September 29, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

17.6 Questionnaire Response by M/s Jiaxing Longyin Textile Co. Ltd.

17.6.1 The Commission sent the Exporter's Questionnaire to M/s Jiaxing Longyin Textile Co. Ltd. (M/s Longyin) on June 11, 2024. Its response was received in the Commission on June 30, 2024.

17.6.2 According to the information provided in response to the questionnaire, M/s Longyin has been engaged in the manufacture, sale and export of DTY to Pakistan as well as to other countries and in its domestic market during the POI.

17.6.3 The information submitted by M/s Longyin in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it on September 23, 2024. Reply to deficiency letter was received on September 28, 2024. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

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18. Verification of the data/Information

18.1 In terms of Sections 32(4) and 35 of the Act and Rule 11 of the Rules, during the course of an investigation, the Commission shall satisfy itself as to the accuracy of the information and for this purpose verify the information supplied by the interested parties.

18.2 In order to verify information/data provided by the Applicants and M/s Rupafil, officers of the Commission conducted on the spot investigation at offices and plants of the Applicants and M/s Rupafil. The officers visited the offices and plants of M/s Gatron from August

21 to 23, 2024, M/s Rupali from August 28 to 29, 2024 and M/s Rupafil from October 3 to 5, 2024. Non-confidential summary of the verification reports is placed in the Public File maintained under Rule 7 of the Rules.

19. Public File

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a Public File at its office. This file remains available to the interested parties for review and copying from Monday to Thursday between 11:00 hours to 13:00 hours throughout the investigation (except public holidays). This file contains non-confidential versions of the application, responses to the questionnaires, submissions, notices, correspondence, and other documents for disclosure to the interested parties.

20. Confidentiality

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

20.2 The Applicants and interested parties 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), return on investment, cash flow, growth, investment, salaries & wages, number of employees and capacity.

20.3 On the basis of request made by the Applicants and interested parties, 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

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because its disclosure would have a significant adverse effect upon the interested parties providing such information. Therefore, the Commission kept all such information confidential for which the Applicants made a request to keep it confidential.

20.4 However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in public file.

B. DETERMINATION OF DUMPING

21. Dumping

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

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

22. Normal Value

22.1 In terms of Section 5 of the Act "normal value" is defined as follows:

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

22.2 Further, Section 6 of the Act states:

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

"a) the comparable price of the like product when exported to an appropriate third country provided that this price is representative; or

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

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

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

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

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

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

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

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

23. Export Price

The “export price” is defined in Section 10 of the Act as “a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan”.

24. Dumping Determination

24.1 As stated earlier (paragraphs 16.4 supra), thirty-eight exporters/producers from China provided data/information in response to the questionnaire. However, the Commission has limited its examination to the following exporters selected in the sample:

- (i) M/s XFM Group (8 exporters/foreign producers)
- (ii) M/s Shenghong Group (7 exporters/foreign producers)

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- (iii) M/s Hengyi Group (7 exporters/foreign producers)
- (iv) M/s Tongkun Group (5 exporters/foreign producers)
- (v) M/s Hangzhou Qingyun Holding Group Co. Ltd.
- (vi) M/s Jiaxing Longyin Textile Co. Ltd.

24.2 The Commission is satisfied in terms of Section 14(3) of the Act that the number of the exporters/producers involved is so large which makes it impracticable to determine an individual dumping margin of all exporters/producers, who have provided the data/information in response to the Exporter's Questionnaire. However, a residual dumping margin has been determined for all other non-cooperating exporters/producers from China.

25. Determination of Normal Value

The Commission received data/information on domestic sales and cost of production etc. of the like product from sampled exporters/producers from China. The data/information submitted by exporters/producers selected in the sample for detailed examination has been used for determination of normal value as discussed below.

25.1 Determination of Normal Value for M/S XFM Group

25.1.1 Determination of Normal Value for M/S Zhongyi

25.1.1.1 Normal value for M/s Zhongyi is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.1.1.2 According to the data/information, M/s Zhongyi sold DTY in its domestic market including the models/types, which were comparable to the models/types of the investigated product exported by it to Pakistan during the POI. M/s Zhongyi exported eight models/types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models/types of DTY, which were comparable to the models/types of the investigated product.

25.1.1.3 Sales of some of the models/types of DTY in the domestic market were in ordinary course of trade while some models/types were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models/types of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models/types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

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25.1.1.4 According to M/s Zhongyi, during the POI, it sold like product in its domestic market at Ex-works basis. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-II/A.

25.1.2 Determination of Normal Value for M/S Zhongyue

25.1.2.1 Normal value for M/s Zhongyue is determined on the basis of the data /information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.1.2.2 According to the information, M/s Zhongyue sold DTY in its domestic market including the models/types, which were comparable to the models/types of the investigated product exported by it to Pakistan during the POI. M/s Zhongyue exported twelve models/types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models/types of DTY which were comparable to the models/types of the investigated product.

25.1.2.3 Sales of some of the models/types of DTY in the domestic market were in the ordinary course of trade while some models/types were not in ordinary course of trade. In cases where sales in China in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models/types of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models/types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.1.2.4 According to M/s Zhongyue during the POI, it sold like product in its domestic market at Ex-works and delivered. The company has claimed adjustment in domestic sales on account of inland freight. The Commission has provisionally accepted the inland freight adjustment as delivery terms were mentioned as delivered against those transactions. The adjustment claimed on account of inland freight shall be subject to further verification. Summary of the calculations of normal value of M/s Zhongyue is placed at Annexure II/B.

25.1.3 Determination of Normal Value for M/s Zhongwei

25.1.3.1 Normal value for M/s Zhongwei is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.1.3.2 According to the information, M/s Zhongwei sold DTY in its domestic market including the types, which were comparable to the models/types of the investigated product

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exported by it to Pakistan during the POI. M/s Zhongwei exported eight models/types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY which were comparable to the models /types of the investigated product.

25.1.3.3 Sales of some of the models/types of DTY in the domestic market were in ordinary course of trade while other models/types were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models/types of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models/types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.1.3.4 According to M/s Zhongwei, during the POI, it sold like product in its domestic market at Ex-works and delivered. The company has claimed adjustment in domestic sales on account of inland freight. The Commission has provisionally accepted the inland freight adjustment as delivery terms were mentioned as delivered against those transactions. The adjustment on account of inland freight claimed would be verified during the on-the-spot investigation visit. Summary calculation of normal value of M/s Zhongwei is placed at Annexure II/C.

25.1.4 Determination of Normal Value for M/s Zhongxin

25.1.4.1 Normal value for M/s Zhongxin is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.1.4.2 According to the information, M/s Zhongxin sold DTY in its domestic market including the models /types, which were comparable to the models /types of the investigated product exported by it to Pakistan during the POI. M/s Zhongxin exported eight models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY, which were comparable to the models /types of the investigated product.

25.1.4.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model /types of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

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25.1.4.4 According to M/s Zhongxin during the POI, it sold like product in its domestic market at Ex-works and delivered. The company has claimed adjustment in domestic sales on account of inland freight. The Commission has provisionally accepted the inland freight adjustment as delivery terms were mentioned as delivered against those transactions. The adjustment claimed on account of inland freight will be verified during the on-the-spot investigation visit. Summary calculation of normal value of Zhongxin is placed at Annexure II/D.

25.1.5 Determination of Normal Value for M/s Zhongshi

25.1.5.1 Normal value for M/s Zhongshi is determined on the basis of the data /information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.1.5.2 According to the information, M/s Zhongshi sold DTY in its domestic market including the models /types, which were comparable to the models /types of the investigated product exported by it to Pakistan during the POI. M/s Zhongshi exported eight models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY, which were comparable to the models /types of the investigated product.

25.1.5.3 Sales of some of the models /types of DTY in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /types of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.1.5.4 According to M/S Zhongshi during the POI, it sold like product in its domestic market at Ex-works and delivered. The company has claimed adjustment in domestic sales on account of inland freight. The Commission has provisionally accepted the inland freight adjustment as delivery terms were mentioned as delivered against those transactions. The adjustment claimed would be verified during on-the-spot investigation visit. Summary calculation of normal value of Zhongshi is placed at Annexure II/E.

25.1.6 Determination of Normal Value for M/s Xintuo

25.1.6.1 Normal value for M/S Xintuo is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

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25.1.6.2 According to the information, M/S Xintuo sold DTY in its domestic market including the types/models, which were comparable to the types/models of the investigated product exported by it to Pakistan during the POI. M/S Xintuo exported six types/models of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those types/models of DTY which were comparable to the models /types of the investigated product.

25.1.6.3 Sales of five of the models /types of DTY in the domestic market were in the ordinary course of trade while sales of one were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.1.6.4 According to M/S Xintuo, during the POI, it sold like product in its domestic market at ex-works. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-II/F.

25.2. Determination of Normal Value for M/s Tongkun Group

25.2.1 Determination of Normal Value for M/s Tongxiang Hengji Chemical Fiber Co., Ltd.

25.2.1.1 Normal value for M/s Tongxiang Hengji is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.2.1.2 According to the information, M/s Tongxiang Hengji sold DTY in its domestic market including the types/models, which were comparable to the types/models of the investigated product exported by it to Pakistan during the POI. M/S Tongxiang Hengji exported seven models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those types/models which were comparable to the models /types of the investigated product.

25.2.1.3 Sales of some of the models /types of DTY in the domestic market were in the ordinary course of trade while others were not in the ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

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25.2.1.4 According to M/s Tongxiang Hengji, during the POI, it sold like product in its domestic market at ex-works. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of inland freight and bank charges. However, the Commission has not accepted the inland freight adjustment as the delivery terms for all domestic sales were ex-works. Further, the adjustment on account of bank charges in domestic sales has also not been accepted by the Commission as these bank charges were not related to domestic sales. Summary calculation of normal value is placed at Annexure-II/G.

25.2.2 Determination of Normal Value for M/s Tongkun Hengxin Chemical Fiber Co., Ltd.

25.2.2.1 Normal value for M/s Tongkun Hengxin is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.2.2.2 According to the information, M/s Tongkun Hengxin sold DTY in its domestic market including the types/models, which were comparable to the types/models of the investigated product exported by it to Pakistan during the POI. M/s Tongkun Hengxin exported six models/types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models/types of DTY, which were comparable to the models/types of the investigated product.

25.2.2.3 Sales of some of the models/types of DTY in the domestic market were in the ordinary course of trade while others were not in the ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models/type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models/types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.2.2.4 According to M/s Tongkun Hengxin, during the POI, it sold like product in its domestic market at ex-works and delivered. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of inland freight and bank charges. However, the Commission has not accepted the inland freight adjustment where the delivery terms were ex-works. Further, the adjustment on account of bank charges in domestic sales has also not been accepted by the Commission as these bank charges were not related to domestic sales. Summary calculation of normal value of M/s Tongkun Hengxin is placed at Annexure II/H.

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25.2.3 Determination of Normal Value for M/s Tongkun Group Co., Ltd

25.2.3.1 Normal value for M/s Tongkun Group is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.2.3.2 According to the information, M/s Tongkun Group Co., Ltd. sold DTY in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. M/s Tongkun Group Co., Ltd. exported twenty-six models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY, which were comparable to the models /types of the investigated product.

25.2.3.3 Sales of some of the models /types of DTY in the domestic market were in the ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.2.3.4 According to M/s Tongkun Group Co., Ltd. during the POI, it sold like product in its domestic market at ex-works and delivered. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of inland freight and bank charges. However, the Commission has not accepted the inland freight adjustment as delivery terms mentioned against every transaction was ex-works. Further, the adjustment on account of bank charges in domestic sales has also not been accepted by the Commission as these bank charges were not related to domestic sales. Summary calculation of normal value of M/s Tongkun Group Co., Ltd. is placed at Annexure II/I.

25.2.4 Determination of Normal Value for M/s Tongkun Group Zhejiang Hengsheng Chemical Fibre Co., Ltd.

25.2.4.1 Normal value for M/s Hengsheng is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.2.4.2 According to the information, M/s Hengsheng sold DTY in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. M/s Hengsheng exported twelve models/types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is

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determined only for those models /types which were comparable to the models /types of the investigated product.

25.2.4.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.2.4.4 According to M/s Hengsheng Ltd. during the POI, it sold like product in its domestic market at ex-works and delivered. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of inland freight and bank charges. However, the Commission has not accepted the inland freight adjustment as delivery terms mentioned against every transaction was ex-works. Further, the adjustment on account of bank charges in domestic sales has also not been accepted by the Commission as these bank charges were not related to domestic sales. Summary calculation of normal value of M/s Hengsheng Ltd. is placed at Annexure II/J.

25.2.5 Determination of Normal Value for M/s Jiangsu Tongkun Hengyang Chemical Fiber Co., Ltd.

25.2.5.1 Normal value for Hengyang is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.2.5.2 According to the information, Hengyang sold DTY in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Hengyang exported six models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY, which were comparable to the models /types of the investigated product.

25.2.5.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

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25.2.5.4 According to Hengyang Ltd. during the POI, it sold like product in its domestic market at ex-works and delivered. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of inland freight and bank charges. However, the Commission has not accepted the inland freight adjustment as delivery terms mentioned against every transaction was ex-works. Further, the adjustment on account of bank charges in domestic sales has also not been accepted by the Commission as these bank charges were not related to domestic sales. Summary calculation of normal value of Hengyang Ltd. is placed at Annexure II/K.

25.3 Determination of Normal Value for M/s Shenghong Group

25.3.1 Determination of Normal Value for M/s Suzhou Shenghong Fiber Co. Ltd

25.3.1.1 Normal value for M/s Shenghong Fiber is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.3.1.2 According to the information provided by M/s Shenghong Fiber sold DTY in its domestic market including the types/models, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. M/s Shenghong Fiber exported sixteen models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY, which were comparable to the models /types of the investigated product.

25.3.1.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.3.1.4 According to M/s Shenghong Fiber, during the POI, it sold like product in its domestic market at ex-works. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-II/L.

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25.3.2 Determination of Normal Value for M/s Jiangsu Guowang High-Technique Fiber Co. Ltd.

25.3.2.1 Normal value for M/s Guowang is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.3.2.2 According to the information provided by M/s Guowang sold DTY in its domestic market including the types/models, which were comparable to the types/models of the investigated product exported by it to Pakistan during the POI. M/s Guowang exported thirty-nine models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY, which were comparable to the models /types of the investigated product.

25.3.2.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.3.2.4 According to M/s Guowang, during the POI, it sold like product in its domestic market at ex-works and delivered. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of inland freight where delivery terms are delivered. The Commission has provisionally accepted the inland freight adjustment. The adjustments claimed would be verified during the on-the-spot investigation visit. Summary calculation of normal value is placed at Annexure-II/M.

25.3.3 Determination of Normal Value for M/s Jiangsu Reborn Eco-Tech Co. Ltd.

25.3.3.1 Normal value for M/s Reborn is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.3.3.2 According to the information provided by M/s Reborn sold DTY in its domestic market including the types/models, which were comparable to the types/models of the investigated product exported by it to Pakistan during the POI. M/S Reborn exported eight models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types which were comparable to the models /types of the investigated product.

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25.3.3.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.3.3.4 According to M/s Reborn, during the POI, it sold like product in its domestic market at ex-works. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-II/N.

25.4 Determination of Normal Value for M/s Zhejiang Hengyi Petrochemicals Co., Ltd

25.4.1 Normal value for Hengyi is determined on the basis of the information provided by it on its domestic sales made during the POI by itself and its related companies i.e. Shaoxing Keqiao Hengming Chemical Fiber Co. Ltd., Haining Hengyi New Material Co., Ltd. and Hangzhou Yijing Chemical Fiber Co., Ltd (provided in Attachment D-3 of each company in the questionnaire response).

25.4.2 According to the information, Hengyi sold DTY in its domestic market including the types /models, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Hengyi exported sixty-one models /types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models /types of DTY, which were comparable to the models /types of the investigated product.

25.4.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.4.4 According to M/s Hengyi, during the POI, it sold like product in its domestic market at ex-mill and delivered basis. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of inland freight and consignment sales expenses. The Commission has provisionally accepted these adjustments. The adjustments claimed would be verified during the on-spot investigation visit. Summary calculation of normal value is placed at Annexure II/O.

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25.5 Determination of Normal Value for M/s Hangzhou Qingyun Holding Group Co. Ltd.

25.5.1 Normal value for M/s Qingyun is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.5.2 According to the information, M/s Qingyun sold DTY in its domestic market including the types / models, which were comparable to the types / models of the investigated product exported by it to Pakistan during the POI. M/s Qingyun exported thirty-one types / models of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models / types of DTY, which were comparable to the models / types of the investigated product.

25.5.3 Sales of some of the models / types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models / type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models / types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.5.4 According to M/s Qingyun, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment either in advance or after 30 days as reported by M/s Qingyun. The company has claimed adjustment in domestic sales on account of credit cost where payment terms were 30 days. The Commission has provisionally accepted credit cost adjustment. The adjustment claimed would be verified during the on-the-spot investigation visit. Summary calculation of normal value of M/s Qingyun is placed at Annexure II/P.

25.6 Determination of Normal Value for M/s Jiaxing Longyin

25.6.1 Normal value for M/s Longyin is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

25.6.2 According to the information, M/s Longyin sold DTY in its domestic market including the types / models, which were comparable to the types / models of the investigated product exported by it to Pakistan during the POI. M/s Longyin exported fifteen models / types of investigated product to Pakistan. For the purposes of like-to-like comparison, normal value is determined only for those models / types of DTY, which were comparable to the models / types of the investigated product.

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25.6.3 Sales of some of the models /types of DTY in the domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant models /type of DTY, the normal value has been worked out on the basis of domestic sales of DTY in ordinary course of trade. For all other models /types of DTY, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

25.6.4 According to M/s Longyin, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value of M/s Longyin is placed at Annexure II/Q.

26. Determination of Export Price

The Commission received information on export sales of the investigated product from sampled exporters in response to the questionnaires sent to various exporters/producers of China. The information submitted by exporters selected for calculation of dumping margin has been used for determination on export price as discussed below.

26.1 Determination of Export Price for M/s XFM Group

26.1.1 Determination of Export Price for M/s Zhongyi

26.1.1.1 Export price for M/s Zhongyi is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.1.1.2 According to the information, M/s Zhongyi exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.1.1.3 During the POI, M/s Zhongyi exported investigated product on LC (30 days and 90 days) basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, credit cost, inland freight, ocean freight, handling charges and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by M/s Zhongyi in response to questionnaires and deficiency letters.

26.1.1.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the

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exporter, the NTC sought explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.1.1.5 The Commission has provisionally accepted other adjustments. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/A.

26.1.2 Determination of Export Price for M/s Zhongyue

26.1.2.1 Export price for M/s Zhongyue is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.1.2.2 According to the information, M/s Zhongyue exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.1.2.3 During the POI, M/s Zhongyue exported investigated product on a delivery basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by M/s Zhongyue in response to questionnaires and deficiency letters.

26.1.2.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

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26.1.2.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/B.

26.1.3 Determination of Export Price for M/s Zhongwei

26.1.3.1 Export price for M/s Zhongwei is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.1.3.2 According to the information, M/s Zhongwei exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.1.3.3 During the POI, M/s Zhongwei exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.1.3.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.1.3.5 The Commission has provisionally accepted other adjustments. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/C.

26.1.4 Determination of Export Price for M/s Zhongxin

26.1.4.1 Export price for M/s Zhongxin is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

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26.1.4.2 According to the information, M/s Zhongxin exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.1.4.3 During the POI, M/s Zhongxin exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, insurance, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.1.4.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.1.4.5 The Commission has provisionally accepted other adjustments. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/D.

26.1.5 Determination of Export Price for M/s Zhongshi

26.1.5.1 Export price for M/s Zhongshi is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.1.5.2 According to the information, M/s Zhongshi exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.1.5.3 During the POI, M/s Zhongshi exported investigated product on a delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

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26.1.5.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.1.5.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/E.

26.1.6 Determination of Export Price form M/S Xintuo

26.1.6.1 Export price for M/s Xintuo is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.1.6.2 According to the information, M/s Xintuo exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.1.6.3 During the POI, M/s Xintuo exported investigated product on LC (30 days) basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, credit cost, inland freight, ocean freight, handling charges and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.1.6.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan.

In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by

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taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.1.6.5 The Commission has provisionally accepted other adjustments. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/F.

26.2 Determination of Export Price for Tongkun

26.2.1 Determination of Export Price for M/s Tongxiang Hengji Chemical Fiber Co., Ltd.

26.2.1.1 Export price for M/s Tongxiang Hengji is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.2.1.2 According to the information, M/s Tongxiang Hengji exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.2.1.3 During the POI, M/s Tongxiang Hengji exported investigated product on LC basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, Insurance, Handling charges and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.2.1.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.2.1.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross

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value of sales transactions. Summary calculations of export price are placed at Annexure-III/G.

26.2.2 Determination of Export Price for M/s Jiangsu Tongkun Hengxin New Material Co., Ltd.

26.2.2.1 Export price for M/s Tongkun Hengxin is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.2.2.2 According to the information, M/s Tongkun Hengxin exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.2.2.3 During the POI, M/s Tongkun Hengxin exported investigated product on LC basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, Insurance, handling charges and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.2.2.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking the commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.2.2.5 The Commission has provisionally accepted other adjustments. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/H.

26.2.3 Determination of Export Price for M/s Tongkun Group Co., Ltd

26.2.3.1 Export price for M/s Tongkun Group Co. Ltd. is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

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26.2.3.2 According to the information, M/s Tongkun Group Co. Ltd. exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.2.3.3 During the POI, M/s Tongkun Group Co. Ltd. exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, Insurance, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.2.3.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.2.3.5 The Commission has provisionally accepted other adjustments. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/I.

26.2.4 Determination of Export Price for M/s Tongkun Group Zhejiang Hengsheng Chemical Fibre Co., Ltd.

26.2.4.1 Export price for M/s Hengsheng is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.2.4.2 According to the information, M/s Hengsheng exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.2.4.3 During the POI, M/s Hengsheng exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, Insurance, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

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26.2.4.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking the commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.2.4.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/J.

26.2.5 Determination of Export Price for M/s Jiangsu Tongkun Hengyang Chemical Fiber Co., Ltd.

26.2.5.1 Export price for M/s Hengyang is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.2.5.2 According to the information, M/s Hengyang exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.2.5.3 During the POI, M/s Hengyang exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, Insurance, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.2.5.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by

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taking the commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.2.5.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/K.

26.3 Determination of Export Price for Shenghong Group

26.3.1 Determination of Export Price for M/s Suzhou Shenghong Fiber Co. Ltd

26.3.1.1 Export price for M/s Shenghong Fiber is determined on the basis of the data/information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.3.1.2 According to the information, M/s Shenghong Fiber exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.3.1.3 During the POI, M/s Shenghong Fiber exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by M/s Shenghong Fiber in response to questionnaires and deficiency letters.

26.3.1.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.3.1.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/L.

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26.3.2 Determination of Export Price for M/s Jiangsu Guowang High-Technique Fiber Co. Ltd.

26.3.2.1 Export price for M/s Guowang is determined on the basis of the data/information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.3.2.2 According to the information, M/s Guowang exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.3.2.3 During the POI, M/s Guowang exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by M/s Guowang in response to questionnaires and deficiency letters.

26.3.2.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.3.2.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/M.

26.3.3 Determination of Export Price for M/s Jiangsu Reborn Eco-Tech Co. Ltd.

26.3.3.1 Export price for M/s Reborn is determined on the basis of the data/information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.3.3.2 According to the information, M/s Reborn exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

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26.3.3.3 During the POI, M/s Reborn exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by Reborn in response to questionnaires and deficiency letters.

26.3.3.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking the commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.3.3.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/N.

26.4 Determination of Export Price for M/s Zhejiang Hengyi Petrochemicals Co., Ltd.

26.4.1 Export price for M/s Hengyi is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.4.2 According to the information, M/s Hengyi exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.4.3 During the POI, M/s Hengyi exported investigated product on CFR, EXW and FOB basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, Handling charges and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.4.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the

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exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking the commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.4.5 The Commission has provisionally accepted other adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/O.

26.5 Determination of Export Price for M/s Hangzhou Qingyun Holding Co. Ltd.

26.5.1 Export price for M/s Qingyun is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.5.2 According to the information, M/s Qingyun exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.5.3 During the POI, M/s Qingyun exported investigated product on delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, Commission and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.5.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking the commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.5.5 The Commission has provisionally accepted these adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory

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level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/P.

26.6 Determination of Export Price for M/s Jiaxing Longyin Textile Co. Ltd.

26.6.1 Export price for M/s Longyin is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during the POI.

26.6.2 According to the information, M/s Longyin exported the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were made to un-related customers.

26.6.3 During the POI, M/s Longyin exported investigated product on CFR basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, insurance, commission and bank charges. The Commission has calculated credit cost on the basis of interest rate and number of days provided by other companies in response to questionnaires and deficiency letters.

26.6.4 The information given in C-3 pertaining to adjustment on account of the commission does not adequately clarify the arrangement between the exporter and its agents in Pakistan. In order to adjust the export price on account of the commission purportedly paid by the exporter, the NTC sought an explanation of this adjustment. In response, the exporter again failed to clarify the position because it did not commensurate with the information provided in the C-3. Therefore, the NTC deemed it appropriate not to accept the adjustment on account of commission as such. For this purpose, the NTC has decided to adjust the export price by taking the commission @ US\$ **/MT for all the export transactions. The application of this rate is based on the agreements submitted by a few cooperating exporters.

26.6.5 The Commission has provisionally accepted these adjustments. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-III/Q.

26.7 The Commission has calculated dumping margins for the individual cooperating exporters and then calculated weighted average dumping margin at the group level, as the companies within a group of XFM Group, Shenghong Group, Hengyi Group and Tongkun Group have significant managerial and operational interconnections, warranting treatment of each group as a single exporter. Factors contributing to this decision included overlapping directors, interlinked corporate structures, shared management, shared sales channels,

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engaged in cross-sales of the product under investigation, and operational controls. This approach aligns with Article 6.10 of the Anti-Dumping Agreement, which allows investigation authorities to consolidate entities into a single margin determination when they operate cohesively as a single exporting entity. This arrangement indicated that the group functioned as a unified exporter, allowing for a fairer, more accurate margin that reflects the group's actual influence on market prices and potential dumping practices.

26.8 Group-level margin calculation also prevents companies within a group from leveraging internal sales or price adjustments to manipulate individual margins and circumvent anti-dumping duties. Under Article 6.10 of the Anti-Dumping Agreement, this approach aligns with WTO standards, allowing related companies to be treated as one exporter when their operations and control are closely interlined. Calculating dumping margin at the group level ensures fair anti-dumping enforcement and avoids potential manipulation by individual companies channeling exports through entities with lower margins. This practice ultimately supports the purpose of anti-dumping agreements by addressing the economic reality of interconnected corporate groups in the international trade context.

27. Dumping Margin

27.1 The Act defines "dumping margin" in relation to a product to mean "*the amount by which its normal value exceeds its export price*". In terms of Section 14(1) of the Act the Commission shall determine an individual dumping margin for each known exporter or producer of an investigated product. In this preliminary determination, the Commission has determined individual dumping margin for the eight exporters /producers who cooperated with the Commission and supplied necessary data/information and the provisional antidumping duty rate for these exporters /producers is established on the basis of individual dumping margin determined for each exporter /producer. However, residual dumping margins/antidumping duty rates have been determined for non-cooperating exporters/producers of China.

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

27.3 The Commission has also complied with the requirements of Section 11 of the Act which states that;

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“the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade, time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place”.

27.4 Taking into account all requirements set out above, the dumping margins have been determined as follows. Calculations of dumping margin are placed at Annexure-IV/A to IV/Q:

**Table-IV
Dumping Margin**

Exporter Name		Dumping margin as % of Adjusted Export price
XFM Group	Huzhou Zhongyue Chemical Fibre Co. Ltd.	2.93
	Tongxiang Zhongwei Chemical Fibre Co. Ltd.	5.09
	Tongxiang Zhongxin Chemical Fibre Co. Ltd.	2.27
	Tongxiang Zhongyi Chemical Fibre Co. Ltd.	8.69
	Xinfengming Jiangsu Xintuo New Material Co. Ltd.	6.86
	Xinfengming Group Huzhou Zongshi Technology Co. Ltd.	4.98
	Huzhou Zhonglei Chemical Fibre Co. Ltd. (related company that has not exported to Pakistan during the POI)	
	Zhejiang Recycle New Material Institute Co. Ltd. (related company that has not exported to Pakistan during the POI)	
Shenghong Group	Jiangsu Guowang High-Technique Fibre Co. Ltd.	4.03
	Suzhou Shenghong Fibre Co. Ltd.	4.15
	Jiangsu Zhonglu Technology Development Co. Ltd.	11.32
	Jiangsu Reborn Eco-Tech Co. Ltd.	-3.55
	Jiangsu Ganghong Fibre Co. Ltd.	-0.62
	Guowang High-Tech Fibre (Suqian) Co. Ltd.	5.86
	Jiangsu Shenghong Technology Trading Co. Ltd. (related company that has not exported to Pakistan during the POI)	

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	Exporter Name	Dumping margin as % of
		Adjusted Export price
Hengyi Group		
	Zhejiang Hengyi Petrochemicals Co. Ltd.	2.59
	Zhejiang Hengyi Petrochemicals Research Institution Co. Ltd. (related company that has not exported to Pakistan during the POI)	
	Shaoxing Keqiao Hengming Chemical	0.68
	Haining Hengyi New Material Co., Ltd.	3.61
	Zhejiang Hengyi Petrochemical Sales Co., Ltd. (related company that has not exported to Pakistan during the POI)	
	Hangzhou Yitong New Material Co., Ltd. (related company that has not exported to Pakistan during the POI)	
	Hangzhou Yijing Chemical Fiber Co., Ltd	2.23
Tongkun Group	Tongkun Group Co., Ltd.	5.08
	Tongxiang Hengji Chemical Fiber Co., Ltd	20.98
	Tongkun Group Zhejiang Heng Sheng Chemical Fiber Co., Ltd	5.01
	Jiangsu Tongkun Hengyang Chemical Fiber Co., Ltd	7.25
	Jiangsu Tongkun Hengxin New Material Co., Ltd	16.45
Individual	Hangzhou Qingyun Holding Group Co., Ltd.,	9.33
Individual	Jiaxing Longyin Textile Co., Ltd.	22.59

27.5 As mentioned earlier, the Commission has selected the group of companies which are related to each other therefore, the Commission has worked out a weighted average dumping margin which will be applied on the companies falling in the same group.

27.6 A residual dumping margin has been determined for all other exporters/producers of China, who did not cooperate with the Commission in this investigation. The Commission has determined that dumping margin calculated for M/s Jiaxing Longyin Textile Co., Ltd., China shall be applied to all other Chinese exporters/producers.

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27.7 Weighted average duty rate has been calculated for 11 cooperating exporters/producers not included for detailed investigation in this preliminary determination on the basis of the weighted average dumping margin of the exporters/producers selected for detailed examination in terms of Section 14 of the Act. Calculation of dumping margins for the non-sampled cooperating Chinese exporters/producers is placed at Annexure- V.

28. De minimis Dumping Margin and Negligible Volume of Alleged Dumped Imports

28.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins, set out in paragraph 27 supra, are above the de minimis level.

28.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports of a like product collectively account for more than seven per cent of the imports of like product. The information/data on alleged dumped imports of the investigated product and other imports of DTY has been obtained from cooperating exporters from China and FBR. Volume of alleged dumped imports of the investigated product and DTY imported from other sources during the POI (January 01, 2023, to December 31, 2031) is given in a table below:

Table-V
Volume of Imports of DTY during POI

Country	Volume of Imports
(1)	(2)
China	91.21
Others Countries	8.79
Total	100

Sources: PRAL/Weboc & Cooperating Exporters

Note: In order to maintain confidentiality, actual figures have been indexed figure of total imports by taking it equal to 100.

28.3 It appears from the above table that most of the imports of DTY during the POI were from dumped source i.e., China. During the POI, 91.21 percent of the total imports were from dumped source, which means dumped imports were above the negligible threshold in terms of Section 41(3) of the Act.

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C. INJURY TO DOMESTIC INDUSTRY

29. Determination of Injury

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

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

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

29.2 Section 15 of the Act further provides that:

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

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

29.4 As stated earlier (paragraph 9 supra) that there are five units in the domestic industry. Out of five, two major units are the Applicants in this case. The third unit in operation i.e. M/s Rupafil Limited provided information on other domestic producers' questionnaires. The fourth unit i.e. M/s Kamal Industries and fifth unit i.e. M/s Sindh Industries in operations were asked for necessary information, however, they did not respond. Therefore, analysis of the injury factors is based on the data/information by the Applicants and one other domestic producer i.e. M/s Rupafil Limited information. As the Applicants and M/s Rupafil Limited produced 93.29 percent of the total domestic production of DTY during the POI, therefore the Applicants and M/s Rupafil Limited are considered as domestic industry in terms of Section 2(d) of the Act as they constitute a major proportion of the total domestic production of the domestic like product produced by the domestic industry.

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29.5 Analysis of injury factors carried out in this preliminary determination in the following paragraphs is, therefore, based on the information submitted by Applicants and M/s Rupafil Limited.

30 Volume of Dumped Imports

30.1 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act, the Commission considered whether there has been a significant increase in dumped imports of DTY, either in absolute terms or relative to the domestic production or consumption of the domestic like product manufactured by the domestic industry during the POI.

30.2 In order to assess the impact of volume of dumped imports of DTY in relation to production and consumption of the domestic like product, the information obtained from FBR, and co-operating exporters has been used. Following table shows the change in volume imports of the investigated product in absolute terms during the POI:

Table-VI
Volume of Dumped Imports of DTY (MT)

Period	Domestic production	Imports from:			Dumped imports as % of:	
		Dumped Source	Other Sources	Total	Domestic production	Total imports
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Jan-Dec 2021	44	80	20	100	180	80
Jan-Dec 2022	42	104	11	115	245	90
Jan-Dec 2023	40	117	11	128	292	91

Sources: FBR, Applicants, Rupafil & Cooperating Exporters

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of total imports during the year Jan-Dec 2021 by taking it equal to 100.

30.3 The above table reveals that the volume of dumped imports of the investigated product increased in absolute terms as well as relative to the domestic production of DTY during the POI. Dumped imports of the investigated product, which were 79 percent of total imports in the year 2021 increased to 90 percent of total imports in the year 2022 and then further increased to 91 percent of total imports in the year 2023 with the growth in the demand for DTY during the POI.

30.4 The volume of dumped imports of the investigated product also increased significantly during the POI relative to the production of the domestic like product. Dumped imports,

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which were 180 percent of domestic production in 2021, rose to 244 percent in 2022 and then to 292 percent during the last year of the POI.

30.5 On the basis of the above information and analysis the Commission has determined that the volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to domestic production during the POI and the domestic industry suffered injury on account of volume of dumped imports of the investigated product during the POI.

31. Price Effects

Effect of dumped imports on sales price of domestic like product in the domestic market has been examined to establish whether there was significant price undercutting (the extent to which the price of the investigated product was lower than the price of the domestic like product), price depression (the extent to which the domestic industry experienced a decrease in its selling prices of domestic like product during the POI, or 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). Effects of dumped imports on price of the domestic like product are analyzed in following paragraphs:

31.1 Price Undercutting

31.1.1 To assess effects of dumped imports of the investigated product on prices in the domestic market in accordance with Section 15(3) of the Act, the information obtained from FBR, provided by the Applicants relating to prices of domestic like product and cooperating exporters has been used. Following table shows the weighted average ex-factory prices of the domestic like product and weighted average landed cost of the investigated product (with and without antidumping duty) during the POI:

**Table-VII
Price Undercutting
(Rs./MT)**

Period	Domestic like Product's Price	Landed Cost of Dumped Imports		Price under-cutting in:	
		Without AD duty	With AD duty	Absolute	Percentage
(1)	(2)	(3)	(4)	(5)=(2-3)	(6)=(5/2)
Jan-Dec 2021	100	97	97	3	3.37
Jan-Dec 2022	129	116	117	13	9.81
Jan-Dec 2023	158	149	149	9	5.77

Sources: The Applicants, Rupafil, Cooperating Exporters, FBR

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of domestic like product's price during the year Jan-Dec 2021 by taking it equal to 100.

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31.1.2 The information in the table above shows that the weighted average landed cost of the investigated product, with and without antidumping duty, remained lower than the weighted average ex-factory price of the domestic like product throughout the POI. The landed cost of the investigated product undercut the prices of the domestic like product by 3.37 percent to 9.81 percent during the POI.

31.1.3 The above information and analysis shows that that the domestic industry suffered injury on account of price undercutting due to dumped imports of the investigated product during the POI.

31.2 Price Depression

The prices of the domestic like product during the POI are given in table VII above which shows that there was no price depression during the POI, as the ex-factory sales price of the domestic like product significantly increased during the years 2022 and 2023.

31.3 Price Suppression

31.3.1 Weighted average cost to make & sell and ex-factory prices of the domestic like product for the POI are given in the following table.

**Table-VIII
Price Suppression (Rs./MT)**

Year	Cost to make & sell of domestic like product	Domestic like product's price	Increase in domestic like product's:				Price suppression	
			Cost to make & sell		Sales Price		Rs./MT	%
			Rs./MT	%	Rs./MT	%		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jan-Dec 2021	91	100	--	--	--	--	--	--
Jan-Dec 2022	134	129	43	47	29	29	14	10.6
Jan-Dec 2023	166	158	32	24	29	23	3	1.78

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of domestic like product's price during the year Jan-Dec 2021 by taking it equal to 100.

31.3.2 Domestic industry's weighted average cost to make & sell was Rs. ***/MT in 2021 that significantly increased to Rs. ***/MT in 2022 and further increased to Rs. ***/MT (an increase of 24 percent) which has been adjusted on account of energy costs associated with the chips

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drying and remelting processes used by M/s Rupali and M/s Rupafil. The adjusted cost to make & sell is given in column 2 of the table above.

31.3.3 The above table shows that average cost to make & sell of the domestic like product increased by 47 percent and 24 percent during the year 2022 and 2023 respectively. Whereas the sale price of the domestic industry increased by 29 percent and 23 percent during the years 2022 and 2023 respectively. Thus, the domestic industry was not able to raise its prices to recover the increase in the weighted average cost to make and sell during the years 2022 and 2023.

31.3.4 Based on the foregoing information and analysis it is determined that the domestic industry faced injury on account of price suppression during the POI.

32. Effects on Market Share

32.1 Size of the domestic market for DTY is established by adding domestic sales of DTY by the domestic industry and imports of the investigated product. Following table shows the market share of each source of supply of DTY during the POI:

**Table-IX
Market Share**

Period	Domestic Industry's Sales		Other Domestic Producers Sales		Dumped Imports		Other imports		Total Market	
	Volume (MT)	% share	Volume (MT)	% share	Volume (MT)	% share	Volume (MT)	% share	Volume (MT)	% increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(2+4+6+8)	(11)
Jan-Dec 2021	29.28	29.28	2.16	2.16	54.55	54.55	14.00	14.00	100	--
Jan-Dec 2022	27.36	25.22	2.16	1.99	71.15	65.59	7.81	7.20	108	8.49
Jan-Dec 2023	26.39	22.64	2.16	1.85	80.29	68.87	7.74	6.64	117	7.46

Sources: FBR, Applicants, Rupafil & Cooperating Exporters.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of total domestic market during the year Jan-Dec 2021 by taking it equal to 100

32.2 The above table shows that the domestic market of DTY increased by 8.49 percent during the year 2022 and then further increased by 7.46 percent during 2023.

32.3 The market share of domestic industry decreased from 29 percent during the year 2021 to 25 percent during the year 2022 and further decreased to 22 percent in 2023. At the same

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time, the market share of the dumped imports of the investigated product increased from 54 percent in the year 2021 to 65 percent during the year 2022 and then further increased to 68 percent during the year 2023. It is also evident from the above table that the imports from the non-dumped sources declined during the POI. However, that gap was filled by the dumped imports rather than the domestic industry. The above table further shows that the volume of dumped imports during the first year of the POI was *** MT and total demand for DTY was *** MT. The installed capacity to produce DTY of the domestic industry (standardized at 150 deniers) given in table XI infra was *** MT against the total demand of *** MT (around *** MT has to be imported as the maximum production of the domestic industry could have been *** MT). Similarly, during 2023 the demand for DTY increased from *** MT to around *** MT (an increase of 16.58%), whereas, the installed capacity of domestic industry increased from *** MT to *** MT (an increase of 8.81%). Thus, in order to meet the domestic demand around *** MT of DTY must be imported at fair price.

32.4 On the basis of the above facts and analysis, it is determined that the domestic industry suffered injury on account of loss of sales and market share during the POI.

33. Effects on Sales

33.1 Sales of the domestic like product of the industry are given in the following table:

Table-X
Domestic Sales (MT)

Period	Volume	% change
(1)	(2)	(3)
Jan - Dec 2021	100	---
Jan - Dec 2022	93	(6.56)
Jan - Dec 2023	90	(3.55)

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of domestic sales during the year Jan-Dec 2021 by taking it equal to 100

33.2 The table above shows that the sales of domestic like product decreased by 6.56 percent in 2022 and decreased further by 3.55 percent in 2023. Therefore, it is determined that the domestic industry suffered injury on account of the decline in sales during the POI

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34. Effects on Production and Capacity Utilization

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

**Table-XI
Capacity Utilization**

Period	Installed capacity* (MT)	Actual Production (MT)	Standardized Production (MT)	Actual Capacity utilization (%)	Standardized Capacity utilization (%)
(1)	(2)	(3)	(4)	(5)=(3/2)	(6)=(4/2)
Jan-Dec 2021	100.00	71.45	83.81	71.45	83.81
Jan-Dec 2022	108.07	68.61	79.21	63.48	73.30
Jan-Dec 2023	109.11	64.97	70.63	59.55	64.73

*Figures of installed capacity and production are standardized at 150 deniers.

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of installed capacity during the year Jan-Dec 2021 by taking it equal to 100

34.2 The above table shows that the installed production capacity of the domestic industry increased during the POI. Whereas the production of the domestic like product decreased by around 4 percent during the year 2022 and further decreased by 5 percent during the year 2023. Therefore, the capacity utilization of the domestic industry decreased from 71 percent during the year 2021 to 63 percent during the year 2022 and further decreased to 59 percent during the year 2023.

34.3 Further, the above table also shows that adjusted capacity utilization is relatively high, the trend remains consistent with the actual data, showing a decline in capacity utilization throughout the POI. Despite experiencing expansion during the POI, the domestic industry of DTY was still unable to fully utilize its installed capacity due to dumped imports particularly during the last year of the POI.

34.4 On the basis of the above information it is determined that the domestic industry suffered injury on account of capacity utilization during the POI.

35. Effects on Inventories

35.1 The data relating to accumulation of inventories of the domestic like product during the POI is given in the table below:

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Table-XII**Inventories of the Domestic Like Product (MT)**

Period	Opening Inventory	Closing Inventory
(1)	(2)	(3)
Jan-Dec 2021	82	100
Jan-Dec 2022	100	150
Jan-Dec 2023	150	156

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of closing inventory during the year Jan-Dec 2021 by taking it equal to 100

35.2 The production as well as the sales of domestic like product decreased during the POI which led to increase in inventories as evident in the table above. It is determined that the domestic industry suffered material injury on account of increase in inventories of the domestic like product.

36. Effects on Profit/Loss

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

Table-XIII**Profits /(Loss) (Rs. in Million)**

Period	Profit/(loss)
(1)	(2)
Jan-Dec 2021	100
Jan-Dec 2022	(52)
Jan-Dec 2023	(80)

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of profit/(loss) during the year Jan-Dec 2021 by taking it equal to 100

36.2 Above information shows that the domestic industry incurred losses during last two years of the POI. These losses correspond to the price suppression coupled with a decline in sales volume. (paragraphs 31.3 and 33 supra).

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36.3 On the basis of above information, it is determined that the domestic industry suffered material injury on account of decline in profits during the POI.

37. Effects on Cash Flow

37.1 The three units in domestic industry who provided the data /information in this investigation are multi-product companies, making it difficult to isolate cash flows for individual product line. Therefore, the total net cash flow for the entire operations of the Applicants and M/s Rupafil for the POI is presented in the following Table:

**Table-XIV
Cash Flows from Operations**

Period	Cash Flows (Rs. in Million)
(1)	(2)
Jan-Dec 2021	100
Jan-Dec 2022	(411)
Jan-Dec 2023	471

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of cash flows during the year Jan-Dec 2021 by taking it equal to 100

37.2 The above table shows that the fluctuation in the cashflows cannot be directly correlated with factors associated with product lines. Therefore, it is determined that the domestic industry did not suffer injury on account of cash flows.

38. Effects on Employment, Productivity and Salaries & Wages

38.1 The data relating to the employment, salaries & Wages and productivity of the domestic industry during the POI is given in the following table:

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Table-XV**Employment, Salaries & Wages and Productivity**

Period	Number of employees	Salaries & wages (Rs. 000)	Production (MT)	Productivity per worker in (MT)	Salaries and wages (Rs./MT)
(1)	(2)	(3)	(4)	(5)	(6)
Jan-Dec 2021	100	100	100	100	100
Jan-Dec 2022	97	114	96	99	119
Jan-Dec 2023	95	120	91	96	132

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. respective figures during the year Jan-Dec 2021 by taking it equal to 100

38.2 The above table shows that employment in the domestic industry decreased during the POI. Productivity per worker also decreased during the POI, whereas salaries and wages per MT increased during the POI.

38.3 On the basis of the above facts, it is determined that the domestic industry suffered injury on account of employment, productivity and salaries and wages.

39. Effects on Return on Investment

39.1 As stated earlier, the Applicants and M/s Rupafil are multi-product companies. Therefore, investment and return on investment of the domestic industry are determined at company level. The information regarding the return on investment of the domestic industry during the POI is given in the following Table:

Table-XVI**Investment and Return on Investment**

Period	Investments (Rs. in Million)	Returns (Rs.in Million)	ROI (%)
(1)	(2)	(3)	(4)
Jan-Dec 2021	100	18.68	18.68
Jan-Dec 2022	145	0.18	0.13
Jan-Dec 2023	152	(5.57)	(3.67)

Sources: The Applicants & Rupafil

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of investments during the year Jan-Dec 2021 by taking it equal to 100

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39.2 The above table shows that the investment in the domestic industry increased throughout the POI, which was mainly made for expansion of installed capacity of domestic like product. However, return on investment declined throughout the POI and became negative in the last year of POI, which was mainly due to heavy losses (paragraph 36 supra).

39.3 In view of the above facts it is determined that the domestic industry suffered on account of return on investment during the POI.

40. Ability to Raise Capital

40.1 The domestic industry has made investment in recent years (paragraph 39 supra) that led to increase in the production capacity, whose significant portion (around 40 percent) is laying idle. As the domestic industry is not able to continue a profitable business with the existing capacity in the presence of price undercutting and price suppression, this has negatively affected the ability of the domestic industry to raise further capital for investing in the manufacturing of domestic like product. Therefore, it is determined that the domestic industry has suffered injury on account of ability to raise capital.

41. Magnitude of Dumping Margins

Dumping margins determined for China ranges from 2.28 percent to 22.59 percent, which are considered enough to cause material injury the domestic industry. Further, injury factors discussed above show that domestic industry has suffered material injury on number of factors.

42. Summing up of Material Injury

42.1 It appears from above that volume of dumped imports of the investigated product, which were 79 percent of total imports in the year 2021 increased to 90 percent of total imports in the year 2022 and then further increased to 91 percent of total imports in the year 2023. It is important to note that imports from dumped sources increased at a time when imports from other sources and sales by the domestic industry were decreasing. Dumped imports are undercutting prices of the domestic industry by 3.37% to 9.81% during the POI for injury. Price undercutting has experienced a mixed trend during the POI for injury. The Applicant faced price suppression during the last two year of POI of injury due to increase in the cost to make & sell of DTY. Domestic market of DTY increased by 8.49 percent during 2022 as compared to previous year. Furthermore, it increased by another 7.46 percent during the year 2023. Contrary to this, the production of the domestic like product has decreased by 3.98 percent in 2022 and further

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decreased by 5.30 percent in 2023. This decline in production occurred at a time when the domestic market size was experiencing expansion which was primarily met by an increase in dumped imports. Imports from dumped sources have replaced the domestic like product. The decrease in production led to a decrease in capacity utilization of the domestic industry. As capacity utilization decreased, productivity of the domestic industry decreased which led to rise in salaries and wages/MT.

42.2 As a consequence, market share of the dumped imports increased during 2022 and 2023. The profits of the domestic industry turned into losses, which increased consistently during the last two years of the POI. Lesser sales volume, price undercutting and price suppression were the main factors for decrease in the profits of the domestic industry during last two years of the POI for injury. The effects on return on investment and cash flow were the same as the effects on profit.

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

**Table-XVII
Effects of Dumped Imports**

Injury Factor	2021	2022	2023
Volume of dumped imports (MT)	100.00	130.44	147.18
Dumped imports as % of total imports (%)	79.57	90.11	91.21
Price Undercutting (%)	3.37	9.81	5.77
Price suppression (%)	-	10.60	1.78
Sales (MT)	100.00	93.44	90.13
Market share of dumped imports (%)	54.55	65.59	68.87
Market share of domestic like product (%)	29.28	25.22	22.64
Production (MT)	100.00	96.02	90.93
Capacity utilization of domestic industry (%)	83.81	73.30	64.73
Closing Inventories (MT)	100.00	150.05	155.81
Profits (million Rs)	100.00	(52.45)	(79.54)
ROI (%)	18.68	0.13	(3.67)
Productivity per worker (MT/worker)	100.00	98.57	95.67
Salaries and wages (Rs/ MT)	100.00	130.44	147.18

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. respective figures during the year 2021 by taking it equal to 100

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

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D. CAUSATION

43. Effect of Dumped Imports

43.1 On the basis of the analysis and conclusions, the Commission has concluded that there was a causal link between dumped imports of the investigated product and material injury suffered by the domestic industry.

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

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms;
- ii. Domestic industry experienced price undercutting due to dumped imports of the investigated product;
- iii. Domestic industry experienced price suppression due to prices of the dumped imports of the investigated product;
- iv. Market share of dumped imports of the investigated product increased significantly whereas market share of the domestic like product declined simultaneously;
- v. Sales of the domestic like product decreased due to increased share of dumped imports in domestic market;
- vi. Production of the domestic like product decreased due to increased share of the dumped imports in domestic market;
- vii. The capacity utilization of the domestic industry decreased due to dumped imports;
- viii. Domestic industry faced negative effect on profitability;
- ix. Domestic industry faced negative effect on productivity and salaries and wages per MT;
- x. Domestic industry faced negative effect on return on investment;

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44. Other Factors

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

44.2 The Commission has also examined the factors listed under Section 18(3) of the Act which may cause injury to the domestic industry and such injury shall not be attributed to dumped imports.

44.3 The Commission has also examined factors identified by the interested parties which include the following:

- a) Exchange Rate Depreciation
- b) Higher Financial Cost as a Result of State Bank of Pakistan Policies
- c) Volume and Prices of Imports not Sold at Dumped Prices
- d) Contraction in Demand or Changes in the Patterns of Consumption
- e) Trade Restrictive Practices and Competition Between Foreign and Domestic Producers
- f) Developments in Technology
- g) Export performance and Productivity of Domestic Industry
- h) Argument of Disintegrated Plants (Melt Spinning Vs Chips Spinning)
- i) Impact of 2022 Floods

44.3.1 Exchange Rate Depreciation

44.3.1.1 As per SBP, the currency exchange rate i.e. PKR/US\$ was trading @Rs. 160 at the month end of January 2021. Whereas it reached up to @ Rs. 281 by the end of December 2023. Hence registering an overall increase of 75% in three years. Following table shows average exchange rate during the three years of POI:

**Table-XVIII
Exchange Rate**

Year	PKR/US\$	Percentage Exchange Rate Depreciation
2021	162.63	-
2022	204.52	26%
2023	279.98	37%

Source: SBP

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of exchange rate during the year 2021 by taking it equal to 100

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44.3.1.2 Normally, the exchange rate depreciation increases the cost to make and sell in local currency, especially if the industry relies on imported raw materials. In this particular case, the domestic industry relies on local as well as on the imported raw materials. Since the investigated product is imported, the landed cost is also simultaneously affected by the exchange rate depreciation. Thus, the injury to the domestic industry should not be necessarily attributed to exchange rate depreciation.

44.3.2 Higher Financial Cost as a Result of State Bank of Pakistan Policies

Financial cost is a part of the overall cost to make and sell any product. During the POI, the policy rate announced by State Bank of Pakistan (SBP) increased from 8.5 percent in 2021 to 14.3 percent in 2022 and further to 20.0 percent in 2023. The domestic industry has obtained loans from the banks, resultantly, the higher financial cost increased the cost to make and sell of the domestic like product. The policy rate was increased to 20.0 percent in 2023 to curtail the inflationary trends. Thus, the increase in financial cost is a result of nominal changes in the interest rate corresponding to the inflation, therefore, increase in financial cost should not be attributed as a factor causing injury to the domestic industry.

44.3.3 Volume and Prices of Imports not Sold at Dumped Prices

Table-XIX

Year	Imports from China (MT)	Imports from China (% of Total Imports)	Imports from Other Sources (MT)	Imports from Other Sources (% of Total Imports)	Landed Cost of IP from China (Rs./MT)	Landed Cost of DTY from Other Sources (Rs./MT)	Price of Domestic Like Product (Rs./MT)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2021	100	80	26	20	97	94	100
2022	130	90	14	10	116	128	129
2023	147	91	14	9	149	169	158

Source: FBR, Cooperating Exporters

Note: In order to maintain confidentiality, actual figures of imports from China and imports from other sources have been indexed w.r.t. figure of imports from China during the year 2021 and actual figures of landed cost of IP from China, landed cost of PFY from other sources and Price of Domestic Like Product have been indexed w.r.t figure of domestic like product's price during the year 2021 respectively by taking it equal to 100.

The above table shows that the landed cost of DTY imported from other sources was much higher than the landed cost of dumped imports of the investigated product as well as prices of the domestic like product during the POI for dumping. Besides, the share of imports of DTY from China continuously increase its share among the total imports. Therefore, prices

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of imports from sources other than the dumped source were not the cause of material injury to the domestic industry.

44.3.4 Contraction in Demand or Changes in the Patterns of Consumption

The domestic demand for DTY increased from ***MT in 2021 to ***MT 2023, therefore there was no contraction in demand during the POI.

44.3.5 Trade Restrictive Practices and Competition Between Foreign and Domestic Producers

There was no such policy by the Government of Pakistan during the POI that have negatively affected the domestic industry and created distortion in the competitive environment between foreign and domestic producers. However, the Applicant has direct competition with the foreign producers/ exporters in the domestic market.

44.3.6 Developments in Technology

The domestic industry has recently made new investments in capacity expansion and technology based on the latest technology. Thus, there was no development or change in technology during the POI that could have contributed to the injury to the domestic industry.

44.3.7 Export performance and Productivity of Domestic Industry

One of the Applicants (M/s Gatron) has exported up to 4 percent of its sales during the POI of injury which have not adversely affected its domestic sales performance.

44.3.8 Argument of Disintegrated Plants (Melt Spinning Vs Chips Spinning)

44.3.8.1 One of the objections by the interested parties was on the technology used by the domestic industry i.e. the domestic industry's production plants lack integration which means it has to manufacture polymer chips first and later remelt those chips for spinning process hence attracting extra energy costs. Whereas the investigated product is produced as a result of more advanced melt spinning which means that producers in China have the technology to directly engage in spinning process from molten polymer, hence saving the energy. The above objection was investigated during the course of this investigation and the following are the facts regarding the spinning processes.

- i. M/s Gatron has 70.71% share of the total production (by Applicant & cooperating other producer i.e. M/s Rupafil) of domestic like product and it uses direct melt-

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- spinning technology whereas M/s Rupafil and M/s Rupali have share of 19.30% and 9.98% respectively.
- ii. M/s Gatron, the largest producer, uses melt spinning technology. Whereas M/s Rupali and M/s Rupafil employ chips spinning technology and incur additional cost for remelting chips in spinning plants which has been duly adjusted while calculating price suppression.
 - iii. M/s Rupali and M/s Rupafil's additional (remelting) energy consumption was 8.1% and 12.0% respectively.
 - iv. As per the information of the cooperative exporters, available to the Commission, Chinese exporters also use chips spinning production process which means that both the methods/processes are used in the polyester yarn industry.
 - v. The share of energy cost in cooperating exporter's cost to make and sell was upto 13% in the year 2023. For the domestic industry the same was 11.83% in the same year.
 - vi. If the additional energy cost of melt spinning of M/s Rupali and M/s Rupafil are subtracted for analysis, its overall impact on total cost to make and sell is negligible for domestic industry i.e. total cost to make and sell will be reduced by only 0.63%, 0.68%, 0.61% for years 2021, 2022 and 2023 respectively.

44.3.8.2 Hence, the above picture clearly shows that the energy cost cannot be attributed to as a cause of injury to the domestic industry.

44.3.9 Impact of 2022 Floods

44.3.9.1 The 2022 floods in Pakistan have inflicted heavy losses to Pakistan economy through destruction in infrastructure, crops and livestock etc. In order to assess its relevance to the polyester business following facts are worth considering:

- a. Polyester yarns are manmade yarn which unlike cotton does not get directly affected through disaster especially in rural areas of Pakistan.
- b. Manmade yarn such as DTY are substitute for natural fiber/yarns and any shortage in natural fiber/yarn likely to have a positive impact on manmade fiber/yarn. A fact confirmed by Table-IX supra where the year 2022 saw an 8.5 percent expansion in DTY market size.

44.3.9.2 In view of the above, it is concluded that the floods in year 2022 did not negatively affect DTY business in Pakistan and cannot be attributed to as a factor causing injury to the domestic industry.

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E. CONCLUSIONS

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

- i. the application was filed by the domestic industry as the Applicants represent 75 percent of the production of the domestic like product during the POI;
- ii. the investigated product and the domestic like product are like products.
- iii. during POI, the investigated product was exported to Pakistan by the exporters/producers from China at prices below its normal value.
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product from China are above the negligible and *de minimis* levels respectively.
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level varies between 2.28 percent to 22.59 percent for China.
- vi. the domestic industry suffered material injury on account of volume of dumped imports of the investigated product, price undercutting, price suppression, decline in: market share, sales, capacity utilization, profits, profitability, return on investment, productivity; negative effects on: inventories, cash flows and ability to raise capital in terms of Sections 15 and 17 of the Act; and
- vii. There is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

F. IMPOSITION OF PROVISIONAL ANTIDUMPING DUTY

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

47. Thirty-eight exporters/ foreign producers of the investigated product have provided requisite information in this investigation. The dumping margins have been determined based on information submitted by the respective sampled exporter/group. The anti-dumping duty rate for the cooperating exporters who were not part of the sample has been calculated as a weighted average of the sampled exporters. The anti-dumping duty rate for all other exporters is set at the highest individual anti-dumping duty rate of the cooperating exporter.

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48. The Commission has also considered provisions of Section 43 (1) of the Act for imposition of lesser duty and has calculated injury margin to ascertain whether a lower duty would be adequate to remove injury being suffered by the domestic industry due to dumped imports of the investigated product. The calculation of injury margin is given below:

**Table-XX
Injury Margin**

Description	(Rs/MT)
Non-Injurious Price of Domestic Like Product	122
Landed Cost during POI for dumping	100
Injury Margin	22
C&F Price	85
Injury Margin as % of C&F price	25.81%

Source: FBR, Cooperating Exporter, Domestic Industry (for calculation of reasonable profit)

*Non injurious price= Cost to Make & Sell of domestic like product plus reasonable profit.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. figure of Landed Cost during POI for dumping by taking it equal to 100.

49. Keeping in view the provisions of Section 43(1) of the Act, the Commission has decided to impose provisional anti-dumping duties equal to dumping margins as the injury margin is higher than the dumping margins. Therefore, provisional antidumping duty at the following rates are hereby imposed for a period of four months effective from November 15, 2024. However, in accordance with Section 51(ea) of the Act, provisional anti-dumping duties shall not be levied on imports of the investigated product that are used as inputs in products destined solely for exports or for use in the foreign grant-in-aid projects and are covered under any scheme exempting customs duties for exports or foreign grant-in-aid projects under the Customs Act, 1969 (IV of 1969).

**Table-XXI
Provisional Antidumping Duty Rates**

Exporter Name		Provisional anti-dumping duty rate
XFM Group	Huzhou Zhongyue Chemical Fiber Co. Ltd.	3.57
	Tongxiang Zhongwei Chemical Fiber Co. Ltd.	
	Tongxiang Zhongxin Chemical Fiber Co. Ltd.	
	Tongxiang Zhongyi Chemical Fiber Co. Ltd.	
	Xinfengming Group Huzhou Zongshi Technology Co. Ltd.	
	Huzhou Zhonglei Chemical Fiber Co. Ltd.	
	Xinfengming Jiangsu Xintuo New Material Co. Ltd.	
Zhejiang Recycle New Material Institute Co. Ltd.	2.13	
Jiangsu Guowang High-Technique Fiber Co. Ltd.		

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	Exporter Name	Provisional anti-dumping duty rate
Shenghong Group	Suzhou Shenghong Fiber Co. Ltd.	
	Jiangsu Zhonglu Technology Development Co. Ltd.	
	Jiangsu Reborn Eco-Tech Co. Ltd.	
	Jiangsu Ganghong Fiber Co. Ltd.	
	Jiangsu Shenghong Technology Trading Co. Ltd.	
	Guowang High-Tech Fiber (Suqian) Co. Ltd.	
Hengyi Group	Zhejiang Hengyi Petrochemicals Co. Ltd.	2.28
	Zhejiang Hengyi Petrochemicals Research Institution Co. Ltd.	
	Shaoxing Keqiao Hengming Chemical Fiber Co. Ltd.	
	Haining Hengyi New Material Co., Ltd.	
	Zhejiang Hengyi Petrochemical Sales Co., Ltd.	
	Hangzhou Yitong New Material Co., Ltd.	
	Hangzhou Yijing Chemical Fiber Co., Ltd	
Tongkun Group	Tongkun Group Co., Ltd.	5.19
	Tongxiang Hengji Chemical Fiber Co., Ltd	
	Tongkun Group Zhejiang Heng Sheng Chemical Fiber Co., Ltd	
	Jiangsu Tongkun Hengyang Chemical Fiber Co., Ltd	
	Jiangsu Tongkun Hengxin New Material Co., Ltd	
Individual	Hangzhou Qingyun Holding Group Co., Ltd.,	8.61
Individual	Jiaying Longyin Textile Co., Ltd.	20.78
All other cooperating exporters/ foreign producers (Non-Sampled)	Zhejiang JiaBao New Fiber Group Co., Ltd, China Zhejiang Jiabao Polyester Co., Ltd.	4.59
	Shaoxing Huaqing Polyester and Textile Co., Ltd	
	Fujian Jinlun Fiber Shareholding Company Limited	
	Hangzhou Yucheng New Material Technology Co., Ltd., China	
	Jiangsu Shunlong Special Fiber Co., Ltd., China	
	Hangzhou Lianyu Chemical Fiber Co., Ltd	
	Hangzhou United Textile I&E Co., Ltd.	
	Zhejiang Huilong New Materials Co. and Polyester Technology Hangzhou Co., Ltd.	
Hangzhou Zhongli Chemical Fiber Co., Ltd.		
Hangzhou Zhongcai Chemical Fiber Co., Ltd.		
All other exporters/foreign producers		20.78

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50. DTY originated in and/or imported from sources other than China shall not be subject to the above-mentioned provisional antidumping duty.

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

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

53. The provisional antidumping duty would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in Commission's head of account "G-11217 Personal Deposits" maintained with State Bank of Pakistan.

(Ahmed Sheraz)
Member
November 15, 2024

(Imran Zia)
Member
November 15, 2024

(Muhammad Iqbal Tabish)
Member
November 15, 2024

(Naeem Anwar)
Chairman
November 15, 2024

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Annexure-I

Annotated Replies to the Comments Submitted by the Interested Parties

Comments from RIAA Barker on behalf of Pakistan Yarn Merchants Association (PYMA) & Zhejiang Huilong New Materials Co., Ltd. & Polyester Technology Hangzhou Co., Ltd. (Exporters)	NTC View
<p><i>The current Investigation is invalid in light of the doctrine of res judicata, as per Section 11 of the Code of Civil Procedure, 1908. This prevents the same matter from being tried again, thus avoiding multiple proceedings on the same issue. The Commission's findings in the Third Final Determination (defined infra) that, inter alia, the Domestic Industry (defined infra) cannot meet local demand support terminating this Investigation as redundant and unjustifiable.</i></p>	<p>The importers have alleged that the domestic industry had filed appeals no. 565/2024 and 566/2024 before the Tribunal. Appeal no. 565/2024 was filed against the termination of the original investigation, whereas Appeal no. 566/2024 was passed against the termination of the sunset review. The importer alleges that although the appellant had withdrawn one of these appeals, the principal of res sub judice prohibits the Commission from initiating a new investigation. In support of its assertion, the appellant has relied on a judgment of the Sindh High Court, Karachi, cited as PLJ 1987 Kar 215.</p> <p>It is submitted that the judgment relied upon by the importer is distinguishable. Firstly, it is pertinent to note that both appeals mentioned above have been withdrawn by the domestic industry on the grounds that a new investigation has been initiated. Therefore, even if the interpretation of "sub Judice" given by the importer is accepted as it is, the importers assertion is incorrect from a factual point of view. The issue of sub judice does not come into play at all when there is no other case pending on the same matter against the same cause of action.</p> <p>Assuming without conceding that the aforementioned appeals were</p>

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	<p>still pending before the Tribunal. Even in such hypothetical scenario the principle of sub judice and the judgment relied upon would not attract. The judgment cited as PLJ 1987 Kar 215, holds at paragraph 6 that the intent behind the principle of sub judice is to avoid a party from conducting multiplicity of proceedings. Such principle comes into play when a case with similar pleadings and same cause of action is already pending before a different court. In such case, the courts do not take cognizance of a case which is already pending before another court. However, in the instant case, appeal 565/2024 was filed against the notice of termination wherein the period of investigation was completely different from the new investigation. On the other hand, Appeal no. 566/2024 was filed against sunset review of ADD, in which case cause of action was also different as the test for extension of duty is completely different from that applied in original investigation. Therefore, the importers' argument is nullified firstly on the ground of factual misstatement as neither of the appeals mentioned by the importer is pending before the Tribunal. Secondly, even if such an appeal was pending, Commission would not be estopped by the principle of sub judice as these appeals have a different cause of action than the new investigation.</p>
<p><i>Before proceeding any further with the Investigation, the Commission should first decide as to whether colored PFY is part of the Investigated Product or not. We note that it has currently been included in the definition of the 'Investigated Product' on the basis that it is being manufactured by the Applicants. However,</i></p>	<p>During on-the-spot investigation, the Commission asked the domestic industry to provide records of production of colored</p>

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<p><i>a critical gap remains in verifying whether the production volumes are substantial enough to render it competitive in the marketplace. We understand from the Initiation Memorandum issued by the Commission in connection with the Investigation (“Initiation Memo”) that the Commission has also acknowledged that this position needs to be verified but we would urge that this matter needs to be settled immediately.....Should the Commission find that Colored PFY is not produced in sufficient quantities by the Domestic Industry, we hope and expect that the Commission immediately removes the same from the scope of the Investigated Product.</i></p>	<p>yarn. It was noted that Gatron Industries and Rupafil Limited produced colored yarn during the POI whereas Rupali produced minute quantities of colored yarn during one year of the POI of injury. Gatron Industries produced colored yarn ranging from 2 percent to 3 percent of their total production. Rupafil Limited production of colored yarn stood at 5 percent to 8 percent during the POI of injury. The Commission also examined the import percentage of colored yarn from the export’s statistic provided by the cooperating exporters. It was noted that percentage of colored yarn is 9 percent of the imports. As the percentage of colored yarn in imports and domestic production is in the same range, the Commission has decided to include colored yarn within the scope of the investigated product.</p>
<p><i>Table VI, within the Initiation Memo, demonstrates how the volume of imports of the Investigated Product changed during the course of the POI. It can be observed that the volume of alleged dumped imports has increased. As per S.15(2) of the Act, the Commission only needs to determine whether there has been a significant increase in alleged dumped imports (either in absolute terms or relative to production or consumption in Pakistan). Any increase, however, is not indicative of injury itself. The Commission determined, on a prima facie basis as it may be, that the volume of dumped imports has been the cause of injury to the Applicants. However, the volume of imports itself cannot be tantamount to injury and, as such, it appears that the Commission has reached a predetermined conclusion.....To claim material injury on the basis of an increase in volume of dumped imports, especially where the Domestic Industry is unable to cater to local demand, is simply placing unwarranted blame upon the exporters, who are simply more efficient and able to provide the downstream industry with its critical raw material, PFY. The Applicants are only attempting to strongarm the exporters of the Investigated Product through this Investigation, in a misguided attempt to edge them out of the market, as they are cognizant of the fact that the Domestic Industry cannot compete with the higher quality PFY that imports bring in the market. To allow them to do so would harm the textile industry, whose export revenue Pakistan greatly depends on.</i></p>	<p>The volume of dumped imports of the investigated product increased in absolute terms as well as relative to the production of the domestic like product during the POI. The landed cost of investigated product is lower than that of landed cost of DTY imported from other sources, as well as the prices of the domestic like product, leading to an undercutting of the prices of domestic like product. Thus, the domestic industry suffered injury on volume of dumped imports of the investigated product during the POI. Refer to para nos. 30, 31 & 44.3.3 of the Preliminary Determination report.</p>
<p><i>In its analysis of price undercutting, the Commission dismisses the claims of the domestic industry. In fact, Table VI of the Initiation Memo shows that the</i></p>	<p>The landed cost of the investigated product under cut the prices of the</p>

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<p><i>domestic like product was actually undercutting the Investigated Product. Having determined that there is no price undercutting, the Commission then points out that without the incidence of the regulatory duties, price undercutting ‘would have been 3.0%’.....However, in circumstances such as this where there is no price undercutting, the lesser duty rule would dictate that no duties be imposed at all. The Commission has followed this rule itself a number of times, ready reference may be made to its final determinations in ADC Nos. 48, 50, 52, and 53 to name a few.</i></p>	<p>domestic like product ranging from 3.37 percent to 9.81 percent during the POI. Refer to Table VII of the Preliminary Determination Report.</p>
<p><i>In its Application, the Applicants contend that while there is no evidence of price depression when evaluated in Pakistani Rupee (“PKR”) terms, price depression is found when evaluated in United States Dollar (“USD”) terms. This was done in an attempt to factor in the broader economic situation faced by Pakistan in the face of significant devaluation of the PKR. As per the Applicants, the evaluation in USD shows that the price of the domestic like product decreased, while the same decrease is not apparent in PKR..... The Commission concurs with the assessment, stating in the Initiation Memo that no price depression had taken place during the POI. They appear to have acknowledged that the primary driver behind the economic challenges faced by the Applicants is the devaluation of the PKR, which is a reflection of the overall economic state of the country, rather than the influence of imported goods.</i></p>	<p>The domestic industry did not suffer material injury on account of price depression. Refer to para no. 31.2 of the Preliminary Determination Report. Also refer to para 44.3.1 regarding the Commission’s analysis on exchange rate depreciation. The Commission’s analysis confirmed the exchange rate depreciation had led to adjustments (in costs/prices) across the entire market, affecting both domestic and imported products similarly. Furthermore, in presence of dumping, the exchange rate depreciation could not be translated into the similar increase in the C&F prices of dumped imports in PKR terms.</p>
<p><i>The Applicants have claimed to suffer price suppression. Through Table IX of the Initiation Memo, the Commission appears to have agreed. The alleged price suppression experienced by the Applicants is directly linked to the devaluation of the PKR against the USD from 160.576 to 281.916 in the POI As the PKR lost value, the cost of raw materials used in the production of the domestic like product increased correspondingly.....This situation reflects the broader economic state of Pakistan rather than any strategic price-fixing efforts by foreign competitors aimed at undermining the Applicants. The economic challenges, including currency devaluation and the resulting increase in production costs, are the primary factors behind the perceived price suppression. It is not a deliberate tactic by foreign producers to harm the Applicants but rather a consequence of the economic realities faced by Pakistan.</i></p>	<p>Refer to Table no. VIII in the Preliminary Determination Report. The domestic industry was not able to raise its prices more than the increase in the weighted average cost to make and sell during the years 2022 and 2023, hence the domestic industry suffered price suppression during the POI. Also refer to the effects of exchange rate depreciation on the C&F Prices of dumped imports in comparison to effects on prices of domestic like product and imports from non-dumped sources at para 44.3.1. In presence of dumping, the exchange rate depreciation could</p>

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	<p>not be translated into the similar increase in the C&F prices of dumped imports confirming the Commission’s analysis on price suppression.</p>
<p><i>It can be observed through the figures the Commission has provided in Table X of the Initiation Memo, that the Applicants only held around a quarter of the market share in the beginning of the POI. In the last year of the POI, the total market had increased, however, the share of the Applicants had decreased. Similarly, the Commission determines, on a prima facie basis, that the Applicants have suffered injury on account of increased inventories. It is our contention that the decreases in sales and market share and the increase in inventories do not demonstrate material injury to the Applicants as a result of imports of the Investigated Product. This is only misplaced blame towards allegedly dumped imports, as the Applicants have struggled to compete with imported PFY on many fronts, including quality and variety..... The Applicants had accordingly struggled to compete with the pricing and quality of exporters, whose domestic economy had not faced the economic woes that Pakistan had faced. This demonstrates that the initiation of this Investigation is merely a misguided attempt by the Applicants to edge exporters out of the market, which they have struggled to compete in. To impose duties in such circumstances would be a slight against free trade.</i></p>	<p>Refer to paras 32 of the Preliminary Determination Report on the market share. Dumped imports gained market share in the expanding domestic market where domestic industry as well as other import sources lost their market share during the POI.</p> <p>Refer to para 45, for analysis of price competition among dumped, non-dumped sources and the domestic industry. Dumped sources undercut prices of domestic industry as well as other import sources.</p>
<p><i>The Applicants have claimed that their installed capacity is more than sufficient to cater to the vast demands of the domestic market. However, upon further scrutiny, this claim is not accurate. The Applicants claim that they had increased capacity by over 50% since 2019. As per the initiation memorandum dated August 23rd, 2023, issued by the Commission in connection with the Sunset Review, the combined capacity of the Applicants stood at 55,336 MT per annum, where they constituted 75.28% of domestic production.....At the cost of repetition, it is once again stated that the unimpeded access to PFY is imperative for the survival and growth of the Pakistani textile industry, especially in circumstances where the Domestic Industry can only cater to a fraction of the demand.</i></p>	<p>The Domestic industry (Gatron, Rupali and the Rupafil) have a capacity to meet around 40% of the total demand of the total investigated product. Around 40 percent of the installed capacity of the domestic industry remained unutilized. Refer to para nos. 32 & 34 of the Preliminary Determination Report.</p>
<p><i>The profitability of a company can be influenced by a multitude of factors beyond just the pricing practices of importers. Factors such as changes in market demand, fluctuations in raw material costs, variations in exchange rates, and shifts in competitive dynamics all play significant roles in shaping financial outcomes. Without detailed analysis and in isolation of these factors, attributing all changes in profitability solely to dumped imports oversimplifies the situation. The financial statements of the Applicants highlight the various factors plaguing the domestic industry..... It may be noted that the “Financial Results (Un-audited) for the quarter ended September 30, 2023” published by Gatron Industries illustrates an increase in</i></p>	<p>The Commission has taken into account all the relevant factors including other factors that could have caused material injury to the domestic industry. Refer to para 31.3, the of the Preliminary Determination report adjusting the cost to make and sell, the profit/loss situation at Table-XIII gives the adjusted picture. Please refer to Part D of the Preliminary</p>

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<p><i>costs, where a significant increase of operating expenses can be observed in the period of 2022-2023, where it was 10,394 in 2022, which sharply increased to 126,060, a staggering 1112.82% increase in one year.</i></p>	<p>Determination report for detailed analysis of other factors.</p>
<p><i>The Applicants contend that they suffered material injury on account of their ability to raise investment due to their reduced profitability owing to the huge increase in volume of dumped imports. However, this difficulty to raise investment is due to the State Bank of Pakistan’s stringent restrictions on opening Lines of Credit.</i></p>	<p>Refer to para 40 of the Preliminary Determination report. The domestic industry has made investment in recent years for expansion in production capacity whose significant portion is laying idle. As the domestic industry is not able to continue profitable business with an existing capacity in presence of price undercutting and price suppression, this has negatively affected the ability and prospects to raise further capital</p>
<p><i>The financial statements of the Applicants state that their financing costs have also risen. This has meant that even though sales have increased of domestic PFY, they have suffered in terms of profits due to substantial financing costs. It is crucial to note that the Applicants’ reduced profitability is not due to the competitive pricing of imported PFY, but rather due to their financial decisions, and the economic conditions in Pakistan. As such, imposing anti-dumping duties on imported PFY would not address these underlying issues. Instead, such duties would further disrupt the market, potentially raising costs for other businesses and consumers who rely on PFY.</i></p>	<p>Refer to para 44.3.2 “Higher Financial Cost as a Result of State Bank of Pakistan Policies” in the Preliminary Determination Report.</p> <p>The increase in the nominal interest rates corresponds to the increasing inflation and exchange rates. The finance cost was reasonable as per prevailing market conditions.</p>
<p><i>If, the Commission decides to move forward with the Investigation, the demonstration of a causal relationship between the dumped imports and the injury to the Applicants is to be based on an examination of all relevant factors before it. The Commission is duty bound to examine any known factors other than dumped imports which at the same time are injuring the Applicants, and the injuries caused by these factors must not be attributed to dumped imports. The Commission is obliged to examine known factors, other than imports of the Investigated Product, which are injuring the Domestic Industry to ensure that any injury caused by such other factors is not misattributed in accordance with Section 18 of the Act and Article 3.5 of the Agreement.</i></p>	<p>Please refer to part D of the Preliminary Determination report. The Commission has examined all factors including factors other than dumped imports as per the requirement of the law.</p>
<p>OTHER INJURY FACTORS Gatron Industries Limited:</p> <ol style="list-style-type: none"> 1) <i>Political-Economic Crisis: “The outgoing year was a challenging period for the Company characterized by severe political-economic crisis.”</i> 2) <i>Higher Fixed Cost and Increased Electrical and Gas Costs: “These lower operating rates, as detailed above, resulted in higher fixed costs related to depreciation and finance. These factors, coupled with the increased use of furnace oil and K Electric for power due to the inadequate supply of natural gas, exerted pressure on the Company’s net results for the year.”</i> 	<p>Refer to Commission’s on the spot verification report regarding M/s Gatron Industries Limited and also refer to Part D of the Preliminary Determination Report.</p>

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<p>3) <i>Increase in Transportation and Freight Cost: "Distribution & selling expenses increased by 29% as compared to last year mainly due to increase in freight and transportation charges. On the other side, administrative expenses increased by 44% mainly due to inflationary factors because of Pak Rupee devaluation." & "Distribution & selling expenses significantly increased by around 42% as compared to last corresponding period and it is mainly due to increase in sales volume and increase in freight and transportation charges. On the other hand, administrative expenses increased by 23% mainly increased due to inflationary factors because of Pak Rupee devaluation."</i></p> <p>4) <i>Increased Finance Cost: "Finance cost significantly increased due to the increasing base markup rate set by the State Bank of Pakistan which started at 13.75% and ended the year at 22%. Higher stock in trade and unit value of stocks also resulted in higher working capital requirements. The Company is actively pursuing a reduction in the quantum of stock in trade and receivables." & "A notable escalation in finance costs occurred (compared to the corresponding period last year) due to the significant rise in the base markup rate set by the State Bank of Pakistan, reaching a historical high of 22%. This increase directly impacted the bottom line following the operating results."</i></p> <p>5) <i>Devaluation of PKR: 'The administrative expenses saw an 25% increase, primarily attributed to inflationary pressures stemming from the devaluation of the Pak Rupee.'</i></p>	<p>-The domestic market of DTY grew despite the prevailing political-economic situation.</p> <p>-The energy cost has been duly adjusted for chips spinning method used by around 30% of domestic industry. M/s Gatron which accounts for 70% of the domestic industry has decreased its energy cost as per their financial statements.</p> <p>-The conversion cost's share decreased during the POI from 34.73% in 2021 to 19.79% in 2023.</p> <p>-Share of selling admin and distribution expenses was contained around the same level suggesting effective cost management by the domestic industry during the POI.</p> <p>-The Commission found finance cost reasonable in the context of overall cost to make and sell, new investment, and prevailing inflationary situation in the country.</p> <p>-currency devaluation caused readjustment in the nominal value across the DTY market and did not affect the domestic industry in isolation.</p>
<p>Rupali Polyester Limited:</p> <p>1) <i>Impact of Power Tariffs: "A consistent and stable supply of electricity from the national grid and/or access to gas/RLNG for captive power generation at Regionally Competitive Energy Tariffs used to be the most cost-effective sources of power for exportoriented industries. Regrettably, the Government has discontinued the RCET benefits. Furthermore, the prices of furnace oil and coal have surged considerably in the past year due to global fluctuations in crude oil prices. Consequently, it has become economically unviable for the textile industry and its value chain to generate captive power through gas, furnace oil, or coal."</i></p> <p>2) <i>Reduced Capacity: "Additionally, the industrial sector in Punjab has grappled with severe shortages of Gas/RLNG during Annual Report 2023 15 winters since 2021. Over the past two years, the supply of Gas/RLNG to the Punjab textile industry and its value chain has either completely halted, been provided at low pressure, or curtailed by approximately 50% of the sanctioned load. Many units, including ours, have been forced to operate at significantly reduced capacities, resulting in substantial output losses."</i></p> <p>3) <i>Lower Demand for PFY: "Country's economic situation had a widespread impact on the industry, with demand from our downstream consumers remaining sluggish along with tight liquidity conditions throughout the first half of the FY 2023-24."</i></p> <p>4) <i>Increase in Taxation: "The Federal Government, through the Finance Act of 2022, introduced a super tax targeting high income individuals earning Rs. 150 million or more, with graduated tax rates ranging from</i></p>	

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<p>1% to 4%. Furthermore, individuals associated with specific sectors, including export-oriented industries, with incomes exceeding Rs.300 million, were subjected to a super tax at a rate of 10% of their taxable income. This levy was made retroactive, applying from the tax year 2022 onward, placing a substantial tax burden on the industry.”</p> <p>5) Increase in Raw Material Prices: “Nevertheless, any anticipated advantages stemming from the decrease in USD unit prices of PTA and MEG have been nullified by the exorbitant surge in foreign exchange conversion rates, resulting in significant exchange losses for the Company. The prices of raw materials and spare parts, when denominated in the local currency, underwent substantial volatility from the moment of opening Letters of Credit (LC) to the receipt of materials at the plant premises. This volatility was driven by unpredictable fluctuations in exchange rates, which remained exceptionally elevated throughout the year. Consequently, LCs that were initiated for material imports at lower exchange rates ended up being settled at higher rates, leading to substantial exchange losses for the Company.”</p>	
<p>The Applicants, in their financial reports, assert that the discontinuation of anti-dumping duties and the non-collection of the same have inflicted injury upon the Domestic Industry. However, it is imperative to underscore that the definitive anti-dumping duties imposed under the Previous Investigation were not collected for nearly the entire five-year period due to various injunctive orders issued by superior courts of Pakistan – a fact acknowledged by both the Applicants and the Commission. Despite the duties remaining uncollected, the Applicants not only survived but thrived, recording impressive profits.....The narrative that the Applicants are victims of the absence of anti-dumping duties is patently flawed. Their own financial success stories, documented in their annual reports, tell a different tale. The data clearly shows that they have navigated and prospered despite the presence of allegedly dumped imports. The purported need for anti-dumping duties, as advocated by the Applicants, is thus unsubstantiated and unjustifiable. If at all, the injury that they suffered was attributable to factors other than the dumped imports. Again, this is obvious from the fact that they have succeeded despite the presence of imports. Accordingly, once again, even if the Applicants have suffered from injury during the POI, it is due to the other factors identified above i.e., lack of demand, poor quality, lack of variety, abysmal economic environment, etc.</p>	<p>Refer to Table VII of the Preliminary Determination report regarding Price Undercutting with and without anti-dumping duties (collected). It is worth noting that due to limited collection, there was no significant effect of anti-dumping duties imposed on the landed cost of the investigated product, which undercut the prices of the domestic like product. Refer to para no. 31.1 of the Preliminary Determination report.</p>
<p>There is ample protection provided to the Domestic Industry in the form of existing duty structure. The customs duty in place is at 11%, the sales tax 18%, value addition sales tax 3%, withholding income tax 3.5%, and regulatory duty of 5%. This takes the total aggregate to an exorbitant 40.5%. This clearly reflects that in terms of pricing, the exporters of the Investigated Product are already handicapped and further imposition of definitive anti-dumping duties, will create an unequal playing field for the exporters.....Given the quantum of Import Duties in place, it would be negligent to ignore the situation wherein through the imposition of an onerous duty structure, the</p>	<p>The MFN tariffs i.e. customs duties and regulatory duties are often applied as a measure of protection to the domestic industries or as a revenue generation tool. Whereas the trade remedy measures such as anti-dumping duties are applied to provide the level playing field to</p>

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<p><i>Domestic Industry is already the recipient of abundant protection, and no further protection is required, via the imposition of anti-dumping duties.</i></p>	<p>the domestic industry facing unfair trading practice.</p> <p>In this case the dumped imports have been found causing injury to the domestic industry despite the prevailing duty structure. Therefore, the Commission on preliminary basis deems it necessary to prevent injury by way of anti-dumping duties.</p>
<p><i>The Commission must remain cognisant that any imposition of anti-dumping duties on the Investigated Product would not serve the public interest as no injury to the Applicants is being caused. The Pakistani national interest would not be served by the Commission choosing to pursue this Application. It should be noted that the industrial users of the Investigated Product and downstream industries will suffer through the price increase that would occur as a result of measures being imposed against imports. Not only will there be an increase in the price of the Investigated Product, but the Applicants will then be able to reinforce their dominant position in the market to the disadvantage of the downstream industries. It is in the interest of the domestic users, the general public, Pakistan's trade relations with other countries, and the nation at large that the current Investigation should be terminated immediately as there is no substantial basis for continuation of the same. Again, this is a determination that the Commission has already made by way of its Third Final Determination in the Previous Investigation. To stray from that now would be contradictory especially given the proximity in time between the Third Final Determination and this Investigation.</i></p>	<p>The Commission is cognizant of the situation faced by the domestic industry as well as its obligations under the Act. This preliminary determination includes the analysis of injury factors and other factors that could have caused injury to the domestic industry. Whereas, the exporters are found exporting investigated product at dumped prices. Therefore, the Commission on preliminary basis deems it necessary to prevent injury by way of imposition of anti-dumping duties.</p>
<p>Comments from Abdul Khaliq on behalf of Importers</p>	
<p><i>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.</i></p>	<p>Refer to part D of the Preliminary Determination Report, covering the examination of other factors either known to the Commission or highlighted by the interested parties.</p>
<p><i>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.</i></p>	<p>The MFN tariffs i.e. customs duties and regulatory duties are often applied as a measure of protection to the domestic industries or as a revenue generation tool. Whereas the trade remedy measures such as anti-dumping duties are applied to provide level playing field to the domestic industry facing unfair trade practice. Anti-dumping duties are applied only against dumped sources. Importers are</p>

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	free to import the same product from any other non-dumped source.
<p><i>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 (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.</i></p>	<p>During the last year of the POI, the domestic market size was slightly less than what has been stated by the importers. The domestic industry has catered for 23 percent of the domestic demand at 60 percent capacity utilization. Keeping the product mix same, it is estimated that domestic producers can meet around 40 percent of the domestic demand. Apart from that if downstream industry is aggrieved by the imposition of CD/ACD/RD, it can approach the Commission for rationalization of tariff under relevant laws.</p>
<p><i>The domestic industry has filed appeals against both the termination of original investigation and sunset review (Appeals NO.565/2023 and 566/2024). On the date of initiation of fresh investigation noted above, both the appeals were under litigation and has not attained finality, although the domestic industry has subsequently withdrawn Appeal No.566/2024. The matter attracts the principle of res jurisprudence which is mandatory in nature and is to be applied at an early stage. In the presence of an earlier suit under litigation in the Anti-Dumping Appellate Tribunal, the NTC should not have initiated a fresh suit on the same subject i.e. ADD on import of PFY from China.</i></p>	<p>The importers have alleged that the domestic industry had filed appeals no. 565/2024 and 566/2024 before the Tribunal. Appeal no. 565/2024 was filed against the termination of the original investigation, whereas Appeal no. 566/2024 was passed against the termination of the sunset review. The importer alleges that although the appellant had withdrawn one of these appeals, the principal of res sub judice prohibits the Commission from initiating a new investigation. In support of his assertion, the appellant has relied on a judgment of the Sindh High Court, Karachi, cited as PLJ 1987 Kar 215. The judgment relied upon by the importer is distinguishable. Firstly, it is pertinent to note that both appeals mentioned above have been withdrawn by the domestic industry on the grounds that a new investigation has been initiated. Therefore, even if the</p>

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interpretation of "sub Judice" given by the importer is accepted as it is, the importers assertion is incorrect from a factual point of view. The issue of sub judice does not come into play at all when there is no other case pending on the same matter against the same cause of action.

Assuming without conceding that the aforementioned appeals were still pending before the Tribunal. Even in such hypothetical scenario the principle of sub judice and the judgment relied upon would not attract. The judgment cited as PLJ 1987 Kar 215, holds at paragraph 6 that the intent behind the principle of sub judice is to avoid a party from conducting multiplicity of proceedings. Such principle comes into play when a case with similar pleadings and same cause of action is already pending before a different court. In such case, the courts do not take cognizance of a case which is already pending before another court. However, in the instant case, appeal 565/2024 was filed against the notice of termination wherein the period of investigation was completely different from the new investigation. On the other hand, Appeal no. 566/2024 was filed against sunset review of ADD, in which case cause of action was also different as the test for extension of duty is completely different from that applied in original investigation.

Therefore, the importers' argument is nullified firstly on the ground of factual misstatement as neither of the appeals mentioned by the importer is pending before

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	<p>the Tribunal. Secondly, even if such an appeal was pending, Commission would not be estopped by the principle of sub judice as these appeals have a different cause of action than the new investigation.</p>
<p><i>It was incumbent upon NTC to see that circumstances under which earlier investigation was 'terminated have changed justifying the initiation of fresh investigation against China in terms of item 7.1 of the minutes of Doha Declaration reproduced below: "Agrees that investigating authorities shall examine with special care any application for the initiation of an anti-dumping investigation where an investigation of the same product from the same Member resulted in a negative finding within the 365 days prior to the filing of the application and that, unless this pre-initiation examination indicates that circumstances have changed, the investigation shall not proceed".</i></p>	<p>The importer submits that the Commission is bound by the Doha ministerial declaration ("declaration") as much as it is bound by the Anti-Dumping Agreement ("the Agreement"). According to the importer, Item 7.1 of the declaration bounds the Commission to conduct the new investigation with "special care" and also prohibits the Commission from conducting a new investigation if circumstances have not changed when compared to the recently terminated investigation. The submissions of the importer are rejected on various grounds. Firstly, the assertion that the commission is bound by the said ministerial declaration is completely incorrect and misconceived. The declaration has no legal binding effect on either the Commission or any other Court of law. The declaration is merely a consensus between countries regarding the implementation of the Anti-Dumping Agreement. It is submitted that for any international agreement or treaty to take effect within Pakistan, the parliament is required to pass domestic legislation. Through this process, Pakistan maintains its sovereignty and also abides by its treaties and agreements. However, no domestic legislation has been passed with regard to item no. 7, to</p>

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create an obligation on the Commission.

As per Section 8 (2) of the NTC Act, 2015, the Commission is bound to perform duties assigned to it by the trade remedy laws. The anti-dumping investigations are conducted in accordance with one of these trade remedy laws namely, The Anti-Dumping Act, 2015 ("the Act"). Commission cannot go beyond the scope provided in the Act during the investigation. As per the Act, there is no requirement of "special care" or prohibition on initiating a new investigation if circumstances have not changed since the recently terminated investigation. In the absence of any domestic legislation, the Commission cannot deprive the domestic industry of its right of filing a new application which originates from the domestic law itself.

Without prejudice to the foregoing, Commission has also taken into account take into account the intent behind item no.7. Item no. 7 requires "special care" if a new investigation is to be initiated against the "same product" and "Same country" within 365 days of its termination. The intent behind this declaration is that if 365 days have not passed since the last termination, circumstances have not changed much. This declaration has also been passed with the assumption that all other timelines of an investigation are followed as per the Agreement. Meaning that an investigation will inevitably conclude in 12 months. In such a scenario, if the investigation is terminated even

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	<p>within 12 months and a new investigation is initiated against the same product within 12 months, it is highly likely that the period of investigation for both investigations will overlap and hence for initiation on the same product in the same period of investigation special care should be required.</p> <p>On the contrary, the situation before the Commission is totally different. Firstly, the product scope defined in the new investigation is different from the one defined in the previous investigation. Secondly, there is no overlap in the period of investigation of dumping of the new investigation and the previous one. In fact, there is a huge gap between both periods of investigations for dumping and product, therefore similar standards of the declaration cannot be applied herein.</p>
<p><i>In terms of Section 5 of Anti-Dumping Duties Act 2015 (the Act) Normal Value is based on the comparable price of Like Product for consumption in the exporting country. The Applicant has given the domestic price of like product in China in Table-5 of the Application on the basis of CCF group Data Base. In terms of Section 6 of the Act the Normal Value can be based on the price to an appropriate third country or the cost of production only if the conditions of Section 6 of the Act or met i.e. there are no sales OR Sales do not permit a proper comparison OR low volume of sales in ordinary course of trade. These conditions are to be met in all stages of investigation including initiation, while determining Normal Value included in the application. The CCF group data clearly reveals the existence of domestic sales and there is nothing on record to show the existence of the subsequent two conditions. Without any hesitation it is safe to say that Applicants without justifying in the Application these conditions went on to the cost of production (constructed method). This is a contradiction of law.</i></p>	<p>The Commission is relying on the actual information submitted by the exporters for this preliminary determination. However, the Commission at the time of initiation satisfied the requirements of 20 and 24 of the Act.</p>
<p><i>The justification found for going into constructed cost method is the price of exported PFY to Pakistan as a base declaring 'below cost' sales while the law requires the only 'domestic sales' to be determined as 'below cost'. These sales can only be ignored and not all sales for determination of Normal Value The determination of 'below cost sales' is not in accordance with law.</i></p>	
<p><i>It may be added that the cost of Pakistani domestic industry is not relevant for China as the Chinese plants are integrated as admitted by the Applicants (page 31 of the application) while the Pakistani plants are based on unconnected plants</i></p>	<p>Kindly note that the Commission has determined injury to the domestic industry by clubbing the</p>

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<p><i>where PET chips is produced first and dried. The chips in the 2nd phase are re-melted and put into PFY spinning plants. The cost of integrated unit is lower than unconnected plants. Neither NTC nor domestic industry made an adjustment on this account. Simple assertion, unsubstantiated by relevant evidence, cannot be considered sufficient to meet the requirements of this paragraph.</i></p>	<p>result of the Applicants and Rupafil. Gatron who is the major producer, accounts for 70 percent of domestic production, uses direct melt production process for production of DTY whereas two smaller units namely Rupali and Rupafil use chips remelt for production of DTY. The energy cost of Rupali and Rupafil has been adjusted on account of energy required for chips drying and remelting. For further details please refer to para no. 44.3.8 of the Preliminary Determination Report.</p>
<p><i>The domestic industry in its application has based the export price on the data of CCF for the reason that CCF export data appears to be more authentic based on ongoing prices and the access and declared value of the imports in Pakistan is same. This makes analysis unreliable and questionable {page 23 of the application}. The NTC in initiation memo as taken the data from PRAL (para 13.2.3) however it's not cleared that the decision whether the CNF prices is taken on declared price or accessed price. Further the points raised by the applicant in the application have not been considered at all. Further in table IV trader profit at 10 index point has been taken. It is not clear whether this trader is a Chinese or a Pakistani trader. However, from page 30 of the application it appears that the imports are made directly from manufacturers. This makes the calculation of the export price unrealistic and unreliable. It may also be pointed out that the calculation of adjusted export price in table IV is incorrect.</i></p>	<p>The export price is determined based on the information provided by the cooperating exporters from China on exporters questionnaire. Refer Para no. 26 of the Preliminary Determination Report.</p>
<p><i>The maximum production which is domestic industry has during Jan-Dec 2023. From table I of the initiation memo it appears that RUPAFIL limited has more production than the Rupali Polyester limited, but it has not been included in the list of applicants in spite of the fact that both the units are under the same management. This apparently has been done so to conceal the better performance of Rupafil limited. In spite of the fact that relative domestic production compared to the volume of imports has reduced there is no injury to domestic industry on the account of production because of its capacity restraints. There is NO INJURY on account of quantitative factors.</i></p>	<p>Refer to on-the-spot verification reports of Rupafil Industries Limited. The company responded to the Commission's "other producer's questionnaire" and its information is included in the analysis by the Commission in the Preliminary Determination Report.</p>
<p><i>From table VII of initiation memo, it appears that domestic industry is not facing any price undercutting without anti-dumping duty in spite of the fact that up to August 2022, PFY was subject to Anti-Dumping Duty which continued in 2023 after initiation of sunset review. From Table VIII of the initiation memo, it appears that there is no price depression during all the three years. From table IX it is revealed that the cost to make and sell increased slightly more than the increased in price. A perusal of the profit and loss account of Gatron Industries Limited reveals that its cost increased because of abnormal increase in the financial cost. Had the financial cost been normal there would have been no price suppression also. The Rupali Polyester limited notes the following reason for</i></p>	<p>Refer to para no. 31.1 of the Preliminary Determination Report. The landed cost of the investigated product undercut the prices of the domestic like product ranging from 3.37 percent to 9.81 percent during the POI.</p> <p>Further, the Commission has examined factors other than</p>

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<p><i>injury; The Company's ability to raise product prices in response to cost escalations was severely constrained by dwindling demand from downstream consumers" "Additionally the downstream industry experienced adverse effects of severe flooding, leading into an overall slowdown in product uptakes." The year was marked by soaring input costs, leading to a decline in gross margins compared to the previous fiscal year." The domestic industries producing Polyester Filament Yarn (PFY) and Polyester Staple Fiber (PSF) is encountering substantial challenges, including recurrent increases in interest rates, an extraordinary decline in the exchange rate of the Pakistani Rupee (PKR), heightened power tariffs, rising expenses for raw materials and the termination of Regionally Competitive Energy Tariff (RCET) benefits which were once available to sectors concentrating on exports. Power tariffs have remained high and increased further from July 1, 2023."</i></p>	<p>dumped imports in Part-D of this report. Refer to para 44.3.2 for Commission's analysis of reasonability of finance cost. The Commission found that that the prevailing nominal interest rates had been affected by the inflation and if seen in the broader perspective, increase does not seem unreasonable.</p>
<p><i>A price suppression of 2% only is' already insignificant while the Act requires "prevent price increase, which otherwise would have occurred, to a significant degree."</i></p>	<p>Refer to para no. 31.3 of the Preliminary Determination Report. The domestic industry experienced price suppression ranging from around 2% to 11% during the POI for investigation.</p>
<p><i>The increased imports are because of capacity constraints of domestic industry. The absolute production of domestic industry has increased over the years (refer to para (i) above. It is also pointed out that domestic production of Gatron Industries Limited, the major producer of PFY, is of 150 deniers. Naturally the demand of all other deniers would have to be met through imports. The capacity of the plant has been mentioned at 150 deniers while actual production is of different deniers. The capacity utilization must have been on the basis of equivalent production, but it has been shown on actual production. The figures shown for capacity utilization are unrealistic and unreliable.</i></p>	<p>The Domestic industry (Gatron, Rupali and the Rupafil) have a capacity to meet around 40% of the total demand of the total investigated product. Around 40 percent of the installed capacity of the domestic industry remained unutilized. Gatron's production of 150 denier DTY remained between 55 percent to 65 percent of its total production. For denier wise production of the Applicants and Rupafil, please refer to their on-the-spot verification reports. The Commission has worked out capacity utilization on the basis of equivalent production while making preliminary determination.</p>
<p><i>It is also added for information that domestic industry is manufacturing only black yarn while all other colors are not being produced by the domestic industry. There are many color variants, and it is difficult rather impossible for the domestic industry to manufacture all the variants. In view of this it is requested that the colored PFY may be excluded from the scope of investigated product.</i></p>	<p>The investigation team observed the production processes as well as reviewed the production and sales records of different variants of DTY and found that the production plant of the Applicant can produce colored DTY.</p>

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	<p>It was noted that Gatron Industries and Rupafil Limited produced colored yarn during the POI whereas Rupali produced minute quantities of colored yarn during one year of the POI of injury. Gatron Industries produced colored yarn ranging from 2 percent to 3 percent of their total production. Rupafil Limited production of colored yarn stood at 5 percent to 8 percent during the POI of injury. The Commission also examined the import percentage of colored yarn from the export's statistic provided by the cooperating exporters. It was noted that percentage of colored yarn is 9 percent of the imports. As the percentage of colored yarn in imports and domestic production is in the same range, the Commission has decided to include colored yarn within the scope of the investigated product.</p>
<p><i>The domestic production data for Gatron Industries Limited reveals that its 98% production is of 150 denier and only nominal production is for other deniers. It would have been better that 'Investigated Product should have been defined as 'DTY of 150 deniers' but inclusion of products not been manufactured by domestic industry is beyond the required protection.</i></p>	<p>For denier wise production of DTY, please refer to on-the-spot verification reports of Gatron, Rupali and Rupafil. As far as denier wise production of Gatron is concerned it produced ranges between 30 diener to 995 dieners where 65% production was of 150 dieners in 2023. Whereas, during the same period Rupafil's production of 150 deniers was only 39% and Rupali's production of 150 deniers was 10% only.</p>
<p>Comments from Abdul Khaliq (November 7, 2024)</p>	<p>NTC View</p>
<p><i>Capacity of Domestic Industry: It has been claimed in the paragraph on the background of the case that the domestic industry has capacity to meet 50% of the domestic demand. In this regard it is humbly submitted that denier wise imports of PFY during three years of POI have been submitted in my letter dated 28.10.2024. The capacity to manufacture fine deniers of PFY is reduced in proportion to denier produced (Please see Note No.43 of Gatron Industries Ltd. Annual Report for the Year</i></p>	<p>The said comment is factually incorrect, please refer to para 32 & 34 of the Preliminary Determination report. The Applicants and the Rupafil has a capacity to meet around 40% of</p>

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<p>2023). The annual imports in the year 2023 are stated below in terms capacity required on the basis of 150 denier as under..... In para 3 (b) of injury analysis it has been stated that a 35.64% increase in so-called (alleged) imports is a clear indication that domestic industry suffered material injury. It has, however, ignored the fact that the domestic market expanded during this period and the applicant did not have capacity to meet expanded market. Section 15 (4) of the Anti-Dumping Duties Act in this regard provides that no one or several factors identified in sub-section (2) or (3) seem to necessarily give a decisive guidance and the Commission may take into account such other factors as it considers relevant for the determination of injury. The size of the domestic market and capacity of domestic industry to produce PFY are relevant factors that must be considered in this regard.</p>	<p>demand of the total domestic demand.</p>
<p>Price Effect: There is no price under cutting during 2023, the period of alleged dumping, in spite of the fact that there was no Anti-Dumping Duty during 2023 while price undercutting was observed during 2021 and 2022. This reflects the fact that increased demand improves the market, economics and prices. The PFY manufacturing industry must improve its market relations, especially marketing relations with downstream industries for a win situation. There is no price depression in this case while the price suppression is minimal and because of factors other than dumping. Section 15(3)(b) with regard to price suppression clearly provides that the effect of dumping is to prevent price increase which otherwise have been due to a significant degree..... The domestic industry in para (iii) of its submissions itself has observed “A significant contributing factor to this market situation is the relative stability of Chinese RMB. Unlike the domestic industry, Chinese producers have not experienced a significant increase in cost of production.” The contribution of this significant factor towards dumping is against the provisions of Section 18 of the ADA. The dumping is NOT in any case linked to rising cost of domestic industry. Such other factors require special analysis by NTC.</p>	<p>The landed cost of the investigated product under cut the prices of the domestic like product ranging from 3.37 percent to 9.81 percent during the POI. Refer to Table VII of the Preliminary Determination Report</p> <p>The domestic industry was not able to raise its prices more than the increase in the weighted average cost to make and sell during the years 2022 and 2023, hence the domestic industry suffered price suppression during the POI. Refer to Table no. VIII in the Preliminary Determination Report.</p> <p>Please refer to part D of the Preliminary Determination report. The Commission has examined all factors including factors other than dumped imports as per the requirement of the law.</p>
<p>Other Factors: In para (ii) of the background it has been stated that it is a fundamental tenet of anti-dumping law that material injury need not arise solely from dumping; however, a causal link is established between dumped imports and injury is established the commission is legally obliged to act irrespective of other contributory factors. Such an interpretation is contrary to the Section18 of ADA. The law clearly requires that injury caused by other factors should not be attributed to dumped imports. The WTO Dispute Settlement mechanism clearly requires that such non attribution clause requires separation of injury from</p>	<p>Refer to para 44 “Other factors” in the Preliminary Determination Report</p>

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<p><i>dumped imports and other factors..... Regarding earlier cases mentioned at serial number 4(iv) from indexed page 8154 to 8174 stated to have been conducted and duty imposed without evaluation of other factors. The statement is grossly incorrect and NTC may check it from its own record. Such a statement is in violation of Section 18 of the Anti-Dumping Duties Act which clearly lays down that injury caused by other factors should not be attributed to dumped imports.</i></p>	
<p><i>In spite of the fact that both Rupafil Ltd. And Rupali Polyester Ltd. are under the same Administration, Rupali Polyester Ltd is an applicant while Rupafil Ltd. Is indifferent with regard to application in the subject. The reason seems to be that the management of the companies (Rupafil and Rupali Polyester Ltd) intend to conceal the performance and profit of Rupafil Ltd.</i></p>	<p>At the time of initiation, Rupafil was indifferent. But, later on, Rupafil submitted the information on other producers' questionnaire and supported the plea of the domestic industry. The Commission, after verification of the information provided by Rupafil, has included its data for the injury examination.</p>
<p><i>The data submitted by Rupafil Ltd is abstract and misleading. At many places the company has replied that the information is provided by the applicant industry.</i></p> <p><i>The information in Table on page 6 is misleading as the average for 2021 (100, 103.08, 102.17 and 104.90) cannot be 100. Similarly, the average for 2022 (97.32, 101.23, 88.11 and 101.37) is not 94.61. The average for 2023 (99.74, 85.17, 88.02 and 92.99) is also NOT 89.22. Similar misstatement and misleading statements have been found in many other places.</i></p> <p><i>The data in Appendix No.1 is misleading because opening inventory, production, domestic sales, closing inventory and change in inventory cannot be equal at 100 at one time. Similar misstatements were found in Applicants data. This reveals that the Applicants and Rupafil are misleading the NTC as well as other interested parties. The investigation is liable to be terminated on this account only as it does not satisfy the requirements of Section 23 read with Section 31 of Anti-Dumping Duties Act.</i></p> <p><i>The information in Appendix 1 is misleading because the total of production for four quarters of 2021 (100, 87.54, 83.55 and 94.81) cannot be 100 as stated. Similar is the position with domestic sales of 2021 and production and domestic sales for 2022 and 2023. These gross misleading statements are deliberate to conceal the essential information from interested parties.</i></p> <p><i>Similar misleading statements are found in Appendix No.2. This strengthens the suspect that the Applicants are misleading the NTC, as well as other parties. It is requested that NTC may take appropriate disciplinary action against Applicants and other indifferent industrial units.</i></p>	<p>The Commission verified the information submitted by Rupafil. The Commission has placed the non-confidential version of on-the-spot verification report in the Public File.</p>

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<p><i>Rupafil Ltd is a public Limited company and its accounts are publicly available. Treating their accounts as CONFIDENTIAL is against Section 31 of the Anti-Dumping Duties Act.</i></p>	
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Annexure-II/A to Annexure-II/Q

Under Section 31 of the Act, the Information in the said Annexure is Confidential in Nature

Annexure-III/A to Annexure-III/Q

Under Section 31 of the Act, the Information in the said Annexure is Confidential in Nature

Annexure-IV/A to Annexure-IV/Q

Under Section 31 of the Act, the Information in the said Annexure is Confidential in Nature

Annexure-V

Under Section 31 of the Act, the Information in the said Annexure is Confidential in Nature