



**Government of Pakistan
National Tariff Commission**

Report of
Final Determination and Extension of Definitive Anti-dumping Duties on
Dumped Imports of Galvalume Steel Coils/Sheets Originating in and/or Exported
from the People's Republic of China

A.D.C. No. 37/2015/NTC/GC/Circum/2024

June 27, 2025

Final Determination and Extension of Definitive Anti-dumping Duties on Dumped Imports of Galvalume Steel Coils/Sheets from China

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

2. The Commission is responsible for conducting anti-circumvention investigations for determination of circumvention of anti-dumping duties, remedial effects of the anti-dumping duties which are being undermined by circumvention and extension of anti-dumping duties on circumvented products to offset injurious impact on domestic industry and to ensure fair competition thereof.

3. The Commission has conducted an anti-circumvention investigation against dumped imports of Galvanized Steel Coils /Sheets into Pakistan originating in and/or exported from the People's Republic of China ("China") under the Act and the Rules. The Commission has made final determination in this investigation under Section 63 of the Act. This report of final determination has been issued in accordance with Rule 16 of the Rules and Article 12.2 of the Anti-Dumping Agreement.

4. In terms of Section 63(4) of the Act, the Commission shall normally conclude anti-circumvention investigation within nine months. The Commission initiated subject investigation on August 24, 2024. However, M/s Essa Steel challenged the initiation of this investigation in the Honorable Lahore High Court, Rawalpindi Bench (the "LHC") vide writ petition 3196/2024. Later on, the LHC granted a stay order on 22-10-2024 restraining the Commission from carrying on with the investigation. On January 16, 2025, the LHC further amended its above-mentioned order as follows: -

"Proceedings before NTC shall continue, but no final order shall be passed".

5. Further, the LHC vide its order dated May 06, 2025, set aside the stay orders on subject investigation and allowed the Commission to proceed with the investigation. The order of the LHC is produced below:

"Since through the impugned notice, a chance has been given to the interested parties to appear and produce evidence /material and no adverse order has been passed therefore, at this stage, this writ is not maintainable being premature which is accordingly dismissed".

6. Keeping in view the above decision of the LHC, the time period during which the investigation was stayed by the Superior Courts is considered as an injunction period for the purposes of this investigation and timelines for this investigation are worked out by excluding the stay period.

7. Furthermore, the final determination shall be based on information obtained by the Commission during the course of this investigation. Thus, the final determination is based on the information collected and/or obtained by the Commission during the investigation.

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A. BACKGROUND

8. The Commission initiated an anti-dumping investigation on dumped imports of Galvanized Steel Coils /Sheets from China on August 11, 2015. The Commission concluded the investigation on February 08, 2018, and imposed following definitive anti-dumping duties on dumped imports of the Galvanized Steel Coils /Sheets classified under PCT Headings Nos. 7210.4110, 7210.4190, 7210.4990, 7212.3010, 7212.3090, 7225.9200, 7226.9900 exported by the exporters / producers from China for a period of five years effective from February 08, 2017:

**Table – I
Definitive Anti-Dumping Duty Rates**

Exporter/Foreign Producer from China	Antidumping Duty Rates (%)
(1)	(2)
Angang Steel Company Ltd., Anshan City, China	40.47
Bengang Steel Plates Co. Ltd., Benxi City, China	9.13
Hebei Iron & Steel Co. Ltd., Handan City, China	13.31
Maanshan Iron & Steel Co., Ltd., Maanshan City, China	6.09
All other producers/exporters from China	40.47

Source: Report of Final Determination of the Commission.

9. On February 08, 2022, the Commission initiated a sunset review of the anti-dumping duties imposed on dumped imports of Galvanized Steel Coils /Sheets under Section 58 of the Act. The Commission concluded sunset review on August 31, 2022, and decided to continue definitive anti-dumping duties as per rates applied in the Final Determination made in the original investigation (Table-I above) for another period of 5 years with effect from February 08, 2022. However, the Commission slightly amended the definition of the product subject to the anti-dumping duties as follows:

“Galvanized Steel Coils /Sheets of thickness ranging from 0.15 mm to 2.75 mm and of a width of 600 mm or more, classified under PCT Headings Nos. 7210.4110, 7210.4190, 7210.4990, 7212.3010, 7212.3090, 7225.9200, 7226.9900”

B PROCEDURE

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

11. Receipt of Application

11.1 The Commission received an application under Sections 63 of the Act, and Rules 23 and 25 of the Rules, on June 28, 2024, from M/s. International Steels Limited, Karachi and M/s Aisha Steel Mills Limited, Karachi (the “Applicants”), who are manufacturers of Galvanized Steel Coils /Sheets. The Applicants are engaged in manufacturing and sales of Galvanized Steel Coils /Sheets and have alleged that Chinese exporters/producers are circumventing the anti-dumping duties

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imposed on the dumped imports of Galvanized Steel Coils /Sheets through product modification, due to which the domestic industry is not realizing the benefits of imposition of anti-dumping duties and is suffering injury.

11.2 The Commission notified the receipt of an anti-circumvention application to the Embassy of the China on July 12, 2024, in accordance requirements of Section 21 of the Act and Rule 24 of the Rules.

12. Evaluation and Examination of the Application

Examination of the application showed that it met requirements of Section 63 of the Act as it contained sufficient evidence of circumvention of anti-dumping duties imposed on dumped imports of Galvanized Steel Coils /Sheets into Pakistan from China and causing injury to Pakistan's domestic industry producing Galvanized Steel Coils /Sheets. Requirements of Rule 23, 25 and 26 of the Rules, which relate to the submission of information prescribed therein, were also found to have been met.

13. Initiation of the Investigation

13.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 63 of the Act and Rule 26 of the Rules and determined that there was sufficient evidence of circumvention of anti-dumping duties imposed on dumped imports of Galvanized Steel Coils /Sheets through slight modification of the product as flat-rolled products of iron or alloy steel or non-alloy steel; plated or coated by hot dip galvanization with zinc and aluminum as major coating elements, with or without other metals in small proportions. Product under investigation for circumvention is also commonly known as Galvalume Steel Coils /Sheets, Alu-zinc Steel, Zinc-Aluminum Steel and has the same "essential characteristics" and is in direct competition with the product subject to antidumping duties. The product under investigation or slightly modified product is classified under Pakistan Customs Tariff ("PCT") Heading Nos. 7210.6110, 7210.6190, 7210.6910 and 7210.6990. Therefore, the Commission decided to initiate an anti-circumvention investigation on August 24, 2024.

13.2 The Commission issued a notice of initiation anti-circumvention investigation in accordance with Section 27 of the Act, which was published in the Official Gazette of Pakistan and in two widely circulated national newspapers (Express Tribune and Daily Dunya) on August 24, 2024.

13.3 In pursuance of Article 12.1 of the Agreement on Implementation of Article VI of GATT 1994 and Rule 27(a) of the Rules, the Commission notified Diplomatic Mission of China in Islamabad of initiation of the anti-circumvention investigation (by sending a copy of the notice of initiation) on August 29, 2024 with a request to forward it to all exporters/ producers involved in production, sales and export of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets in China. Copy of the notice of initiation was also sent directly to Chinese exporters/producers whose addresses were available with the Commission. The Commission also sent letters of initiation to Pakistani importers, and the Applicant on August 28, 2024.

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13.4 In pursuance of Rule 27(3) and Rule 29 of the Rules, the Commission on September 03, 2024, sent copies of full text of the written application (non-confidential version) along with Exporter's Questionnaire to the Diplomatic Mission of China in Islamabad with a request to forward it to their respective exporters/ producers involved in production, sale and/or export of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. The Commission also sent written application (non-confidential) and Exporter's Questionnaire to all known exporters/ producers of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets from China, whose complete addresses were available with the Commission as on September 03, 2024.

14. Domestic Industry

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

“Domestic industry” means the domestic producers as a whole of a domestic like product or those of them whose collective output of that product constitutes a major proportion of the total domestic production of that product, except that when any such domestic producers are related to the exporters or importers, or are themselves importers of the allegedly dumped investigated product in such a case “domestic industry” may mean the rest of the domestic producers.

“Explanation: - For the purposes of this clause, producers shall be deemed to be related to exporters or importers only if

(i) one of them directly or indirectly controls the other;

(ii) both of them are directly or indirectly controlled by the same third person;
or

(iii) together they directly or indirectly control a third person:

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

14.2 As per information available with the Commission, the domestic industry manufacturing Galvanized Steel Coils /Sheets comprises of two units who are also the Applicants in this case i.e., M/s. International Steels Limited, Karachi and M/s Aisha Steel Mills Limited, Karachi having installed production capacity of 462,000 MT and 250,000 MT per annum respectively. The Applicants constitute 100 percent of the domestic industry.

14.3 The Applicants are engaged in the production and sale of Cold Rolled Coils /Sheets and one of the units namely M/s. International Steels Limited, Karachi also produces Color Coated Coils /Sheets.

14.4 The Applicants are neither related to any importer or exporter, nor they have imported Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets during the Period of Investigation (“POI”). Therefore, considering the defined criteria for the domestic industry

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outlined in Section 2(d) of the Act, the Commission has established that the Applicants are eligible to file an application under Section 20 of the Act.

15. Standing of the Application

15.1 Section 63(4) of the Act provides that, “*Investigations shall be initiated pursuant to this section on the initiative of the Commission or at the request of any interested party*” Similarly, Rule 23 of the Rules states that, “*The Commission may initiate an anti-circumvention investigation on receipt of an application from any interested party.....*” .

15.2 As the application is filed by the Applicants who are domestic producers and are interested parties in terms of Section 2(j) of the Act, therefore, the application fulfills requirements of Section 63(4) and Rule 23 of the Rules.

16. Applicants’ Views

16.1 The Applicants, *inter alia*, raised the following issues in application regarding circumvention of Galvanized Steel Coils /Sheets & Galvalume Steel Coils /Sheets:

- a. The product under investigation is a like product to the product subject to antidumping duties (Galvanized Steel Coils /Sheets) as it does not affect the essential characteristics of the product;
- b. There is no other purpose of increased imports of Galvalume Steel Coils /Sheets but to evade antidumping duties levied on dumped imports of Galvanized Steel Coils /Sheets from China;
- c. The increase in imports of Galvalume Steel Coils /Sheets and changing trade patterns establish the existence of circumvention practices of the Chinese exporters in collusion with the importers;
- d. The circumvented imports of Galvalume Steel Coils /Sheets are being made at dumped prices and have not only undermined the remedial effects of antidumping duties but have also caused injury to the domestic industry.

16.2 The Applicants made the following requests to the Commission:

- i) thoroughly investigate the circumvention practices of the exporters under Section 63 of the Act; and
- ii) extend antidumping duties based on residual antidumping duty rates on the exporters found to be involved in circumvention, to the product under investigation.

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17. Exporters /Producers of Galvanized Steel Coils /Sheets and Galvalume Steel Coils/ Sheets from China:

The Applicants have identified 23 Chinese exporters/producers who are circumventing the anti-dumping duties through product modification, due to which the domestic industry is not realizing the benefits of imposition of anti-dumping duties and is suffering injury. The Applicants have further stated that there may be other exporters/foreign producers involved in circumventing the anti-dumping duties through product modification from China, but they are unaware of them.

18 The Products

18.1. Product Subject to anti-dumping duty

18.1.1 The product subject to antidumping duty is Galvanized Steel Coils /Sheets of thickness ranging from 0.15 mm to 2.75 mm and of a width of 600 mm or more, classified under Pakistan Customs Tariff ("PCT") Heading Nos. 7210.4110 (flat-rolled products of iron or non-alloy steel of a width of 600 mm or more, of secondary quality), 7210.4190 (flat-rolled products of iron or non-alloy steel of a width of 600 mm or more, Others), 7210.4990 (flat rolled products of iron or non-alloy steel of a width of 600 mm or more, Other), 7212.3010 (flat rolled products of iron or non-alloy steel of a width of less than 600 mm, of secondary quality), 7212.3090 (flat rolled products of iron or non-alloy steel of a width of less than 600 mm, Other), 7225.9200 (flat rolled products of other alloy steel of a width of 600 mm or more, otherwise plated or coated with zinc), 7226.9900 (flat rolled products of other alloy steel of a width of less than 600 mm, Other) exported by the exporters / producers from China. It is mainly used for construction, white goods (washing machines, refrigerators, ovens etc.) drum, telecom, agriculture, domestic use, furniture & fixtures, MEP applications, outdoor applications and others etc. The production process of Galvanized Steel Coils/Sheets is attached at Annexure-I.

18.1.2 Following is the current customs tariff structure of Galvanized Steel Coils/Sheets:

Table – II
Tariff Structure of Galvanized Steel Coils /Sheets

PCT Code	Description	CD%	ACD%	RD%	Concessions/FTA Rates
(1)	(2)	(3)	(4)	(5)	(6)
72.10	Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated.				
	- Otherwise plated or coated with zinc:				
	- - Corrugated:				
7210.4110	- - - Of secondary quality	20	6	5	CN_23=14.67; CN_24=13.33; MY=20; SAFTA=5; LK FTA Conc 100%
7210.4190	- - - Other	11	2	5	CN_5; MY= 10%; SAFTA=5; LK FTA Conc 100%
	-- Other				
7210.4990	- - - Other	11	2	5	CN_5; MY= 10%; SAFTA=5; LK FTA Conc 100%

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72.12	Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, clad, plated or coated.				
	- Otherwise plated or coated with zinc:				
7212.3010	- - - Of secondary quality	20	6	-	CN_12.8; MY= 10%; SAFTA=5; LK FTA Conc 100%
7212.3090	- - - Other	11	2	-	CN_5; MY= 10%; SAFTA=5; LK FTA Conc 100%
72.25	Flat- rolled products of other alloy steel, of a width of 600 mm or more.				
	- Other:				
7225.9200	- - Otherwise plated or coated with zinc	11	2	17.5	CN_0; MY=0%; SAFTA=5; LK FTA Conc 100%
72.26	Flat- rolled products of other alloy steel, of a width of less than 600 mm.				
	- Other:				
7226.9900	- - Other	11	2	17.5	CN_0; MY=0%; SAFTA=5; LK FTA Conc 100%

Source: Pakistan Customs Tariff 2024-25

18.2 **Product under Investigation or Slightly Modified Product**

18.2.1 Product under investigation for circumvention is commonly known as Galvalume Steel Coils /Sheet, Alu-zinc Steel, Zinc-Aluminum Steel and has the same “essential characteristics” and is in directly competition with the product subject to antidumping measures. The product is coated by hot dip galvanization with zinc and aluminum as major coating elements, with or without other metals in small proportions, which is excluded from imposition of anti-dumping duties. Therefore, the product under investigation for the purposes of this anti-circumvention investigation is flat-rolled products of iron or alloy steel or non-alloy steel; plated or coated by hot dip galvanization with 43.5% Zinc, 55% Aluminum and 1.5% with silicon and other metals in small proportions. The production process of Galvalume Steel Coils /Sheets is attached at Annexure-II.

18.2.2 The product under investigation or slightly modified product is classified under Pakistan Customs Tariff (“PCT”) Heading Nos. 7210.6110, 7210.6190, 7210.6910 & 7210.6990.

18.2.3 Following is the current (2024-25) customs tariff structure of Galvalume Steel Coils /Sheets:

Table – III
Tariff Structure of Galvalume Steel Coils /Sheets

PCT Code	Description	CD %	ACD%	RD %	Concessions/FTA Rates
(1)	(2)	(3)	(4)	(5)	(6)
72.10	Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated.				
	- Plated or coated with aluminium:				
	- - Plated or coated with aluminium-zinc alloys:				
7210.6110	- - - Of	20	6	5	CN_23=14.67; CN_24=13.33;

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	secondary quality				MY=10; SAFTA=5; LK FTA Conc 100%
7210.6190	- - - Other	11	2	5	CN_23=2.5; CN_24=1.67; MY=10; SAFTA=5; LK FTA Conc 100%
	--Other				
7210.6910	- - - Of secondary quality	20	6	5	CN_23=8; CN_24=5.33; MY=10; SAFTA=5; LK FTA Conc 100%
7210.6990	- - - Other	11	2	5	CN_23=2.5; CN_24=1.67; MY=10; SAFTA=5; LK FTA Conc 100%

Source: Pakistan Customs Tariff 2024-25.

19. Period of Investigation

19.1 The period of investigation for this anti-circumvention investigation is from April 01, 2017, to March 31, 2024, to determine whether circumvention is undermining the remedial effects of the anti-dumping duties.

20. Information /Data Gathering

20.1 The Commission sent Exporter's Questionnaire to all known exporters/producers of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets in China on September 03, 2024, asking them to respond within 37 days of the dispatch of questionnaires. The Commission on September 03, 2024, also sent Exporter's Questionnaire to the Diplomatic Mission of China in Islamabad with a request to forward it to their respective exporters/ producers involved in production, sale and/or export of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. In response to the Commission's Exporter Questionnaire, none of the exporters/producers of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets from China responded to the Commission.

20.2 The Commission also sent a reminder on October 10, 2024, to all known exporters/producers of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets in China, however none of the exporters of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets from China responded to the questionnaire or provided the necessary information.

20.3 The Commission also sent Importers' Questionnaire to (33) known importers of the product under investigated or slightly modified product on September 03, 2024. During investigation, (06) additional importers also approached the Commission and registered themselves as an interested party wherein the Commission sent them Importers' Questionnaire.

20.4 The Commission also provided Importers' Questionnaire to the user industry engaged in manufacturing of pre-engineered steel buildings. These units include M/s Izhar Engineering Private Limited, M/s Banu Mukhtar Steel Private Limited, M/s Rhino Pre-Engineered Buildings

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and M/s Upple Hadid Private Limited. However, only Izhar Engineering Private Limited provided limited information on Importer Questionnaire. In addition to Importer Questionnaire, the investigating team also requested some additional information from the user industry. However, despite reminders, none of the user industry has provided additional information to the Commission. During visit to the pre-engineered steel buildings manufacturers, the information gathered was shared in the form of reports with the user industry and the same has been used for the purposes of this anti-circumvention investigation.

20.5 The Commission issued reminders to importers and interested parties to submit information on the Importers' Questionnaire vide letter dated October 10, 2024. Through this letter the Commission informed the interested parties that if no information is provided within the given timeline, the Commission will make its determination on the basis of the best available information in terms of Section 32 of the Act.

20.6 On September 03, 2024, the Commission also issued letters to Engineering Development Board (EDB), Federal Board of Revenue (FBR) and Pakistan Standard and Quality Control Authority (PSQCA) regarding standards, composition, characteristics, properties, definitions, types, classification and uses of both types of products i.e., Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. On October 02, 2024, the Commission issued reminders to EDB, FBR and PSQCA. Only EDB furnished its response through letter dated November 28, 2024.

20.7 The Commission has access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this investigation, the Commission has also used import data obtained from PRAL's database and Pakistan Single Window (PSW) database in addition to the information provided by the Applicants, M/s Izhar Engineering and received from other sources.

20.8 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this determination of circumvention of anti-dumping duties levied on imports of Galvanized Steel Coils /Sheets and injury to the domestic industry.

20.9 Interested parties were invited to offer their views /comments and submit information (if any) relevant to this anti-circumvention investigation within 45 days of initiation of the investigation. In response, the Commission received views/comments from M/s Izhar Engineering Private Limited on October 17, 2024.

21. Verification of the Information

21.1 In terms of Rule 29 of the Rules, the Commission, during the course of the anti-circumvention investigation shall verify information supplied by the interested parties to the extent possible.

21.2 In order to verify the information /data provided by the Applicants and to obtain further

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information (if any), the officers of the Commission conducted on-the-spot verifications at the offices and plants of the Applicants from January 30, 2025, to February 05, 2025. The investigating team also visited the user industry M/s Izhar Engineering Private Limited, M/s Banu Mukhtar Steel Private Limited, M/s Rhino Pre-Engineered Buildings and M/s Upple Hadid Private Limited from January 28-29, 2025. Reports of the on-the-spot verifications were made available to the interested parties by placing them in the public file.

22. Public File

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

23. Confidentiality

23.1 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 a confidential nature for any other reason or provided as confidential by the interested parties upon good cause shown to be kept confidential.

23.2 The Applicants 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, investment, salaries & wages, number of employees etc. In addition to this, the Applicants have also provided the required information on a confidential basis under Section 31(2)(c), as such information, e.g. export or import price and import volume etc., the disclosure of which may lead to reverse calculations of confidential information. However, they have submitted non-confidential summaries of the confidential information in accordance with Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in confidence.

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

24. Hearing

24.1 In terms of Rule 14 of the Rules, the Commission shall, upon request by an interested party made not later than sixty days prior to the date of final determination, hold a hearing at

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which all interested parties may present information and arguments.

24.2. Under Rule 14 of the Rules, a hearing in this anti-circumvention investigation was held on April 08, 2025. All interested parties were invited to attend the hearing. The Commission during the hearing, requested all the participants to submit their views/ comments/ information/ data in writing within ten days of Hearing. Views /comments expressed orally during the hearing were later furnished in writing by the interested parties.

25. Disclosure of Essential Facts

25.1 In terms of Rules 15 of the Rules, and Article 6.9 of the Anti-Dumping Agreement, the Commission disclosed essential facts to the interested parties in this anti-circumvention investigation. In this context a Statement of Essential Facts (“SEF”) was also dispatched on May 21, 2025, to all interested parties including the known exporters/ foreign producers, the Applicant, known Pakistani importers, and to the Diplomatic Mission of China in Islamabad.

25.2 Under Rule 15(2) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. Comments were received within prescribed time. The Commission has analyzed and taken into account the comments of the interested parties.

C. DETERMINATION OF CIRCUMVENTION

26. The Act and the Rules provides that the Commission, while making the determination of circumvention of antidumping duties, analyzed all available data /information regarding the known factors to see whether circumvention has taken place or not. These factors may include but not limited to assessment of slight modification of the product, change in trade pattern, value addition, economic conditions, economic justification, remedial effects of antidumping duties that are being undermined.

27. In addition to the factors of circumvention provided in the Act and the Rules, the Commission has also analyzed the factors used by other Investigating Authorities for ascertaining circumvention of antidumping duties. During analysis, it is found that the following parameters are generally used by the different authorities for determination of circumvention through slight modification of the product:

- (a) Each good’s general physical characteristics
- (b) Each good's end use
- (c) The interchangeability of each good
- (d) Difference in production process used to produce each good
- (e) Difference in cost to produce each good
- (f) The cost of modification
- (g) Customer preferences and expectations relating to each good
- (h) Channel of distribution and the way in which each good is marketed
- (i) Pattern of trade for each good
- (j) Changes in pricing of each good

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(k) Tariff classification and PCT Codes of each good

28. On the basis of the relevant provisions of the Act and the Rules coupled with practices of different investigating authorities, the Commission has analyzed following relevant factors of circumvention:

- i) Each good's general physical characteristics
- ii) Each good's end use
- iii) The interchangeability of each good
- iv) Difference in production process used to produce each good
- v) Difference in cost to produce each good
- vi) The cost of modification
- vii) Customer preferences and expectations relating to each good
- viii) Channel of distribution and the way in which each good is marketed
- ix) Pattern of trade for each good
- x) Changes in pricing of each good
- xi) Tariff classification and PCT Codes of each good
- xii) Economic condition
- xiii) Remedial effects that are being undermined; and
- xiv) Economic Justification

29. In the context of the above, the information gathered from various sources and the views expressed by the Applicants and Engineering Development Board ("EDB") are presented as follows:

(i) Each good's general physical characteristics.

(i-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets

- *It is a form of carbon steel with metal coating composed of 55% aluminum, 43.5% zinc and 1.5% silicon. This is a coating that applied by continuously dipped in a bath of molten alloy.*
- *Due to the combination of zinc and aluminum coating, it has self-healing properties.*
- *Intended for applications requiring high corrosion resistance and/or heat resistance.*
- *It is widely used on both residential and commercial roofs as well as industrial buildings. Given that it has superb*

Galvanized Steel Coils/Sheets

- *It is a form of carbon steel with metal coating composed of 99% zinc.*
- *It has no self-healing properties due to coating of zinc only.*
- *Intended for applications requiring low corrosion resistance and/or heat resistance.*
- *It is widely used on both residential and commercial roofs as well as industrial buildings. It is the best material for a less harsh environment.*
- *It has less life span as compared to galvalume steel coils/sheets.*
- *It has bright shinny finish due to zinc*

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<p><i>corrosion resistance, it is the best material for coastal area homes and buildings.</i></p> <ul style="list-style-type: none">• <i>Its superior long term corrosion resistance allows galvalume steel coils to outperform galvanized coating by 2 to 6 times. It has life span of more than 60 years.</i>• <i>Due to its matte and dull finish, it looks different in appearance from galvanized metal. However, due to its effective corrosion resistance properties, its appearance remained same even with harsher environmental impact.</i>• <i>Due to its high corrosion resistance properties, most galvalume roofing systems offers a warranty on substrate.</i>• <i>Galvalume steel sheet does not readily lose its beauty even when exposed to the elements for long periods of time and has been proven to be three to six times more durable than galvanized steel.</i>• <i>Galvalume steel sheet is econ-friendly material because it is coated with a special film by special treatment that contains absolutely no chromate.</i>• <i>Galvalume steel can easily be welded using standard techniques, with less risk of coating damage.</i>	<p><i>coating. However, there is a chance that in long term, its appearance get dull due to whether impacts.</i></p> <ul style="list-style-type: none">• <i>No warranty in case of galvanized roofing systems.</i>• <i>Galvanized steel can be welded, but may require special techniques to avoid damaging the zinc coating.</i>
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(i-b) Submission by the Engineering Development Board

<i>Galvalume Steel Coils/Sheets</i>	<i>Galvanized Steel Coils/Sheets</i>
<ul style="list-style-type: none">• <i>It has a metal coating composed of 55% aluminum, 43.5% zinc and 1.5% silicon. This composition can vary depending upon grade of material.</i>• <i>Preferred for roofing, siding, and application required enhance corrosion resistance and heat reflectivity.</i>	<ul style="list-style-type: none">• <i>It has a metal coating of 99% pure zinc.</i>• <i>Commonly used for general construction, automotive parts and appliances.</i>

(i-c) Submission by the Applicants

<i>Galvalume Steel Coils/Sheets</i>	<i>Galvanized Steel Coils/Sheets</i>
<ul style="list-style-type: none">• <i>It has a metal coating composed of 55% aluminum, 43.5% zinc and 1.5% silicon.</i>• <i>It has a matte, non-spangled finish, which is less desirable in architectural applications</i>	<ul style="list-style-type: none">• <i>It has a metal coating of 99% pure zinc.</i>• <i>It has a shiny, spangled finish, which makes it preferred material in architectural and decorative applications.</i>

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- where aesthetics play a role.*
- *Mixture of aluminum, zinc, and silicon coating in galvalume steel offer enhanced corrosion resistance, especially in coastal and high-moisture environments. However, unlike zinc, the aluminum does not provide the same self-healing protection on cut edges, or scratches, which make galvalume less effective in applications where mechanical damage is common.*
 - *It has limited and specific application i.e., high corrosive environment.*
 - *It is also widely used in infrastructure, construction, and transportation due to its strong adhesion properties and ease of welding.*
 - *Thicker zinc coating in galvanized steel forms protective layer against corrosion and extends the lifespan of materials. Further, thicker zinc coating can delay the onset of corrosion significantly.*
 - *It has more broader use due to its cost effectiveness, aesthetic qualities and better performance in moderate environment.*
 - *Galvanized steel has a pure zinc layer which creates protective layer on steel sheets that shield the underlying metal from corrosion by sacrificing itself through a process known as cathodic protection.*

(i-d) Examination, Evaluation and Findings of the Commission on each good's general physical characteristics

30. The Commission has examined the mechanical properties (tensile strength, yield strength and elongation) and chemical properties (elemental compositions) of both the products as provided in the relevant standards for Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. The following table highlights the details of different tests and ranges applied on both products: -

Test	Galvanized Steel Coils/Sheet	Galvalume Steel Coils/Sheet
(1)	(2)	(3)
Tensile strength	43 to 90	45 to 82
Yield strength	33 to 80	33 to 80
Elongation	9 to 32	9 to 20

31. It is evident from the table above that the values of tensile strength, yield strength and elongation of both the products are in a similar range. Furthermore, the elemental composition of both products is also similar. The Commission also noted that there is a difference in the coating materials of both the products. Difference in the coating material provides basis for different appearances of both the products. The physical inspection of both products revealed that the Galvanized Steel Coils /Sheets has shiny and spangled finish whereas, Galvalume Steel Coils /Sheets have dull and matte appearance. Owing to this variance in physical appearance, both the products can be differentiated with the naked eye provided they are in mint condition.

32. After considering all the relevant information, data, evidence and physical inspection of product subject to anti-dumping duties and product subject to anti-circumvention investigation, the Commission has concluded that the Galvanized Steel Coils /Sheets and Galvalume Steel Coils

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/Sheets share the same mechanical and chemical properties and difference exist in terms of composition of coating material applied on both the products.

(ii) Each good's end use

(ii-a) Information received during the course of this investigation

<i>Galvalume Steel Coils/Sheets</i>	<i>Galvanized Steel Coils/Sheets</i>
<ul style="list-style-type: none">• Roofing: It's widely used on both residential and commercial roofs as well as industrial buildings. Given that it has superb corrosion resistance, it is the best material for coastal area homes and buildings.• Siding: Both residential and commercial buildings use Galvalume metal as a siding material because it's durable and resistant to weathering. It makes it a very popular choice for the exterior wall systems, keeping the interior wall systems intact.• Gutters and downspouts: Galvalume metals are corrosion resistant which makes them very well suited for gutters and downspouts because the exposure to moisture and rain water is always constant. Gutters and downspouts are rarely dry, which means there is a constant flow of water that usually would corrode other metals.• HVAC: Heating, ventilation and air conditioning systems use duct work. Galvalume metals are known for its resistance to corrosion and heat, making it the best material on the inside.• Fencing and outdoor enclosures: For fencing and outdoor enclosures, galvalume metals are best choice.• Automotive industries: Galvalume coated steel is always used for various parts that require corrosion resistance in automated vehicles, buses, trains, and more. Car body panels and underbody components are two main components which is of galvalume materials.• Appliances: It is widely used in home appliances sector like washing machines, refrigerators, and dryers.	<ul style="list-style-type: none">• Construction and infrastructure: Galvanized steel coils/sheet is widely used in Beams, Columns and Guardrails structural components in construction due to its strength and its resistance to corrosion.• Agriculture: Galvanized metal is also used in agricultural and farming applications for fencing, equipment and animal enclosures.

(ii-b) Submission by Engineering Development Board

<i>Galvalume Steel Coils/Sheets</i>	<i>Galvanized Steel Coils/Sheets</i>
<ul style="list-style-type: none">• Preferred for roofing, siding, and application required enhances corrosion resistance and heat reflectivity.	<ul style="list-style-type: none">• Commonly used for general construction, automotive parts and appliances.

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(ii-c) Submission by the Applicants

Galvalume Steel Coils/Sheets

- *Galvalume Coils / Sheets are primarily used on both residential and commercial roofs as well as industrial buildings. It also used in industrial machinery, civil and architecture and HVAC, etc.*

Galvanized Steel Coils/Sheets

- **Construction:** *Cladding, Sliding, roofing, building accessories, sliding shutters, doors, partitions, canopies of gas stations, false ceilings, pre-fabricated buildings, sandwich panels, HVAC(heating, ventilation & air con ducting), Roof and wall systems (industrial, commercial, and agricultural buildings) steel racks, structural members, corrugated sheets or profiles for roofing, Pipe Industry Roofing, side walls, panels, false ceilings, partition walls, rolling shutters, pre manufactured building structure members etc.*
- **White Goods:** *Washing Machines, gas ovens, microwave ovens, refrigerators, freezers coolers, elevator, vending machines, grillers, toasters, Air conditioners, Ceiling lights, tube lights, ceiling fans, bracket fans, exhaust fans, electrical panels, decorative lamps, water tanks, trunks, canisters, ducting, water coolers, Ice boxes, geysers, etc*
- **Drum:** *Food Grade Drums etc.*
- **Telecom:** *Telecom towers, shelters etc.*
- **Agriculture:** *Grain silos, sprayers, pans, feeding troughs etc.*
- **Domestic Use:** *Trunks, ice boxes, tubs, buckets, storage bins, water tanks etc.*
- **Furniture & Fixtures:** *Desks, lockers, racks, lightweight chairs etc.*
- **MEP Applications:** *Ducting, thermal cladding, air-conditioning ducts etc.*

(ii-d) Examination, Evaluation and Findings of the Commission on each goods end use

33. In order to understand the end use of both products, the Commission sent letters to all interested parties including exporters and importers. However, none of the exporters and individual importers cooperated with the Commission. Therefore, the Commission has examined this factor based on the information provided by the Applicants, EDB, pre-engineered building manufacturers, information gathered during course of this investigation and determinations made by other trade remedies authorities.

34. During course of this investigation, one party highlighted that “we also agree to the Applicants statement that Galvalume /Aluzinc /Zincalume Steel Coils /Sheets /ZAM steel cannot

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fully replace Hot Dipped Galvanized Steel Coils /Sheets, but in most cases it can,...” This statement is indicative of the fact that end use of both the products is similar. Having found that both the products share same mechanical characteristics and elemental compositions, the Commission is of the view that Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets often share similar end uses in various sectors like construction, roofing panels, wall cladding, structural framing, fences, and other support structures.

35. The Commission has also relied on a determination¹ made by the European Commission where a similar issue regarding Galvalume Steel Coils /Sheets and Corrosion Resistant Steel having other coating was discussed. A Turkish exporter requested to exclude Alu-Zinc Corrosion Resistance Steel from scope of product on the basis that Alu-Zinc Corrosion Resistance Steel is distinct segment of corrosion resistant steel, and it does not compete with traditional corrosion resistant steel. Furthermore, Aluzinc and Zinc Corrosion Resistance Steel were entirely different products – physically, chemically and technically – namely on the grounds of Alu-Zinc Corrosion Resistance Steel’s production process and some AluZinc properties. On this, the European Commission held that:

“All types of Corrosion Resistance Steel, no matter their coating, are produced in hot dipped galvanizing lines. In addition, AluZinc Corrosion Resistance Steel and Corrosion Resistance Steel with other coatings share the same features in terms of their basic physical and technical characteristics, their end-uses and interchangeability”.

“In addition, the claim that not all Corrosion Resistance Steel coatings have exactly the same properties does not undermine the fact that AluZinc Corrosion Resistance Steel CRS and Corrosion Resistance Steel with other coatings share the same features in terms of their basic physical and technical characteristics, their end-uses and interchangeability.”

36. On the basis of above, the Commission has concluded that both the products have similar end uses.

(iii) The interchangeability of each good

(iii-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets and Galvanized Steel Coils/Sheets

- *The claim of the Applicants that the Galvanized Steel Coils/Sheets and Galvalume Steel Coils/Sheet are interchangeable products and different trade authorities have treated them as a same product is not true because none of the regulatory authority have imposed any such restrictive measures on the items which is not being produced locally.*
- *Galvalume Steel Coils/Sheet is far more superior and effective specially in the construction sector as compared to Galvanized Steel Coils/Sheets.*
- *If two products are interchangeable as claimed by the Applicants, then consumer would definitely demand more Galvalume as compared to Galvanized because it is better in life,*

¹ Commission Implementing Regulation (EU) 2022/1395 of 11 August 2022 imposing a definitive anti-dumping duty on imports of certain corrosion resistant steels originating in Russia and Turkey.

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more corrosion resistant and effective in usage.

- The import of Galvalume has increased not only from China but also from all other sources because it is superior product than Galvanized.*
- Galvalume steel is often more formable than Galvanized steel, making it a better choice for complex shapes and designs.*
- Galvalume steel is generally more resistant to corrosion in saltwater environments than Galvanized steel and Galvanized steel is more suitable for acidic environments, as the zinc coating can provide better protection against acid corrosion.*

(iii-b) Submission by the Applicant

Galvalume Steel Coils /Sheets and Galvanized Steel Coils /Sheets

- Galvalume is slightly modified version of the Galvanized, covering specific applications like Commercial / Industrial Roofing, Industrial machinery, HVAC etc.*
- Galvalume and Galvanized are perfectly substitutable.*
- Both products have same commercial applications and serving same domestic users.*

(iii-c) Examination, Evaluation and Findings of the Commission on interchangeability of each good

37. In order to understand the interchangeability of both the products, the Commission sent letters to all interested parties including exporters and importers. However, none of the exporters and individual importers cooperated with the Commission. Therefore, the Commission has examined this factor based on the information provided by the Applicants, EDB, pre-engineered building manufacturers, information gathered during course the of this investigation and through analysis of determination made by various trade remedies authorities.

38. As explained earlier, the mechanical properties, chemical properties and end uses of both products are similar, therefore, it seems that both products are interchangeable. Furthermore, when two products are interchangeable and substitutable, then any slight increase in price of one product can lead to an increase in demand for alternative product. In subject anti-circumvention investigation, the analysis has revealed that prior to imposition of anti-dumping duties on dumped imports of Galvanized Steel Coils /Sheets, the imports of Galvalume Steel Coils /Sheets were not significant. However, after imposition of anti-dumping duties on Galvanized Steel Coils /Sheets, its landed cost increased, which made Galvalume Steel Coils /Sheets, an attractive alternative option for the user industry, that is why the imports of Galvalume Steel Coils /Sheets has increased substantially. Were both products not substitutable and interchangeable, there would not have been a substantial increase in imports of Galvalume Steel Coils /Sheets after imposition of anti-dumping duties on dumped imports of Galvanized Steel Coils /Sheets.

39. Moreover, the European Commission in an anti-dumping investigation against dumped imports of certain corrosion resistance steel from Turkey and Russia also held that Alu-Zinc corrosion resistance steel and other corrosion resistance steel are interchangeable products. The determination of European Commission regarding interchangeability is as follows:

“All types of corrosion resistance steels (CRS), no matter their coating, are produced in

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hot dipped galvanizing lines. In addition, AluZinc CRS and CRS with other coatings share the same features in terms of their basic physical and technical characteristics, their end-uses and interchangeability".

40. During analysis, the Commission also noted that pre-engineered building sector is the largest consumer of Galvalume Steel Coils /Sheets. Out of four such manufacturing concerns, only one pre-engineered building manufacturer provided evidence that its customers prefer to use Galvalume Steel Coils /Sheets in roofs and walls of pre-engineered buildings whereas, Galvanized steel remains the choice for manufacturing purlins of pre-engineered buildings. It was also informed by one of the leading pre-engineered building manufacturers that demand for Galvalume Steel Coils /Sheets of the entire pre-engineered building sector is around 20,000MT per annum. For the rest of the uses, both the products are interchangeable.

41. After considering all the relevant information, data and evidence submitted by the interested parties, the Commission has concluded that both products are interchangeable and substitutable in majority of end-use applications.

(iv) Differences in the production processes used to produce each good

(iv-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets vs Galvanized Steel Coils/Sheets

- The hot dipping process of galvalume and galvanization is the same but the differences are in terms of the following:*
- Galvalume is coated with 55% aluminum, 43.5 % zinc and 1.5% silicon whereas galvanized is coated with 100% zinc.*
- As the coating material of galvanized and galvalume is different, therefore, the galvanizing or coating line needs to have two or more pots of molten metal and needs to be coated according to the desired final product.*
- Galvalume has a particular coating on it, which is applied through an oiling process. This process is called differently in different countries and amongst different producers i.e. resin coating, light organic coating, preventive oil, acrylic coating or anti-finger treatment. No such resin coating, light organic coating, preventive oil, acrylic coating or anti-finger treatment is applied on galvanized.*
- If there is not much differences in the production process of galvanized and galvalume, and if only the molten pot needs to be changed or the coating has to be altered as claimed by the Applicant, it would have been much easy for the applicants to start producing the galvalume, however since there is much difference in the production process of both products, therefore the applicants are going for the easy way out. i.e. getting imposed anti-dumping duties on galvalume through alleged circumvention.*

(iv-b) Submission by the Applicant

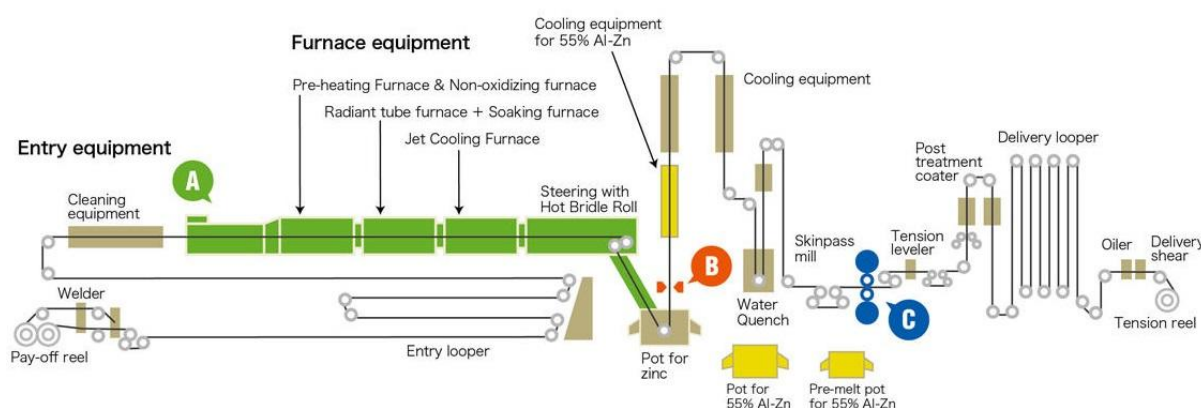
Galvalume Steel Coils/Sheets vs Galvanized Steel Coils/Sheets

- Both the galvanized and galvalume have the same production process. The only difference in production process of both products is the different molten metals in the hot dipping pot, which*

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in case of galvanized contains 100% zinc and in case of galvalume contains 43.5% zinc, 55% aluminum and 1.5% of silicon. Due to difference in metals in galvanizing pot, the temperature require to keep the metal in molten state is also different. Molten zinc requires less temperature to remain in the molten form as compared with molten Alu-Zinc.

- *The fact that the production process of galvanized and galvalume is similar, it can be evidences from the production process flow chart provided below from a well known Japanese producer of coated steel.*



Source: the Applicants

(iv-c) Submission by the EDB

Galvalume Steel Coils/Sheets vs Galvanized Steel Coils/Sheets

- *The manufacturing process and machinery used to produce galvalume are almost similar to that of galvanized. However, the following are the few key differences in the production process of galvanized and galvalume steel coils/sheet:*
 - a) ***Galvanizing pot composition:*** *The pot of galvanized steel consists of 100% zin whereas pot of galvalume steel contains 55% aluminum, 43.4% zinc and 1.6% silicon.*
 - b) ***Temperature Adjustment:*** *Since the melting point of pure zinc used in case of galvanized steel is different than melting point of alu-zinc in case of galvalume, therefore, a slight adjustment in temperature of pot is required to produce galvalume.*
 - c) ***Forced Cooling:*** *Galvalume steel is normally forced cool as compared to natural cooling in case of galvanized steel.*

(iv-d) Examination, Evaluation and Findings of the Commission on differences in the processes used to produce each good

42. The Commission sent letters to the exporters of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets in China to provide information on exporter questionnaire including production process of both products. As none of the exporters has cooperated with the Commission, therefore, the Commission was unable to physically inspect the production process of Galvalume Steel Coils /Sheets. Therefore, in order to understand the difference in production

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process of both products, the Commission has relied on the information submitted by the Applicants, EDB, information gathered during course of the investigation and physical inspection of the Applicants plants.

43. During analysis, the Commission found that most stages of the production process, technology and machinery used to produce Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets are the same. Further, the major raw material of both products, which is Hot Rolled Coil is also same. However, there is difference in the coating material being used in the production of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. For galvalume steel, coating material consists of 100% zinc whereas, for Galvalume Steel Coils /Sheets it comprises of 55% aluminum and 43.5% zinc and 1.5% silicon. There is difference in temperature to melt the coating material of both products (420 degrees Celsius in case of zinc and 660 degrees Celsius in case of aluminum)², which means that additional heaters are required for melting the coating material of Galvalume Steel Coils /Sheets, so the pot used for production of Galvanized Steel Coils /Sheets cannot be used for Galvalume Steel Coils /Sheets. Furthermore, manufacturing the Galvalume Steel Coils /Sheets requires installation of an additional pot with higher heating capabilities as compared to existing ones. Coating material of Galvalume Steel Coils /Sheets requires a higher melting temperature during the coating process as compared to the galvanized steel and this higher temperature necessitates a subsequent forced cooling process. The same fact was also verified by the investigating team during on-the-spot verification of the Applicants plants wherein, both the Applicants have already spared a space for an additional pot in case they plan to produce Galvalume Steel Coils /Sheets in future.

44. On the basis of the above, the Commission has concluded that the production process of both the products is similar except for coating, which requires installation of additional equipment and investment in existing galvanizing facilities.

(v) Differences in the cost to produce each good

(v-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets vs Galvanized Steel Coils/Sheets

- *There is no much difference in cost of galvanized and galvalume steel. However, galvanized steel tends to be less expensive as compared to galvalume due to difference in coating composition and melting point of zinc and aluminum. However, due to better quality and long life, galvalume become less expensive than the galvanized.*

(v-b) Submission by Applicants

Galvalume Steel Coils/Sheets vs Galvanized Steel Coils/Sheets

- *Generally aluminum metal is less costly as compared with zinc. As per current prices available on London Metal Exchange, the price of zinc is US\$ 2,630/ MT whereas price for aluminum is US\$ 2,240/ MT. In galvalume steel as compared with galvanized steel, 45% portion of the costlier metal in coating (i.e. zinc) is replaced by comparatively cheap metal i.e. aluminum.*

² Available at: www.metalsupermarkets.com/melting-points-of-metals

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Furthermore, the coating thickness is also less in galvalume steel as compared with galvanized steel. Therefore, the cost of materials in galvalume is supposed to be comparatively lesser than the cost of materials in galvanized coils. However, this lesser cost of materials is compensated by higher energy cost and overheads in galvalume production because molten mixture of alu-zinc is required to be kept at 600 degrees as compared to 300 degrees for molten zinc. Cooling towers also require more energy in galvalume steel as compared with galvanized steel. In total, there will not be a substantial difference in cost of production of galvanized steel as compared with galvalume steel. However, due to lesser availability and fewer galvalume process worldwide, galvalume steel is generally traded at 5-7% higher prices as compared with the galvanized steel.

(v-c) Examination, Evaluation and Findings of the Commission on difference in cost to produce each good

45. In order to determine the difference in cost of production of both products, the Commission sent letters to importers and exporters of both Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. However, none of the importers and exporters cooperated with the Commission. As exact information on cost of production of Galvalume Steel Coils /Sheets is not available with the Commission, therefore, the Commission has relied on the information submitted by the Applicants and information gathered during the course of the investigation to determine difference in cost of production of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets.

46. During analysis, the Commission noted that there was no considerable difference in the cost of production of both the products because major raw material, i.e., Hot Rolled Coils, which constitutes more than 80% of the total cost of production, was the same for both products. However, coating material was different for both the products. The analysis of international prices of zinc and aluminum shows that the coating material used in Galvalume steel is cheaper than the coating material used in Galvanized Steel Coils /Sheets. While Galvalume Steel Coils /Sheets requires more energy to produce due to aluminum's higher melting point, this difference in energy cost is offset by the price difference between zinc and aluminum, leading to similar overall cost for Galvalume Steel Coils /Sheets and Galvanized Steel Coils /Sheets.

47. As there is similarity between the information submitted by the Applicants and information gathered by the Commission from different sources during course of the investigation, therefore, the Commission has held that the cost of Galvalume Steel Coils /Sheets is similar to the cost of Galvanized Steel Coils /Sheets.

(vi) The cost of modification

(vi-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

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- *Galvalume Steel is usually more expensive than the Galvanized Steel because the coating and process used in Galvalume steel is expensive than Galvanized Steel.*
- *Galvalume Steel has more corrosion resistant properties as compared to Galvanized Steel, therefore, it requires much less maintenance over their lifespan, which reduces overall cost over the years.*
- *Galvalume Steel has a coating that offers better heat reflectivity, therefore, the overall costs of cooling a building is much lower in case of galvalume steel as compared to galvanized steel.*

(vi-b) Submission by the Applicants

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- *Generally Aluminium metal is less costly as compared with zinc. As per current prices available on London Metal Exchange, price for Zinc is US\$ 2630/ MT whereas price for Aluminium is US\$ 2240/ MT. In Galvalume Steel as compared with Galvanized Steel, 55% portion of the costlier metal in coating (i.e. zinc) is replaced by comparatively cheap metal i.e. Aluminium. Furthermore, the coating thickness is also less in Galvalume Steel as compared with Galvanized Steel. Therefore the cost of materials in Galvalume is supposed to be comparatively lesser than the cost of materials in Galvanized coils. However, this lesser cost of materials is compensated by higher energy cost and overheads in galvalume production because molten mixture of alu-zinc is required to be kept as 600 degrees as compared to 300 degrees for molten zinc. Cooling towers also require more energy in galvalume steel as compared with galvanized steel. In total, there will not be a substantial difference in cost of production of galvanized steel as compared with galvalume steel. However, due to lesser availability and fewer galvalume process world over, galvalume steel is generally traded at 5% to 7% higher prices as compared with the galvanized steel.*
- *As the only difference in the production process of Galvanized Steel and Galvalume Steel is the different molten metals in the hot dipping pot which in case of galvanized contains 100% zinc and in case of galvalume contains zinc, aluminium and silicon. Due to difference in coating metals in galvanizing pot, the temperature requires to keep the metal in molten state is also different. Therefore, to produce Galvalume Steel Coils / Sheets, the existing production facility of the Applicants needs a meagre modification at coating stage.*

(vi-c) Examination, Evaluation and Findings of the Commission on cost of modification

48. In order to determine the cost of modification of the product, the Commission sent letters to importers and exporters of both Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. However, none of the individual importers and exporters cooperated with the Commission. As exact information on the cost of modification of the product is not available, the Commission has relied on information submitted by the Applicants and information gathered during the course of investigation.

49. As explained earlier, the main difference between Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets is of the coating material used, therefore, the best approach to assess the cost of modification is to analyze the cost of coating material used in both the products. As the domestic industry did not produce Galvalume Steel Coils /Sheets and none of the exporters

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have cooperated with the Commission, therefore, in order to ascertain the cost of modification, the Commission has analyzed the coating cost of the Applicants during the POI. During the last three years of the POI, the average percentage share of zinc cost of Galvanized Steel Coils /Sheets produced by the Applicants ranges from 5% to 8%. As the Galvalume Steel Coils /Sheets have coating of 55% aluminum, 43.5% zinc and 1.5% silicon. Therefore, besides the cost of 1.5% silicon, the only difference in the cost of both products would be replacement of 55% zinc with equivalent aluminum. Hence, the difference in material cost of coating in both products would be between 2.75% to 4.4% with zinc base coating costing more. However, due to difference in melting point of zinc and aluminum, the energy cost of Galvalume Steel Coils /Sheets would be higher as compared to that of Galvanized Steel Coils /Sheets, therefore, the overall differential in cost of production tends to be minimal. The same fact is evident from the C&F prices of Galvalume Steel Coils /Sheets and Galvanized Steel Coils /Sheets imported into Pakistan from China.

50. On the basis of the above, the Commission has concluded that there is no considerable difference in the cost of modification of both the products.

(vii) Customer preferences and expectations relating to each-good

(vii-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- *It is a fact that galvalume steel competes with galvanized steel, however due to better corrosion resistance, more life span, better surface, finish & usability and minimal difference in prices and cost, the customer preferred galvalume steel over galvanized steel.*

(vii-b) Submission of Applicants

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- *Mostly, both products shared common usage. However, galvalume steel may sometimes be preferred in harsh environments due to its better corrosion resistance, but, the galvanized steel remains the dominant choice globally, due to its aesthetic, cost effectiveness, mechanical durability, and self-healing capabilities.*

(vii-c) Submission of EDB

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- *Galvanized steel is mainly used for general construction, automotive parts and appliances, whereas galvalume steel is preferred for roofing, siding and applications which required higher corrosion resistance.*

(vii-d) Examination, Evaluation and Findings of the Commission on customer preferences and expectations relating to each-good

51. In order to explore the factors which forms the basis of consumer preference for each product, the Commission sent letters to importers, exporters of both Galvalume Steel Coils

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/Sheets and Galvalume Steel Coils /Sheets, and all other interested parties. However, none of the exporters or individual importers cooperated with the Commission. Therefore, the Commission has relied on the information submitted by the Applicants and information gathered during course of the investigation.

52. As explained above, Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets have similar end uses, and both are interchangeable products. Therefore, customer preference can depend on factors like product availability, versatility and product prices. Any change in these factors can directly affect consumer preference. For example, historically, Galvanized Steel Coils /Sheets remained the consumer preference due to its wider availability and vast usage. However, due to imposition of anti-dumping duties ranging from 6.09% to 40.47% on dumped imports of Galvanized Steel Coils /Sheets from China, the landed cost of Galvanized Steel Coils /Sheets becomes significantly higher than that of Galvalume Steel Coils /Sheets, which induce the consumers to prefer Galvalume Steel Coils /Sheets over Galvanized Steel Coils /Sheets. The same fact is evident from the landed cost worked out on the basis of import data.

53. After considering all the relevant information submitted by the interested parties, the Commission has concluded that the customers perceive both products as interchangeable. However, in specialized applications where higher corrosion resistance and sunrays reflectivity is required, Galvalume steel coils/sheets is preferred over Galvanized Steel Coils /Sheets.

(viii) Channel of distribution and the way in which each good is marketed

(viii-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- In response to SEF, KISMA has submitted that Galvalume steel and galvanized steel could be or could not be sold through similar channels, as there are certain importers who only import Galvalume steel and there are certain importers who only import Galvanized steel, where there are also importers, importing both the products, so channels of distribution could be same or could differ as well.*

(viii-b) Submission of Applicants

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- Galvanized steel and galvalume steel are interchangeable in the marketplace, are sold in similar channels of distribution and directly in competition with each other.*

(viii-c) Examination, Evaluation and Findings of the Commission on channel of distribution and the way in which each good is marketed

54. As discussed earlier, both the products are interchangeable and majority of end-use applications are similar, therefore, the channel of distribution and way of marketing is also same. Further, the analysis of import data shows that there are various importers who have imported Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets during the POI, which shows

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commonality in channel of distribution and way of marketing. In addition, the import data also indicates that most of the imports of Galvanized Steel Coils /Sheets and Galvalume Steel Coils/Sheets during the POI were made by the commercial importers marketing and selling both products. The same fact was also confirmed by the user industry during on-the-spot verification.

(ix) Pattern of trade for each good

(ix-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- There is no correlation between change in trade pattern of galvanized steel and galvalume steel due to anti-dumping duties because in the application submitted by the Applicants, it is evident that during POI, the import of galvalume has not only increased from China but also from other countries.*
- Under SRO 1640(I)/2019, galvalume steel from Chinese origin is importable at concessionary rate of duties, therefore, during POI, the impact of custom duties over the years remained only 2.50% to 1.67% in the last year of the POI. Further, if that would not have been the case, there would not have been a shift between the quantity of galvalume steel coils from other origin to Chinese origin.*

(ix-b) Submission of Applicant

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- The import analysis witnessed a visible shift in recent times, notably in the trade patterns, from “galvanized coils / sheets” to “galvalume coils / sheets”. This shift coincides with the nucleus of levy of antidumping duties on dumped imports of galvanized coils / sheets from China, meant for providing level playing field for the domestic industry.*
- The sharp increase in imports of Galvalume steel following the imposition of anti-dumping duties on Hot-Dipped Galvanized (HDG) Steel provides strong evidence of circumvention. Before the imposition of anti-dumping duties on dumped imports of Galvalume steel, imports were negligible, indicating that these products were not in high demand. However, after, duties were imposed, importers and exporters strategically shifted to these slightly modified product to continue exporting and importing without paying anti-dumping duties.*

(ix-c) Examination, Evaluation and Findings of the Commission of pattern of trade

55. In order to analyze the pattern of trade, the Commission has analyzed information submitted by the Applicant, and the information obtained from Pakistan Single Window (PSW) and Pakistan Customs.

56. During analysis, the Commission notes that there was a difference between import statistics provided by the Applicants, information gathered during course of investigation and available in PSW & Pakistan Customs. However, the pattern of trade is similar in all sources. The Commission asked the Applicants and other parties to explain the reasons for difference in import data provided by them and available to the Commission through PSW and Pakistan Customs. In

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response, the Applicants explained that they have submitted import data based on their market information. The Applicants also explained that if the Commission has identified any discrepancies between import data submitted by the Applicants and available to the Commission through its sources, then they fully respect the Commission's prerogative to rely on import data obtained by it for this investigation. In response to the Commission query, the other party explained that they have provided the best source of import data available to it. Further, they requested the Commission to provide import data available to the Commission from Pakistan Customs for cross checking. Keeping in view the arguments of the Applicants, information gathered during course of the investigation and authenticity & legality of the data sources, the Commission has used the import data available to it from Pakistan Customs to analyze the pattern of trade:

**Table-IV
Trade Pattern of Galvalume and Galvanized Steel Coils/Sheets**

Period/Year	Import of Galvanized from China			Import of Galvalume from China		
	Quantity MT	% Change with reference to		Quantity MT	% Change with reference to	
		Year on year basis	Base year (2017-18)		Year on year basis	Base year (2017-18)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Apr 17- Mar 18	100	-	-	100	-	-
Apr 18- Mar 19	82	(18)%	(18)%	140	40%	40%
Apr 19- Mar 20	65	(21)%	(35)%	94	(33)%	(6)%
Apr 20- Mar 21	60	(7)%	(40)%	165	75%	65%
Apr 21- Mar 22	24	(60)%	(76)%	160	(3)%	60%
Apr 22- Mar 23	40	64%	(60)%	183	15%	83%
Apr 23- Mar 24	89	123%	(11)%	580	217%	480%

Source: - Pakistan Customs

Note: In order to maintain confidentiality, actual figures have been indexed with reference to the figure of imports of galvanized and galvalume for the period Apr 17-Mar 18 respectively by taking it equal to 100

57. The above table shows that after imposition of anti-dumping duties on dumped imports of Galvanized Steel Coils/Sheets from China on February 08, 2017, there is notable change in pattern of trade of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets. Taking April 2017-March 2018 as base year, the import of Galvanized Steel Coils /Sheets decreased by 18% in April 2018 to March 2019, followed by a decline of 21%, 7%, and 60% in next three years on year-on-year basis. However, import of Galvanized Steel Coils /Sheets from China increased by 64% and 123% in next two years. On the other hand, the import of Galvalume Steel Coils /Sheets decreased by 33% during April 2019 to March 2020 and by 3% during April 2021 to March 2022. With the exception of these two years, imports of Galvalume Steel Coils /Sheets have increased during the POI. Sharp increase in the imports of Galvalume Steel Coils /Sheets was witnessed during the last year of the POI whereby imports increased by 217% as compared to the previous year.

58. The analysis of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets imports with reference to the period of imposition of anti-dumping duties i.e., April 2017 to March 2018 shows that after imposition of anti-dumping duties on February 08, 2017, the import of Galvanized Steel Coils /Sheets declined by 11% i.e., from *** MT to *** MT. During the same period, imports of Galvalume Steel Coils /Sheets increased by 480% i.e., from *** MT to *** MT. This change in trade pattern clearly highlights that the importers have shifted towards

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Galvalume Steel Coils /Sheets after imposition of anti-dumping duties on dumped imports of Galvanized Steel Coils /Sheets.

(x) Changes in the pricing of each good

(x-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- There is no substantial difference in prices of galvanized steel and galvalume steel. However, the prices of galvalume steel tend to be 5 to 15% expensive than the prices of galvanized steel depending on what type of coating is used and other factors like, location, manufacturers, market condition etc.*

(x-b) Submission by Applicant

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- There is no substantial difference in prices of galvanized steel and galvalume steel as the base material of both products is same. However, due to lesser availability and fewer galvalume process world over, galvalume steel is generally traded at 5% to 7% higher prices as compared with the galvanized steel.*

(x-c) Examination, Evaluation and Findings of the Commission on changes in pricing of each good

59. As Galvalume Steel Coils /Sheets is not locally produced and none of the exporter/foreign producer has cooperated with the Commission, therefore, in order to analyze the difference in prices of both products, the Commission has relied on the information submitted by the Applicants & information gathered during course of the investigation.

60. During course of the investigation, regarding difference in prices of both products, the Commission received information as:-

“In general the price of Galvalume/Aluzinc/Zincalume steel/ZAM steel could be 5-10% and in some cases 10-15% higher than that of Hot Dipped Galvanized/Galvanized steel”.

61. Regarding difference in prices of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets, the Applicants explained:-

“The domestic industry acknowledges that galvalume steel may command a slightly higher unit price than galvanized steel-typically in the range of 5-7%”.

62. As there is similarity between the information submitted by the Applicants and information gathered by the Commission during course of the investigation, therefore, the Commission has held that in general, the prices of Galvalume Steel Coils /Sheets are slightly higher than the prices of Galvanized Steel Coils /Sheets. However, imposition of antidumping duties ranging from 6.09% to 40.47% makes the Galvanized Steel Coils /Sheets prices higher than that of Galvalume

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Steel Coils /Sheets.

(xi) Tariff classifications for each good

(xi-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- *World Customs Organization and Pakistan Tariff Classification recognized galvalume steel and galvanized as different products because both products have different HS/PCT Code. Therefore, A product which has been given different HS/PCT codes cannot be called as slightly modified product.*

(xi-b) Submission of Applicant

Galvalume Steel Coils/Sheets Vs Galvanized Steel Coils/Sheets

- *Galvalume steel is a slightly modified products of galvanized steel and importers are declaring it in separate PCT Codes to avoid imposition of anti-dumping duties.*

(xi-c) Examination, Evaluation and Findings of the Commission on tariff classification of each good

63. After analyzing the information submitted by the Applicants, information gathered during course of the investigation and Pakistan Customs Tariff, the Commission has concluded that there are separate PCT Codes for imports of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets in Pakistan Customs Tariff. Galvanized steel falls under PCT Headings Nos. 7210.4110, 7210.4190, 7210.4990, 7212.3010, 7212.3090, 7225.9200, 7226.9900 whereas Galvalume Steel Coils /Sheets falls under PCT Heading Nos. 7210.6110, 7210.6190, 7210.6910 & 7210.6990.

(xii) Economic condition

(xii-a) Information received during the course of investigation

Galvalume Steel Coils/Sheets and Galvanized Steel Coils/Sheets

- *The rise in imports of Galvalume steel is primarily driven by economic and market-based factors rather than any attempt to circumvent anti-dumping duties. Galvalume steel offers superior quality and durability, with a service life that is 2 to 3.5 times longer than that of galvanized steel. This enhanced performance, particularly in terms of corrosion resistance, has naturally led to increased consumer demand and a shift in trade patterns.*
- *The increase in imports was influenced by the issuance of SRO No. 1640(I)/2019, which allowed concessionary rates of duty on Chinese-origin Galvalume steel, thereby incentivizing its import. Decline in imports of galvanized steel from other origins reflects a genuine change in market preference rather than an attempt to bypass existing trade remedies.*
- *The domestic industry's reduced capacity utilization was not a consequence of these imports, but rather a result of broader economic challenges. Macroeconomic instability, energy crisis and weakened consumer demand are key reasons for the decline in local production rather than circumvention.*

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(xii-b) Submission of Applicant

Galvalume Steel Coils/Sheets and Galvanized Steel Coils/Sheets

- The increase in imports of Galvalume steel lacks a legitimate economic justification and is indicative of an attempt to circumvent anti-dumping duties. As Galvalume steel serves certain specific applications, it cannot fully replace galvanized steel due to differences in performance, cost effectiveness and aesthetic preferences. The use of Galvalume is limited and the claimed surge in demand is not supported by credible evidence.*
- Prior to the imposition of anti-dumping duties, imports of Galvalume steel were minimal, suggesting that there was little market demand for the product at the time. The sharp and sudden rise in Galvalume imports following the imposition of duties on Galvanized steel is not a result of natural market forces, but rather a deliberate shift by importers seeking to avoid paying anti-dumping duties.*
- In the absence of any valid economic condition, the timing and nature of the increase in Galvalume imports clearly reflect an intention to bypass the trade remedy measures in place.*

(xii-c) Examination, Evaluation and Findings of the Commission on economic conditions

64. In order to ascertain whether the sharp increase in imports of Galvalume Steel Coils /Sheets in recent years of POI is due to favorable economic conditions or it is due to circumvention practices, the Commission sent questionnaires to importers and exporters from China. However, none of the individual importers of Galvalume Steel Coils /Sheets and Galvanized Steel Coils /Sheets provided the requisite information and failed to justify this sudden increase in imports with facts and figures.

65. The Commission is of the view that the imposition of antidumping duties (6.09% to 40.47%) increases the landed cost of the Galvanized Steel Coils /Sheets, prompting the importers to offer Galvalume Steel Coils /Sheets at lower price to the buyers/users where both the products are substitutable.

66. Regarding increase in imports and its linkage with economic condition, one source claimed that the Galvalume Steel Coils/Sheets is importable at concessionary rate under Pak-China FTA, which is why import quantities of Galvalume Steel Coils /Sheets from China is increasing.

67. The Commission has analyzed this claim and found that not only Galvalume Steel Coils /Sheets rather both the products are importable at concessionary rate of customs duty under Pak-China FTA. For example, the MFN tariff on import of primary quality Galvanized Steel Coils /Sheets is 11% and MFN tariff on secondary quality Galvanized Steel Coils /Sheets is 20%. However, under Pak-China FTA, prime quality Galvanized Steel Coils /Sheets are allowed at concessionary rate of 5% customs duty, except for two PCT Codes 7225.9200 & 7226.9900 which are allowed at 0% customs duty. The secondary quality Galvanized Steel Coils /Sheets are allowed at concessionary rate of 12.8% to 13.33% under Pak-China FTA. On the other hand, the prime quality Galvalume Steel Coils /Sheets are allowed at concessionary rate of 1.67% under Pak-China FTA and secondary quality Galvalume Steel Coils /Sheets is importable at 5.33% to 13.33%.

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68. Moreover, the analysis of the weighted average effective rate of customs duty shows that the impact of customs duty on import of Galvalume Steel Coils /Sheets is 2.47% during 2023-24 and impact of customs duty on import of Galvanized Steel Coils /Sheets is 4.91%. Hence, there is a difference of 2.44% in terms of customs duty impact in both products. This shows that the incidence of customs duty on import of Galvalume Steel Coils /Sheets is 2.44% less than the incidence of customs duty on import of Galvanized Steel Coils /Sheets. However, the analysis of C & F price and landed cost of both products as provided in Table-VII shows that without incidence of anti-dumping duties, the C & F price and landed cost of both products are almost similar. There is only a difference of less than 1% in C&F prices and landed cost of both products without incidence of anti-dumping duties. However, after incorporation of anti-dumping duties, the landed cost of Galvanized Steel Coils /Sheets becomes around 37% higher than the landed cost of Galvalume Steel Coils /Sheets. Therefore, the Commission concludes that it is the impact of anti-dumping duties (37%) rather than customs duty (2.47%) which is why importers imported Galvalume Steel Coils /Sheets in increased quantities from China. In the light of above explanations, the Commission concludes that no such economic conditions are present which may have necessitated the imports of Galvalume Steel Coils /Sheets in significant increased quantities.

(xiii) Remedial effects that are being undermined

(xiii-a) Information received during the course of investigation

Galvalume Steel Coils /Sheets and Galvanized Steel Coils /Sheets

- *Galvalume steel is not a like product to galvanized steel and is not produced locally, therefore, it cannot be considered as circumventing anti-dumping duties or causing injury to the domestic industry. Galvalume and galvanized steel have distinct chemical compositions, mechanical properties, and applications, which are recognized internationally and supported by separate customs classifications.*
- *There has been no undermining of the remedial effects of anti-dumping duties, as the Applicants themselves have remained highly profitable. They pointed out that the Applicants raised their prices 34 times over the last three years, even though the cost of Hot Rolled steel from China declined by 10.60% during the same period. These price increases, despite falling input costs, contradict the claim that imports are causing injury.*
- *The Applicants earned substantial net profits in 2022, 2023, and 2024, which they argued clearly demonstrates that the domestic industry has not been harmed by Galvalume imports. It is stated that anti-dumping duties should not be extended to products like Galvalume steel, which are not manufactured locally, and therefore fall outside the scope of injury or circumvention under trade remedy laws.*

(xiii-b) Submission of Applicant

Galvalume Steel Coils/Sheets and Galvanized Steel Coils/Sheets

- *The imports of Galvalume steel are being used as a means to circumvent the anti-dumping duties imposed on Galvanized Steel. Galvalume and galvanized steel are fundamentally similar, as both products share the same base steel, with the only difference being in the protective coating. Based on this, the Galvalume is essentially a slightly modified version of galvanized steel, a view*

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that has been supported by international trade remedy authorities in similar cases.

- *The remedial impact of the original anti-dumping duties is being undermined due to this shift in imports from Galvanized Steel to Galvalume steel. This shift involves only minor modifications and lacks any valid economic justification, clearly indicating an intentional effort to undermine the remedial effects of duties rather than to meet genuine market demand.*
- *The domestic industry is suffering as a result of this circumvention practice, which allows importers to bring in similar products without bearing the cost of anti-dumping duties. In view of these factors, the remedial effects of the imposed anti-dumping duties are being undermined due to the continued imports of Galvalume steel, which serve as a slightly modified version of Galvanized steel. This practice weakens the intended impact of the duties and distorts fair competition, and therefore the scope of anti-dumping duties should be extended to Galvalume steel to ensure that the effectiveness of the trade remedies is maintained*

(xiii-c) Examination, Evaluation and Findings of the Commission on Remedial Effects that are being Undermined

69. In order to ascertain whether remedial effects of the anti-dumping duties are being undermined in terms of the prices or quantities of the like product, the Commission has analyzed information on domestic production of Galvanized Steel Coils /Sheets, domestic sales of Galvanized Steel Coils /Sheets, imports of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets from China and other countries, cost to make & sell and prices of Galvanized Steel Coils /Sheets and C&F prices & landed cost of Galvanized Steel Coils /Sheets and Galvalume Steel Coils /Sheets during the POI. The information on these factors is summarized in the following tables:-

Table-V
Domestic Production, Sales and Imports of Galvanized and Galvalume Steel Coils/Sheets during POI

Year	Production of Galvanized	Sales of Galvanized	Total imports of Galvanized	Imports of Galvanized from China	Imports of Galvanized from other source	Total imports of Galvalume Steel	Imports of Galvalume Steel from China	Imports of Galvalume Steel from other source
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Apr 17 – Mar 18	100.0	106.1	31.7	27.3	4.4	9.5	8.0	1.5
Apr 18 – Mar 19	115.1	109.8	26.0	22.3	3.7	12.3	11.2	1.1
Apr 19 – Mar 20	118.2	121.2	20.0	17.7	2.3	9.6	7.5	2.1
Apr 20 – Mar 21	143.4	148.3	18.7	16.5	2.2	17.1	13.1	3.9
Apr 21 – Mar 22	146.3	138.6	8.0	6.6	1.3	18.1	12.7	5.3
Apr 22 – Mar 23	84.7	93.4	12.3	10.9	1.4	18.2	14.6	3.6
Apr 23 – Mar 24	96.4	92.0	24.5	24.4	0.2	48.0	46.2	1.8

Source: the Applicants and Pakistan Customs

Note: In order to maintain confidentiality, the actual figures have been indexed with reference to the figure of Production of Galvanized for the year Apr 17-Mar 18 by taking it equal to 100.

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70. The above table shows that after imposition of anti-dumping duties on dumped imports of Galvanized Steel Coils/Sheets from China, the import volume of Galvanized Steel Coils /Sheets from China started to decline, which led to increase in domestic production and domestic sales of Galvanized Steel Coils/Sheets. During this period, the import volume of Galvalume Steel Coils/Sheets from China remained between *** MT to *** MT. The positive trend in production and sales of domestic industry continued till the second last year of the POI i.e., April 2021 to March 2022. Soon after the increase in import volume of Galvalume Steel Coils/Sheets from China, the domestic production and sales of Galvanized Steel Coils /Sheets started to decrease, which shows that the imports of Galvalume Steel Coils/Sheets have replaced the consumption of Galvanized Steel Coils/Sheets keeping in view the fact that there is no substantial difference in prices of both products.

71. In order to ascertain whether remedial effects are undermined in terms of prices, the Commission has analyzed information on prices and cost in the following table:-

**Table-VII
Cost to Make & Sell, Prices and Landed Cost**

Year/Period	Domestic industry's		C & F prices		Landed Cost of imports from China of:		
	Cost to make & sell	Sales Price	Galvanized Steel Coils	Galvalume Steel Coils	Galvanized Steel Coils without ADD	Galvanized Steel Coils with ADD	Galvalume Steel Coils
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Apr 17-Mar 18	100	116	87	83	99	134	94
Apr 18-Mar 19	128	141	113	112	129	174	130
Apr 19-Mar 20	150	151	122	123	140	189	142
Apr 20-Mar 21	153	175	132	133	151	205	151
Apr 21-Mar 22	247	272	207	193	237	321	218
Apr 22-Mar 23	317	319	241	253	275	373	283
Apr 23-Mar 24	340	356	272	274	309	419	306

Source: the Applicants and Pakistan Customs

Note: In order to maintain confidentiality, the actual figures have been indexed with reference to the figure of Cost to make and sell of domestic industry for the year Apr 17-Mar 18 by taking it equal to 100.

72. The above table shows that the dumped imports of Galvanized Steel Coils/Sheets from China was undercutting the prices of domestic industry. However, after imposition of anti-dumping duties on dumped imports of Galvanized Steel Coils /Sheets from China, the landed cost of Galvanized Steel Coils /Sheets increases significantly, which helped domestic industry in mitigating adverse impacts of dumped imports through increase in prices. As there is no notable difference in C&F prices of Galvanized Steel Coils/Sheets and Galvalume Steel Coils/Sheets, therefore, after imposition of anti-dumping duties on dumped imports of Galvanized Steel Coils /Sheets, the imports of Galvalume Steel Coils/Sheets become attractive for the importers, leading to substantial increase in imports during last year of POI. As a result, domestic industry

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experienced price undercutting, decline in production and sales vis a vis imports of Galvalume Steel Coils/Sheets.

73. Keeping in view of the above, the Commission has concluded that the imports of Galvalume Steel Coils/Sheets have undermined the remedial effects available to the domestic industry producing Galvanized Steel Coils /Sheets in terms of quantities and prices.

(xiv) Economic Justification

(xiv-a) Information received during the course of investigation

Galvalume Steel Coils /Sheets Vs Galvanized Steel Coils /Sheets

- *The shift from conventional Hot Dipped Galvanized Steel to Galvalume Steel was driven primarily by the superior quality, corrosion resistance and longer lifespan. Imports of Galvalume Steel from China increased significantly over the years, while imports of Galvanized Steel declined sharply confirming a clear and sustained change in consumer preference.*

(xiv-b) Submission of Applicants

Galvalume Steel Coils /Sheets Vs Galvanized Steel Coils /Sheets

- *The sharp rise in imports of Galvalume after the imposition of anti-dumping duties on Hot-Dipped Galvanized Steel indicates clear circumvention. These imports were previously negligible, and the shift lacks any genuine economic justification other than avoiding duties.*

(xiv-c) Examination, Evaluation and Findings of the Commission on Economic Justification

74. In anti-circumvention investigations, imports of circumvented products with valid economic justification hold a key position. Therefore, the Commission has repeatedly asked the importers for data/information to ascertain the sector/usage which has necessitated increase in imports of Galvalume Steel Coils/Sheets specially during last year of POI. However, no individual importer has provided information regarding its customers which are now demanding Galvalume Steel Coils/Sheets in such increased quantities. As per information gathered by the Commission, pre-engineered building manufacturers are the largest customers of Galvalume Steel Coils/Sheets, and their annual demand was approximately 15% of the total imports of Galvalume Steel Coils/Sheets during the last year of the POI. As end uses of the Galvalume Steel Coils/Sheets and Galvanized Steel Coils /Sheets are substitutable, therefore, lower landed cost of Galvalume Steel Coils/Sheets as compared to Galvanized Steel Coils /Sheets, is incentivizing the importers of the Galvalume Steel Coils/Sheets to import it in increased quantities.

75. Furthermore, neither Galvalume Steel Coils/Sheets is a new product, nor any new usage of Galvalume Steel Coils/Sheets was invented which may have provided the economic justification for imports of Galvalume Steel Coils/Sheets in increased quantities. Therefore, the Commission has concluded that there is no economic justification of imports of Galvalume Steel Coils/Sheets in such increased quantities other than avoidance of payment of antidumping duties imposed on

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dumped imports of Galvanized Steel Coils /Sheets from China.

76. Summary of the Findings of the Commission on factors determining circumvention

76.1 The table below summarizes the Commission's findings in relation to the factors determining whether the circumvention goods are slightly modified.

S. No.	Factors determining circumvention	Differences between the goods and the circumvention goods
i.	Each good's general physical characteristics	No difference other than coating material
ii.	Each good's end use	Substitutable
iii.	The interchangeability of each good	Interchangeable
iv.	Difference in process used to produce each good	Slight, insignificant
v.	Difference in cost to produce each good	Slight, insignificant
vi.	The cost of modification	Slight, insignificant
vii.	Customer preferences and expectations relating to each good	Slight, insignificant
viii.	Channel of distribution and the way in which each good is marketed	No difference
ix.	Pattern of trade for each good	Indicative of circumvention
x.	Changes in pricing of each good	Slight, insignificant and inconsistent
xi.	Tariff classification and PCT Codes of each good	Different
xii.	Economic conditions/ Justification	No economic conditions have necessitated increased importation of slightly modified product
xiii.	Remedial effects	Undermined

76.2 Based on the application, the Commission's analysis of submissions received, the Commission makes the finding in relation to Galvanized Steel Coils /Sheets exported from China that a circumvention activity in the form of slight modification of the goods exported to Pakistan has occurred.

D. CONCLUSIONS

77. Having examined the contentions of the domestic industry, other sources, and based on the above analysis, it is concluded that:

- (i) The definitive anti-dumping duties imposed on the dumped imports of Galvanized Steel Coils /Sheets from China were circumvented by the imports of the slightly modified product i.e. Galvalume Steel Coils/Sheets from China;

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- (ii) The investigation showed that there was a change in the pattern of trade between the China and Pakistan for Galvanized Steel Coils /Sheets and Galvalume Steel Coils/Sheets, which stemmed from a practice, process or work for which there was insufficient due cause or economic justification other than the imposition of anti-dumping duties;
- (iii) The Commission found that the remedial effects of anti-dumping duties imposed on dumped imports of Galvanized Steel Coils /Sheets from China are being undermined in terms of the prices and/or quantities of the like product.

E. EXTENSION OF DEFINITIVE ANTI-DUMPING DUTIES

78. Keeping in view the circumvention of the investigated product, change in pattern of trade and consequent undermining of remedial effects of anti-dumping duties, the Commission has decided to extend existing antidumping duties imposed on dumped imports of Galvanized Steel Coils /Sheets from China on product under investigation from China as per Section 63 of the Act.

79. As no exporter/ foreign producer from China has cooperated with the Commission, therefore, anti-dumping duty rate of **40.47% as applicable on “all other exporters/foreign producer”** is imposed on imports of Galvanized Steel Coils /Sheets from China.

80. The anti-dumping duty on Galvalume Steel Coils /Sheets will be applicable from the date of its notification by the Commission till February 08, 2027.

81. The validity of the anti-dumping duty on Galvalume Steel Coils /Sheets or slightly modified product would be co-terminus with anti-dumping duty on product subject to anti-dumping duties.

82. Galvanized Steel Coils /Sheets (Investigated product) originated in/and or imported from sources other than China shall not be subject to the above-mentioned antidumping duty.

83. In accordance with Section 51 of the Act, the definitive antidumping duties 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 duties.

84. Extension of antidumping duty on Galvalume Steel Coils /Sheets or slightly modified product would be in addition to other taxes and duties leviable on import of the investigated product under any other law.

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Coils/Sheets from China**

85. The definitive antidumping duties would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in the head of Commission's Non-lapsable PLD Account No 187 maintained under the head account "G-11217", PLA with Federal Treasury Office, Islamabad.

(Ahmed Sheraz)
Member-IV
June 27, 2025

(Imran Zia)
Member-III
June 27, 2025

(Muhammad Iqbal Tabish)
Member-II
June 27, 2025

(Naeem Anwar)
Chairman
June 27, 2025

Production Process of Galvanized Steel Coils/Sheets

The production process of Galvanized Steel Coils/Sheets involves the following steps:

1. **Pickling:** The major input for production of Galvanized Steel Coils/Sheets products is Hot Rolled Steel Coils. In the production process, first of all Hot Rolled Steel Coils/Sheets is cleaned, which is called pickling. At pickling plant, Hot Rolled Steel Coils/Sheets is washed into a HCL acid bath in a push and pull process where rust etc., on Hot Rolled Steel Coils/Sheets is removed and is prepared for the next rolling process.
2. **Cold Rolling:** The pickled Hot Rolled Steel Coils/Sheets is rolled in the 4HI (High intensity) rolling mill up to various desired thickness. This rolling process reduces Hot Rolled Steel Coils/Sheets product into hard cold rolled steel, while improving shape and flatness, surface finish as well as improving material strength and hardness.
3. **Annealing:** The Cold Rolled Steel Coils/Sheets are further processed either through batch annealing for Cold Rolled products or annealing through continuous process for hot dip Galvanizing. Properties of hard Cold Rolled Coils are changed after annealing.
4. **Galvanizing:** Hard Cold Rolled Coils are cleaned and annealed in a continuous non-oxidizing furnace before being immersed in a molten zinc bath under an inert atmosphere. The molten zinc forms a metallurgical bond with the steel and protects the steel against corrosion. The Galvanized Steel Coils/Sheets is finally passivated to form a protective layer for the zinc coating. During on-the-spot investigation of the Applicant's factory, the investigating team of the Commission saw that the company has reserved space for installation of additional pots for other coating materials such as Galvalume Steel Coils/Sheets.
5. **Cut to Length and Slitting:** Galvanized Steel Coils/Sheets are further finished into desired cut to length sheets or slitted width strips at cut to length plants and slitter plants respectively.

Production Process of Galvalume Steel Coils/Sheets

The production process of Galvalume Steel Coils/Sheets involves the following steps:

1. **Pickling:** The major input for production of galvalume steel products is Hot Rolled Steel Coils/Sheets. In the production process, first of all Hot Rolled Steel Coils/Sheets is cleaned, which is called pickling. At pickling plant, Hot Rolled Steel Coils/Sheets is washed into a HCL acid bath in a push and pull process where rust etc., on Hot Rolled Steel Coils/Sheets is removed and is prepared for the next rolling process.
2. **Cold Rolling:** The pickled Hot Rolled Steel Coils/Sheets is rolled in the 4HI (High intensity) rolling mill up to various desired thickness. This rolling process reduces Hot Rolled Steel Coils/Sheets product into hard Cold Rolled Steel, while improving shape and flatness, surface finish as well as improving material strength and hardness.
3. **Annealing:** The Cold Rolled Coils/Sheets are further processed either through batch annealing for Cold Rolled products or annealing through continuous process for hot dip Galvaluming. Properties of hard Cold Rolled Coils are changed after annealing.
4. **Galvalume:** Hard Cold Rolled Coils/Sheets are cleaned and annealed in a continuous non-oxidizing furnace before being immersed in a molten zinc-aluminum-silicon bath under an inert atmosphere. The molten zinc-aluminum-silicon forms a metallurgical bond with the steel and protects the steel against corrosion. The Galvalume Steel Coils/Sheets is finally passivated to form a protective layer for the zinc-aluminum-silicon coating. During on-the-spot investigation of the Applicant's factory, the investigating team of the Commission saw that the company has reserved space for installation of additional pot for other coating materials such as Galvalume Steel Coils/Sheets.
5. **Cut to Length and Slitting:** Galvalume Steel Coils/Sheets are further finished into desired cut to length sheets or slitted width strips at cut to length plants and slitter plants respectively.