

(NON-CONFIDENTIAL)



**Government of Pakistan
National Tariff Commission**

Report

On

**Preliminary Determination in Anti-Dumping Investigation against
Dumped Imports of Cefadroxil Originating in and/or Exported from the
People's Republic of China**

A.D.C. No.68/NTC/2025/Cefadroxil

September 15, 2025

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

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

3. The Commission is conducting an investigation on dumped imports of Cefadroxil Monohydrate, known as Cefadroxil ("Cefadroxil") 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 preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with Rule 12 of the Rules.

4. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on May 21, 2025. The preliminary determination is based on the information available with the Commission at this point of time.

A. PROCEDURE

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

6. Receipt of Application

6.1 On March 27, 2025, the Commission received a written application under Section 20 of the Act from M/s Pharmagen Limited, Lahore (the "Applicant"). The Applicant is engaged in manufacturing and sales of Cefadroxil. The Applicant is a producer of Cefadroxil Monohydrate, popularly known as Cefadroxil (PCT: 2941.9090). The Applicant alleged that Cefadroxil is being exported to Pakistan at dumped prices from China. According to the Applicant, the dumped imports of Cefadroxil from China have caused and are causing material injury and threatening to cause material injury to the Pakistan's domestic industry producing Cefadroxil.

6.2 The Commission informed Diplomatic Mission of China in Islamabad through note verbale dated April 10, 2025, of the receipt of application in accordance with the requirements of Section 21 of the Act.

7. Evaluation and Examination of the Application

Examination of the application showed that it met requirements of Section 20 of the Act as it contained sufficient evidence of dumping of Cefadroxil into Pakistan from China. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

8. Initiation of the Investigation

8.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 23 of the Act and determined that there was sufficient evidence of dumping of Cefadroxil (PCT No. 2941.9090) into Pakistan from China. Therefore, the Commission decided to initiate this investigation on May 21, 2025.

8.2 The Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette of Pakistan and in two widely circulated national newspapers (one in English language and one in Urdu Language) on May 21, 2025. Investigation concerning dumped imports of Cefadroxil into Pakistan originating in and/or exported from China was thus initiated on May 21, 2025, in accordance with Section 27(2) of the Act.

8.3 In pursuance of Section 27 of the Act, the Commission notified Diplomatic Mission of China in Islamabad of initiation of the investigation (by sending a copy of the notice of initiation) on May 21, 2025, with a request to forward it to all exporters/ producers involved in production, sales and export of Cefadroxil in China. Copy of the notice of initiation was also sent to exporters/ producers directly (whose addresses were available with the Commission), Pakistani importers, the Applicant and other domestic producers on May 21, 2025.

8.4 In accordance with Section 28 of the Act copies of full text of the written application (non-confidential version) were sent on May 21, 2025 to all exporters/ producers, whose complete addresses were available with the Commission and 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 Cefadroxil.

9. Domestic Industry

9.1 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.

9.2 As per the information available with the Commission, the domestic industry comprises only one unit i.e., the Applicant. The Applicant's share in domestic production is 100%. Therefore, Applicant is the domestic industry for purposes of this investigation. The installed production capacity of the Applicant is 90,500 kg.

10. Standing of the Application

10.1 Section 24 of the Act enjoins upon the Commission to assess the standing of the domestic industry on the basis of the degree of support for or opposition to the application expressed by the domestic producers of the domestic like product. Section 24(1) of the Act states as follows:

".... an application shall be considered to have been made by or on behalf of the domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing either support for or opposition to the application."

10.2 Furthermore, Section 24(2) of the Act provides that:

"..... no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty five percent of the total production of the domestic like product produced by the domestic industry."

10.3 As the Applicant produces 100% of Cefadroxil in Pakistan, therefore, it fulfills requirements of Section 24 of the Act. Thus, the application is made by the domestic industry, which is supported by the producer who accounts for 100 percent of domestic production; therefore, the application fulfills both the requirements of Section 24 of the Act.

11. Applicant's Views

11.1 The Applicant, *interalia*, raised the following issues in application regarding dumping of Cefadroxil and material injury to the domestic industry caused therefrom:

- a. Cefadroxil imported from China into Pakistan and Cefadroxil produced in Pakistan by the domestic industry are like products;
- b. Exporters/producers from China are exporting Cefadroxil to Pakistan at dumped prices; and

- c. Exports of Cefadroxil by the exporters/producers from China to Pakistan at dumped prices have caused and are causing material injury to the domestic industry producing Cefadroxil mainly through:
- (i) Increase in volume of dumped imports;
 - (ii) price under cutting;
 - (iii) price suppression;
 - (iv) restricted to gain market share;
 - (v) decline in productivity;
 - (vi) decline in capacity utilization;
 - (vii) decline in sales;
 - (viii) decline in profits;
 - (ix) magnitude of dumping margins

11.2 The Applicant also claimed that there is threat of material injury to the domestic industry due to dumped imports of Cefadroxil from China.

11.3 The Applicant made following requests to the Commission:

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

12. Exporters/ Producers of Cefadroxil from China:

The Applicant identified 11(Eleven) exporters/producers involved in dumping of Cefadroxil from China in the Application. The Applicant has also stated that there may be other exporters/producers of Cefadroxil in China, which are not known to them. Therefore, the Applicant has requested for imposition of antidumping duty on all imports of Cefadroxil originating in and/or exported from China.

13. Investigated Product, Domestic Like Product and Like Product

13.1 Sub-sections (k), (e) and (m) of Section 2 of the Act defines investigated product, domestic like product and like product as follows:

i. **Investigated Product:**

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

ii. **Domestic Like Product:**

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

iii. **Like Product:**

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

13.2 For the purposes of this investigation and given the definitions set out above, investigated product, domestic like product and like product are defined in the following paragraphs.

13.3 Investigated Product:

13.3.1 The investigated product as defined in the notice of initiation is Cefadroxil Monohydrate (hereinafter referred to as "Cefadroxil" or "the investigated product"). The investigated product is classified under Pakistan Customs Tariff ("PCT") heading No. 2941.9090.

13.3.2 The Investigated product is generally used to treat certain infections caused by bacteria such as infections of the skin, throat, tonsils and urinary tract.

13.3.3 Following table shows customs tariff structure of 2024-25 applicable on imports of Cefadroxil:

Table-I
Tariff Structure of Cefadroxil (%)

PCT Heading	Description	Customs + Add. Duty	RD	FTAs/PTAs
(1)	(2)	(3)	(4)	(5)
2941.9090	Antibiotics --- Other (Cefadroxil)	11+2	--	CN_24=4.17; CN_25=3.75; MY=5; LK_FTA Conc.=100%

Source: Pakistan Customs Tariff 2024-25

* Tariff Structure 2025-26= CD=10 ACD=0 RD=0

13.4 Domestic Like Product

13.4.1 Domestic like product is the domestically produced Cefadroxil. The domestic like product is classified under PCT heading No. 2941.9090.

13.4.2 The domestic like product is also used to treat certain infections caused by bacteria such as infections of the skin, throat, tonsils and urinary tract.

13.5 Like Product:

13.5.1 For the purposes of determination of dumping of the investigated product the like product is Cefadroxil produced and sold by the exporters/producers of China in their domestic market as well as exported to the countries other than Pakistan. For the purposes of determination of injury to the domestic industry the like product is the investigated product and the Cefadroxil imported into Pakistan from countries other than China.

13.5.2 There is no difference between the investigated product, the domestic like product and the Cefadroxil imported from Source other than China as all the three products are:

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

13.5.3 Therefore, the Commission is satisfied that the investigated product, domestic like product and Cefadroxil imported from Source other than China are like products.

14. Period of Investigation

14.1 In terms of Section 36 of the Act, Period of Investigation ("POI") is:

- i. *"for the purposes of an investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of the investigation for which data is available and in no case the investigation period shall be shorter than six months."*
- ii. *"for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:
"Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product".*

14.2 The POI for the purposes of this investigation for determination of dumping of the investigated product and injury to the domestic industry are as follows:

For determination of dumping:	From January 01, 2024 to December 31, 2024
For determination of injury:	From January 01, 2022 to December 31, 2024

15. Information/Data Gathering

15.1 The Commission sent questionnaires on May 21, 2025, to the known exporters/ producers of Cefadroxil from China, asking them to respond within 37 days of the dispatch of the

questionnaires. The Commission also sent a copy of the questionnaire to the Diplomatic Mission of China in Pakistan on May 21, 2025, with a request to forward it to all known exporters/producers of Cefadroxil in China.

15.2 The deadline for the submission of the data/information on the prescribed exporter's questionnaire was June 26, 2025. On June 10, 2025, the Commission received an email from M/s Zhejiang Anglikang Pharmaceutical Co., Limited, China, ("M/s Anglikang") with the request to register them as an interested party and provision of questionnaire. The Commission sent the questionnaire and provided 37 days to respond. On July 10, 2025, M/s Anglikang requested for an extension to provide the requisite information. The Commission provided an extension till July 24, 2025. M/s Anglikang provided the data/information on the prescribed questionnaire on July 23, 2025. The information submitted by M/s Anglikang in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to M/s Anglikang on July 30, 2025. M/s Anglikang responded to the deficiencies vide its email dated August 4, 2025. The data/information submitted in reply to the Commission's deficiency letter necessitates further clarifications, probe and verification, which will be made after this preliminary determination.

15.3 As no response from any other exporter/ foreign producer was received within the prescribed time period. Therefore, reminders were issued to the exporters/foreign producers on June 30, 2025, explaining them in case of no response of the questionnaire, the Commission will be constrained to make determination of dumping of the investigated product on the basis of "Best Information Available" including those contained in the application submitted by the domestic industry. However, none of the exporters/ producers from China other than M/s Anglikang provided the requisite information necessary for determination of individual dumping margins.

15.4 Questionnaires were also sent to known importers of the investigated product on May 21, 2025, followed by the reminder on June 30, 2025. Only two importers, namely M/s Bosch Pharmaceuticals and M/s Platinum Pharmaceuticals (Pvt) Ltd., have provided certain information relating to their imports of the investigated product, which has been considered by the Commission in this investigation.

15.5 The Commission has access to the import statistics of WeBOC 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 WeBOC /Pakistan Customs in addition to the information provided by the Applicant in the application.

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

- i. M/s Medicaid's Pakistan (Pvt) Ltd
- ii. M/s Opal Laboratories Pvt Ltd
- iii. M/s Astellas Pharmaceutical Pvt Ltd
- iv. M/s PHARMASOL (Pvt) Ltd.

- v. M/s SAHWAN Pharmaceuticals
- vi. M/s Platinum Pharmaceuticals Pvt Ltd
- vii. M/s FYNK Pharmaceuticals
- viii. M/s Heal Pharmaceuticals (Pvt) Ltd.
- ix. M/s Nicholas Pharmaceuticals
- x. M/s EPHARM Laboratories
- xi. M/s Universal Pharmaceuticals (Pvt) Ltd.
- xii. M/s Max Pharmaceuticals
- xiii. M/s Fozan Pharmaceutical Industries (Pvt) Ltd
- xiv. M/s Bosch Pharmaceuticals (Pvt) Ltd.
- xv. M/s Linta Pharmaceuticals (Pvt) Limited
- xvi. M/s Z. Jans Pharmaceutical (Pvt) Ltd.
- xvii. M/s Winthrox Laboratories (Pvt.) Ltd.

15.7 The importers raised common concerns regarding the local supply of Cefadroxil. They noted that procurement from domestic manufacturers is often difficult and, when available, prices are generally higher than imported alternatives. Some importers also observed that dependence on a single local supplier may lead to supply shortages which disrupt healthcare programs and adversely affect small pharmaceutical companies. In addition, several importers expressed the view that imported Cefadroxil offers more consistent quality. Overall, the issues highlighted by the importers relate to supply availability, comparatively higher prices, and reliability of local supply, which they considered as reasons for preferring imported Cefadroxil.

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

15.9 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation. Therefore, this preliminary determination is based on the information available to the Commission.

16. Verification of the Information

16.1 In terms of Sections 32(4) and 35 of the Act and Rule 11 of the Rules, during the course of an investigation, the Commission shall satisfy itself to the accuracy of the information. Accordingly, the Commission has satisfied itself to the accuracy and adequacy of information and evidence available with it to the extent possible for the purposes of this preliminary determination.

16.2 In order to verify the information/data provided by the Applicant and to obtain further information (if any), officers of the Commission conducted on-the-spot investigations at office and plants of the Applicant from July 02, 2025, to July 04, 2025.

16.3 The report of on-the-spot investigation/verification conducted at premises of the Applicant was provided in full to the Applicant. Non-confidential version of the on-the-spot investigation/verification report is made available to other interested parties by placing the

same in the public file.

16.4 On-the-spot investigations at the premises of exporter/producer from China i.e. M/s Anglikang, who provided information/data in response to the questionnaire would be conducted after this preliminary determination.

17. Public File

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

18. Confidentiality

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

18.2 The Applicant and other interested parties have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. The Applicant's information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries and wages, number of employees etc. M/s Anglikang information includes data relating to domestic sales, export sales, sale prices, cost to make and sell, raw material purchases, profit/(loss) etc.

18.3 On the basis of request made by the Applicant and interested parties, the Commission has determined the confidentiality in light of Section 31 of the Act and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information. Therefore, the Commission kept all such information confidential for which the Applicant and interested parties made a request to keep it confidential.

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

B. DETERMINATION OF DUMPING

19. Dumping

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

"an investigated product shall be considered to be dumped if it is introduced into the commerce

of Pakistan at a price which is less than its normal value”.

20. Normal Value

20.1 In terms of Section 5 of the Act, normal value is defined as follows:

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

20.2 Further, Section 6 of the Act states:

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

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

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

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

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

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

“(a) within an extended period of time which shall normally be a period of one year and in no case less than a period of six months;

“(b) in substantial quantities; and

“(c) at prices which do not provide for the recovery of all costs within a reasonable period of time.

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

“(a) a weighted average selling price of transactions under consideration for the determination of normal value is below a weighted average cost; or

“(b) the volume of sales below per unit cost represents twenty per cent or more of the volume sold in transactions under consideration for the determination of normal value.

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

21. Export Price:

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

22. Dumping Determination:

As stated earlier (15.2 supra) the Commission has received necessary data/information in response to the Exporter's Questionnaires from only one exporter/ foreign producer of the investigated product in this investigation, i.e. M/s Zhejiang Anglikang Pharmaceutical Co., Limited, China, (“M/s Anglikang”) from China. Therefore, individual dumping margin is determined for M/s Anglikang on the basis of information provided by it, whereas dumping of the investigated product for all other exporters from China is determined on Best Available Information in accordance with Section 32 of the Act. Details of determination of normal value, export price and dumping margin are provided in the following paragraphs.

23. Determination of Normal Value for M/s Anglikang:

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

23.2 According to the information, M/s Anglikang sold like product in its domestic market during the POI. Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation has revealed all of the sales made by M/s Anglikang in its domestic market were at loss and below cost. Thus, the Commission has determined the normal value on the basis of cost to make and sell of the like product plus a reasonable amount for profit.

23.3 For construction of the normal value the Commission has taken the expenses on account of raw material cost, manufacturing salaries and wages, manufacturing overheads, depreciation and inventory adjustments as reported by M/s Anglikang in the questionnaire. The indirect expenses i.e. administrative expenses, selling and distribution expenses and financial expenses and R&D expense of M/s Anglikang have been allocated into the like product and other products on the basis of sales revenue of each product. The constructed normal value of M/s Anglikang for the like product is provided in the following table:

Table-II
Constructed Normal Value For M/s Anglikang

Description	
Raw and Packing Materials	61.49
Manufacturing Salaries and wages	1.33
Manufacturing Overheads:	3.80
Depreciation	0.23
Cost of Production	66.85
Inventory Adjustment	2.16
Manufacturing Cost of Sales	69.01
Administrative expenses	11.13
Selling and distribution expenses	3.15
Financial expenses and R&D Expense	11.94
Cost to make and sell	95.24
Profit (5% of cost to make and sell)	4.76
Constructed normal value	100

Note: For the purpose of confidentiality, figures are indexed by taking figure of constructed normal value equal to 100.

24. Determination of Export Price for M/s Anglikang

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

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

24.3 During the POI, M/s Anglikang exported investigated product mostly on LC at sight at FOB and C&F level. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, inland freight, ocean freight, bank charges, and handling charges. The Commission has provisionally accepted all these adjustments claimed by M/s Anglikang. These adjustments claimed shall be subject to further verification.

24.4 The export price at ex-factory level is worked out by deducting values reported for adjustments from the gross value of sales transactions. Based on the above methodology and information, export price of the investigated product for M/s Anglikang is provided below:

Table-III
Export Price for M/s Anglikang

G. Value	100
Adjustments:	
Credit Cost	0.33
Inland freight and Handling	0.31
Ocean freight	0.01
Handling Charges	0.17
Bank Charges	0.22
Total Adjustments	1.05
Ex-Factory Export Price	98.95

Note: To keep confidentiality, the actual figures have been indexed w.r.t to gross value figures by taking it equal to 100.

24.5. Determination of Dumping for All Other Exporters/Producers from China

The Commission is of the view that the dumping margin worked out for M/s Anglikang is representative for all the imports of the investigated product.

25. Dumping Margin

25.1 Section 2(f) of the Act defines dumping margin in relation to a product as “*the amount by which normal value exceeds its export price*”.

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

25.3 The Commission has also complied with the requirements of Section 11 of the Act which states that the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade, time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place.

25.4 Taking into account relevant provisions of the Act, preliminary dumping margins work out as follows:

Table-IV
Dumping Margin

Description	Amount
(1)	(2)
Normal value	100
C&F export price	83.33
Adjusted export price	81.97
Absolute Dumping Margin	18.03
Dumping margin as % of adjusted export price	22.00%
Dumping margin as % of C&F export price	21.64%

Note: To keep confidentiality, the actual figures have been indexed w.r.t to normal value figures by taking it equal to 100.

26. **De minimis Dumping Margins and Negligible Volume of Dumped Imports**

26.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margin, set out in paragraph 25.4 supra, is above the *de minimis* level.

26.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports of a like product collectively account for more than seven per cent of the imports of like product.

26.3 Volume of dumped imports of Cefadroxil imported from China and other Source during the POI is given in the table below:

Table-V
Volume of Dumped Imports

Country	Percentage of Total Imports
China	89
Other Source	11
Total	100

Period: January 1, 2024, to December 31, 2024

Source: WeBOC

26.4 It appears from the above table that the volume of dumped imports of the investigated product from China is well above the negligible threshold set out in Section 41(3) of the Act.

C. INJURY TO THE DOMESTIC INDUSTRY

27. Determination of Injury

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

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

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

27.2 Section 15 of the Act further provides that:

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

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

28. Volume of Dumped Imports

28.1 The data/information relating to volume of imports of the investigated product, imports of Cefadroxil from other Source and production of the domestic like product during the POI for injury is given in the following table:

Table-VI
Volume of Dumped Imports

Year	Source of Imports:			Domestic production	dumped imports as % of:	
	Dumped	Other Source	Total		Total imports	Domestic production
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2022	8.13	91.87	100.00	188.66	8.13%	4.31%
2023	141.73	51.12	192.85	131.13	73.49%	108.08%
2024	389.97	49.69	439.66	131.88	88.70%	295.07%

Year: January to December

Source: WeBOC and the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to total imports figures during year 2022 by taking it equal to 100.

28.2 The above table reveals that the volume of dumped imports of the investigated product increased in absolute terms as well as relative to the domestic production of Cefadroxil during the POI. The dumped imports of the investigated product, which were 8 percent of total imports in the year 2022 increased to 73 percent of total imports in the year 2023 and then further increased to 88 percent of total imports in the year 2024.

28.3 The volume of dumped imports of the investigated product also increased significantly during the POI relative to the production of the domestic like product. Dumped imports, which were 4.31 percent of domestic production in the year 2022 increased to 108.08 percent in the year 2023 and then further increased to 295.07 percent in the year 2024.

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

29. **Price Effects**

29.1 Effect of dumped imports on sales price of domestic like product in the domestic market has been examined to establish whether there was significant price undercutting (the extent to which the price of the investigated product was lower than the price of the domestic like product), price depression (the extent to which the domestic industry experienced a decrease in its selling prices of domestic like product during the POI, or price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product). Effects of dumped imports on price of the domestic like product are analyzed in following paragraphs.

29.2 **Price Undercutting**

29.2.1 Following table shows the weighted average ex-factory price of the domestic like product and weighted average landed cost of the investigated product during the POI:

Table-VII
Price Undercutting

Year	Domestic like product's price	Landed cost of dumped imports	Price undercutting	
			Absolute	Percentage
(1)	(2)	(3)	(4)	(5)
2022	100.00	112.44	---	
2023	134.33	130.96	3.37	2.51%
2024	137.88	118.41	19.47	14.11%

Source: The Applicant and WeBOC

Note: To keep confidentiality, the actual figures have been indexed w.r.t to domestic like product's price figures during year 2022 by taking it equal to 100.

29.2.2 The above table shows that, the dumped imports of the investigated product undercut prices of the domestic like product during the last two years of the POI. The landed cost of the dumped imports was lower by 2% percent than the price of the domestic like product during the year 2023 and 14% during the year 2024.

29.2.3 On the basis of the above information and analysis the Commission has determined that the domestic industry suffered injury on account of price undercutting due to dumped imports of the investigated product during the POI.

29.3 Price Depression

29.3.1 The prices of the domestic like product during the POI are given in table VII above which shows that there was no price depression during the POI, as the ex-factory sales price of the domestic like product increased during the years 2023 and 2024.

29.4 Price Suppression

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

**Table-VIII
Price Suppression**

Year	Cost to make and sell	Domestic product's price	Increase in:		Price suppression
			Cost to make and Sell	Price	
(1)	(2)	(3)	(4)	(5)	(6)
2022	100.00	106.17	---	---	
2023	148.97	142.61	48.97	36.44	12.53
2024	147.99	146.38	(0.98)	3.77	

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to domestic like product's cost to make sell figures during year 2022 by taking it equal to 100.

29.4.2 The above table shows that the domestic industry faced price suppression only in the year 2023. During the year 2023, the cost to make and sell increased by 49%, while the price increased by only 34%, leaving the industry unable to fully recover its rising costs. Although in the year 2024 i.e. POI for dumping, the domestic industry's cost to make and sell slightly declined while its price slightly increased, however, still the selling price was lower than the cost to make and sell. This was due to the continued price pressure from dumped imports, which were significantly lower than domestic prices (price undercutting by 14%). This forced the domestic to maintain prices at levels that did not allow a reasonable margin over cost. Thus, even though there was no formal price suppression that was evident, the domestic industry was compelled to restrict price increases due to the low priced dumped imports, thereby constraining its ability to operate profitably.

30. Effects on Market Share

30.1 Total domestic demand of Cefadroxil in Pakistan is met through local production and imports. The size of the domestic market is established by adding sales of domestic like product by the domestic industry, imports of the investigated product from dumped source and imports of Cefadroxil from other Source. The following table shows the market share from each source of supply during POI.

Table-IX
Market Share

Year	Domestic industry's sales	Source of Imports:		Total domestic market
		Dumped Source	Other Source	
(1)	(2)	(3)	(4)	(5)
2022	65	3	32	100
2023	46	49	18	114
2024	45	136	17	198

Source: WeBOC and the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to total domestic market figures during year 2022 by taking it equal to 100.

30.2 The above table shows that the domestic industry's market share decreased from 65 percent in the year 2022 to 41 percent in 2023 and further decreased by 23 percent in year 2024. The market share of the dumped imports of the investigated product increased from 3 percent in the year 2022 to 43 percent during the year 2023 and then further increased to 69 percent in the year 2024. It is also evident from the above table that the imports from the non-dumped Source declined during the POI. However, that gap was filled by the dumped imports rather than the domestic industry. The market share of imports from other Source decreased from 32 percent in the year 2022 to 16 percent in the year 2023 and then further decreased to 09 percent in the year 2024.

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

31. Effect on Sales of the Domestic Like Product

31.1 Information on sales of the domestic like product during the POI is given in the following table:

Table-X
Sales of the Domestic Like Product

Year	Applicant's sales	
		% change
(1)	(2)	(3)
2022	100.00	---
2023	71.23	(28.77)
2024	68.36	(4.02)

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to Applicant's sales figures during year 2022 by taking it equal to 100.

31.2 The above table shows that domestic sales of domestic like product decreased by 28.77 percent during year 2022 to 2023, which further decreased by 4.02 percent during the year 2023 to 2024. Therefore, it is determined that the domestic industry suffered injury on account of the decline in sales during the POI.

32. Effects on Production and Capacity Utilization

32.1 Information on production of the domestic like product and capacity utilization of the domestic industry during the POI are given in the following table:

Table-XI
Capacity Utilization

Year	Installed Capacity	Production	Capacity Utilization (%)
(1)	(2)	(3)	(4)
2022	100	31	31
2023	100	21	21
2024	100	22	22

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to Applicant's installed capacity figures during year 2022 by taking it equal to 100.

32.2 The above table shows that the installed production capacity of the domestic industry remained same during the POI. The installed production capacity of the domestic industry is sufficient to meet the current domestic demand of the domestic like product. However, the production of the domestic like product which was 31% during the year 2022, decreased to 21 percent in the year 2023 and slightly increased to 22% in the year 2024.

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

33. Effects on Inventories

33.1 The data/information relating to the inventories, production, and sales of the domestic like product is provided in the following table:

Table-XII
Inventories of the Domestic Like Product (Kg)

Year	Opening Inventory	Production	Domestic sales	Closing Inventory
(1)	(2)	(3)	(4)	(5)
2022	0.59	100.00	99.35	1.27
2023	1.27	69.51	70.74	0.04
2024	0.04	69.90	67.89	2.09

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to Applicant's production figures during year 2022 by taking it equal to 100.

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

34. Effects on Profits and Profitability:

34.1 The data/Information relating to Applicant's profit/loss on domestic sales of the domestic like product during the POI is provided in the following table:

Table-XIII
Profits of the Applicant (Million Rs.)

Year	Net Profit/(Loss)
(1)	(2)
2022	100
2023	-71
2024	-18

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to Applicant's profit/(loss) figures during year 2022 by taking it equal to 100.

34.2 It appears from the above table that the Applicant's profit significantly declined throughout POI. These losses correspond to the price suppression coupled with a decline in sales volume. (paragraphs 29 and 31 supra).

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

35. Effects on Return on Investment

35.1 The Applicant is a multi-product company, and the investment and return on investment cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, the return on investment of the domestic industry is assessed for its entire operations during

the POI. Information on Applicant's investments and return on investment is provided in the following table:

Table-XIV
Investment and Return on Investment

Year	Investments	Return	ROI (%)
(1)	(2)	(3)	(4)
2022	100.00	2.84	2.84
2023	128.42	8.91	6.93
2024	142.96	11.75	8.22

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to investment figures during year 2022 by taking it equal to 100.

35.2 The above table shows that the Applicant's total investments and return on investment (ROI) increased throughout the POI.

36. **Effects on Cash Flows**

36.1 As the Applicant is a multi-product company and the cash flow cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, cash flow position has been assessed for entire operations of the Applicant. Information on Applicant's net cash flows from its entire operations is provided in the following table:

Table-XV
Net Cash Flows of the Applicant

Year	Cash Flows
(1)	(2)
2022	100
2023	80
2024	(225)

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to cash flow figures during year 2022 by taking it equal to 100.

36.2 The data/information in the above table shows the fluctuation in the cashflows of the Applicant. However, this deterioration cannot be directly attributed with factors associated with the operations of the domestic like product as sales revenue of the domestic like product account for only 3% of the Applicant's total revenue.

37. **Effects on Employment, Productivity and Salaries and Wages**

37.1 The data/information relating to the Applicant's employment, salaries and wages, production and productivity for the domestic like product during the POI is given in following table:

Table-XVI
Employment, salaries and Wages and Productivity

Year	No. of Employees	Salaries and wages	Production	Productivity	Salaries and wages
(1)	(2)	(3)	(4)	(5)	(6)
2022	100.00	100.00	100.00	100.00	100.00
2023	110.71	62.70	69.51	62.78	90.21
2024	114.29	68.84	69.90	61.16	98.48

Source: The Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to respective figures during year 2022 by taking it equal to 100.

37.2 The above table shows that employment continuously increased from 2022 to 2024.

37.3 Productivity per worker decreased by 37 percent during year 2023 as compared to year 2022 and further decreased by 2.6 percent in year 2024. The salaries and wages decreased in year 2023 and then increased in the year 2024.

37.4 On the basis of the above facts, it is determined that the domestic industry suffered material injury on account of productivity during the POI.

38. Effects on Growth

The domestic market of the Cefadroxil has been increased significantly during the POI (Table - IX supra). However, the perusal of the table - XI supra reveals that domestic industry could not fully utilize its installed capacity even in the expanded market. Keeping in view the increased volume and level of price undercutting of the dumped imports, it seems that it is difficult for the domestic industry to compete with the dumped imports and to increase its sales in the domestic industry. This would hurt the ability of the domestic industry to sustain investment in current fixed assets and to expand its capacity.

39. Ability to Raise Capital

As the domestic industry is not able to continue a profitable business with the existing capacity in the presence of dumped imports, this has negatively affected the ability of the domestic industry to raise further capital for investing in the manufacturing of domestic like product. Therefore, it is determined that the domestic industry has suffered injury on account of ability to raise capital.

40. Magnitude of Dumping Margin

The dumping margin determined for the dumped imports from China at paragraph 25.4 supra is 22 percent, which is enough to cause material injury the domestic industry. Further, injury factors discussed above show that domestic industry has suffered material injury on number of factors.

41. Summing up of Material Injury

41.1 The information/ data and analysis in the foregoing paragraphs and the documents submitted in application show that the domestic industry suffered material injury during the POI on account of following factors:

- a. Significant increase in volume of dumped imports;
- b. Significant price undercutting;
- c. Price Suppression;
- d. Decline in sales and market share;
- e. Decline in Production;
- f. Decline in productivity;
- g. Decline in profits and profitability;
- h. Decline in capacity utilization;
- i. Negative effect on inventories;
- j. Negative effect on Salaries and Wages
- k. Negative effect on Growth;
- l. Negative effect on ability to raise capital and
- m. Significant magnitude of dumping margin.

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

Table-XVII
Effects of Dumped Imports

Injury Factor	2022	2023	2024
(1)	(2)	(3)	(4)
Volume of dumped imports	100.00	1743.75	4797.92
Dumped imports as % of total imports (%)	8.13	73.49	88.70
Price Undercutting (%)	---	2.51	14.11
Price Suppression (%)	---	8.78	---
Market share of dumped imports (%)	3	49	136
Market share of domestic like product (%)	65	46	44
Sales of the domestic like product	100.00	71.21	68.34
Production of domestic like product	100.00	69.51	69.90
Capacity utilization of domestic industry (%)	31	21	22
Profit/ (loss)	100.00	(71)	(18)
Closing inventory of the domestic like product	100	244.01	289.43
Productivity per worker	100.00	62.78	61.16

Note: To keep confidentiality, the actual figures have been indexed w.r.t to respective figures during year 2022 by taking it equal to 100.

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

D. CAUSATION

42. Effect of Dumped Imports

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

- i. volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to domestic production;
- ii. domestic industry suffered significant price undercutting due to dumped imports of the investigated product;
- iii. domestic industry suffered price suppression due to dumped imports of the investigated product;
- iv. market share of dumped imports of the investigated product increased whereas market share of the domestic like product declined simultaneously;
- v. sales of the domestic like product decreased due to increased share of dumped imports in domestic market;
- vi. production of the domestic like product decreased due to increased share of the dumped imports in domestic market;
- vii. capacity utilization of the domestic industry decreased due to dumped imports;
- viii. domestic industry faced negative effects on inventories, profitability, productivity, growth and ability to raise capital.

Therefore, the Commission has determined that domestic industry has suffered material injury during the POI due to dumped imports of the investigated product.

43. Other Factors

43.1 In accordance with Section 18 of the Act, the Commission has also examined factors other than dumped imports of the investigated product, which could have at the same time caused material injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports. Section 18(3) of the Act states that the other factors which may be relevant for the purpose of examination may include the following:

- a. volume and price of imports not sold at the dumped prices;
- b. contraction in demand or changes in the patterns of consumption;
- c. trade restrictive practices of and competition between foreign and domestic producers;

- d. development in technology; and
- e. export performance and productivity of domestic industry

43.2 **Volume of Imports of Cefadroxil from Other Source:**

43.2.1 Following table shows volume of imports of the investigated product and Cefadroxil imported from other Source during the POI:

Table-XVIII
Volume of Imports

Year	Source of Imports:		Total Imports
	Dumped (China)	Others	
(1)	(2)	(3)	(4)
2022	8.13	91.87	100.00
2023	141.73	51.12	192.85
2024	389.97	49.69	439.66

Source: WeBOC

Note: To keep confidentiality, the actual figures have been indexed w.r.t to total imports figures during year 2022 by taking it equal to 100.

43.2.2 The above table shows that, Imports from other Source declined during the POI. The imports from other Source which were 91.87 percent of total imports in the year 2022 decreased to a level of 49.69 percent in the year 2024.

43.2.3 It is therefore determined that the imports of Cefadroxil from other Source, were not the major cause of material injury to the domestic industry during the POI as the major share of the domestic market is captured by the dumped imports.

43.3 **Prices of Imports of Cefadroxil from Other Source**

43.3.1 Following table shows prices (weighted average landed cost) of imports of the investigated product and Cefadroxil imported from other Source:

Table-XIX
Prices of Cefadroxil

Year	Landed Cost of imports from		Price of Domestic Like Product
	Dumped source	Other Source	
(1)	(2)	(3)	(4)
2022	112	173	100
2023	131	213	134
2024	118	265	138

Source: WeBOC and the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to price of domestic like product figures during year 2022 by taking it equal to 100.

43.3.2 The above table shows that the landed cost of Cefadroxil imported from other Source remained higher than the landed cost of the investigated product and the price of domestic like product during the POI. Therefore, it is determined that the imports from other Source were not the cause of material injury to the domestic industry during the POI.

43.4 **Contraction in Demand or Change in Pattern of Consumption**

43.4.1 The following table shows the size of the domestic market of Cefadroxil during the POI.

Table-XX
Domestic Market of Cefadroxil

Year	Domestic industry's Sales	Source of Imports:		Total domestic market
		Dumped Source (China)	Other Source	
(1)	(2)	(3)	(4)	(5)
2022	65	3	32	100
2023	46	49	18	114
2024	45	136	17	198

Source: WeBOC and the Applicant

Note: To keep confidentiality, the actual figures have been indexed w.r.t to total domestic market figures during year 2022 by taking it equal to 100.

43.4.2 The above table shows that there was no contraction in demand of Cefadroxil during the POI. Instead, the domestic market expanded significantly during the POI.

43.5 **Trade restrictive practices of and competition between foreign and domestic producers**

There was no such policy by the government during the POI that negatively affected the domestic industry and created distortion in the competitive environment between foreign and domestic producers.

43.6 **Developments in Technology**

The investigation of the Commission has revealed that there was no development in technology during the POI that could have contributed to the material injury of the domestic industry.

43.7 **Export Performance of Domestic Industry**

Based on the information available with the Commission, the domestic industry did not suffer any material injury on account of exports, as it had no export sales during the POI.

44. **Threat of Material Injury**

The Applicant has also claimed the threat of material injury to the domestic industry due to dumped imports of the investigated product. As the Commission has determined that the

domestic industry has suffered material injury during the POI, therefore, there is no need to investigate/examine threat of material injury.

E. CONCLUSIONS

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

- i. the application was filed by the domestic industry as the Applicant represented 100 percent of total production of the domestic like product during the POI;
- ii. the investigated product and the domestic like product are like products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/producers from China at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product from China are above the negligible and *de minimis* levels;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is 22.00 percent;
- vi. the domestic industry suffered material injury on account of significant increase in volume of dumped imports of the investigated product, price under cutting, price suppression, decline in: market share, sales, production, productivity, capacity utilization, profits, profitability, and negative effects on: inventories, growth and ability to raise capital, in terms of Sections 15 and 17 of the Act; and
- vii. there was a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry during the POI.

F. IMPOSITION OF PROVISIONAL ANTIDUMPING DUTY

46. Keeping in view the determination of dumping of the investigated product, the resulting material injury to the domestic industry and a causal link between dumped imports and such injury to the domestic industry, the Commission is of the view that the imposition of provisional anti-dumping duty on the investigated product is necessary to prevent injury being caused to the domestic industry during the course of this investigation in accordance with Section 43 of the Act. The available data and information show that the domestic industry has already suffered significant injury and if provisional measures are not imposed, this injury is likely to continue, intensify and ultimately threaten to cause irreparable harm to the domestic industry by the time the Commission will make final determination in this investigation.

47. As stated earlier that only one exporter/ foreign producer of the investigated product, i.e. M/s Anglikang has provided requisite information necessary to determine individual dumping

margin, therefore, a single dumping margin has been determined. However, the Commission is of the view that the dumping margin worked out for M/s Anglikang is representative for all imports of the investigated product. Therefore, a single provisional anti-dumping duty will be liable to all imports of the investigated product from People's Republic of China.

48. For the purposes of imposition of lesser duty in terms of Section 43 (1) of the Act the Commission has calculated injury margin to ascertain whether a lower duty would be adequate to remove material injury being suffered by the domestic industry due to dumped imports of investigated product from China. Calculation of injury margin is given below:

Table-XXI
Calculation of Injury Margins

Description	Amount
(1)	(2)
Cost to make and Sell of the domestic like product	100
Profit: 5% of cost to make and sell	5
Estimated Non-injurious price of the domestic like product	105
C&F price of investigated product	78.54
Landed cost of investigated product	85
Absolute Injury margin	20.06
Injury Margin as % of C&F Price	25.54

Note: Non-injurious price and landed costs are without sales tax

Note: To keep confidentiality, the actual figures have been indexed w.r.t to cost to make and sell of the domestic like product figures by taking it equal to 100.

49. The above table shows that the injury margin works out 25.54 percent, which is above the dumping margin determined for the investigated i.e. 21.64 percent of the C&F price (Table-IV supra). Thus, in terms of Section 43 (1) of the Act, lesser duty would not be adequate to remove injury to the domestic industry. Therefore, provisional antidumping duty at full margin of dumping i.e. 21.64 percent *ad valorem* on dumped imports of the investigated product importable from China is hereby imposed for a period of four months effective from September 17, 2025. However, in accordance with Section 51(e) of the Act, provisional antidumping duty will not be levied on imports of the investigated product that are used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act, 1969. The investigated product is classified under PCT heading No. 2941.9090.

50. Cefadroxil imported from sources other than China shall not be subject to the above-mentioned provisional antidumping duties.

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

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

53. The provisional antidumping 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 account Commission's Non-lapsable PLD Account No.187 maintained under the Head G-11217, PLA with Federal Treasury Office Islamabad.

Sd/-
(Ahmed Sheraz)
Member-IV
September 15, 2025

Sd/-
(Imran Zia)
Member-III
September 15, 2025

Sd/-
(Muhammad Iqbal Tabish)
Member-II
September 15, 2025

Sd/-
(Naeem Anwar)
Chairman
September 15, 2025

Preliminary Determination in Anti-Dumping Investigation on Dumped Imports of Cefadroxil Originating in and/or Exported from the People's Republic of China

Annex-I

Comments of Interested Parties	NTC View
i. Views/Comments of LINTA Pharmaceuticals on Application of Applicant	
<p>1. Impact on availability and public health</p> <p><i>"The imposition of duties in imported cefadroxil is likely to worsen the already unstable supply situation in the domestic market. Access to essential antibiotics is critical for public health and any disruption in availability particularly in the absence of adequate domestic supply may result in serious consequences for patients across Pakistan"</i></p>	<p>During the course of investigation, the Commission has verified that the installed capacity of the domestic industry of Cefadroxil is more than the total domestic demand of Cefadroxil. A non-confidential version of on-the-spot verification report is placed in this regard in the public file maintained in this investigation. Further, the trade remedy measures such as anti-dumping duties are applied to provide the level playing field to the domestic industry facing unfair trading practice rather than to restrict the imports. The buyers retain the option to import from any source other than dumped sources.</p>
<p>2. Inadequate local production capacity</p> <p><i>"Local manufacturers have consistently been unable to meet national demand for Cefadroxil. This limited production not only affects the Cefadroxil but is also evident in the supply of other antibiotics like Cephradine. The securing shortfalls reflect a systemic capacity issue that forces pharmaceutical companies to rely on imports to ensure continuous availability."</i></p>	<p>During the course of investigation, the Commission has verified that the installed capacity of the domestic industry of Cefadroxil is more than the total domestic demand of Cefadroxil. A non-confidential version of on-the-spot verification report is placed in this regard in the public file maintained in this investigation.</p>
<p>3. Price concerns and strategic pricing trends</p> <p><i>The price offered by local manufacturer averages approximately PKR 22,500 to 23,500 per kilogram, while imported Cefadroxil is available at around PKR 18,000 to 18,500 per kilogram. It is important to note that the recent price reduction by the local manufacturer appears to be strategically timed in anticipation of the anti-dumping investigation. There is a strong possibility that these prices will increase again over protective duties are imposed.</i></p>	<p>Refer to Table VII of the Preliminary Determination report regarding Price Undercutting. The investigation has revealed that the landed cost of the dumped imports remained lower than the prices of domestic like product during the POI and exporters are found exporting investigated product at dumped prices.</p> <p>The MFN tariffs i.e. customs duties and regulatory duties are often applied as a measure of protection to the domestic industries or as a revenue generation tool. Whereas the trade remedy measures such as anti-dumping duties are applied to provide the level playing field to the domestic industry facing unfair trading practice. In this case the dumped imports have been found causing injury to the domestic industry in terms of Section 15 of the Act. Therefore, the Commission on a preliminary basis deems it necessary to prevent injury by way of imposition of anti-dumping duties.</p>

Preliminary Determination in Anti-Dumping Investigation on Dumped Imports of Cefadroxil Originating in and/or Exported from the People's Republic of China

ii. Views/Comments of FOZAN PHARMACEUTICAL INDUSTRIES (PVT) Ltd, MAX PHARMACEUTICALS (PVT) Ltd, SHAWAN Pharmaceuticals, Opal Laboratories (Pvt) Ltd, Medicaids Pakistan (Pvt.) Ltd, Winthrox Laboratories (Pvt.) Ltd on Application of Applicant	
1. Availability Challenges from Local Manufacturers <i>"One of the major challenges we face is the consistent non-availability of Cefadroxil from local manufacturers. Their limited production capacity fails to meet the growing demand of the domestic market. A similar issue is evident in Cephradine also produced by the same local entity resulting in recurring shortages. These shortages significantly impact the availability of vital antibiotics, ultimately affecting patient care across Pakistan."</i>	<p>During the course of investigation, the Commission has verified that the installed capacity of the domestic industry of Cefadroxil is more than the total domestic demand of Cefadroxil. A report of on-the-spot investigation is placed in this regard in the public file maintained in this investigation.</p> <p>Additionally, the Commission has examined the claims made by certain importers regarding the delayed or non-delivery of Cefadroxil by the domestic industry to the user industry. However, it has been determined that these claims lack factual support. The investigation has shown that the domestic industry has met the orders promptly and in accordance with the agreed contracts.</p>
iii. Views/Comments of EPHARM Laboratories and Z. Jans Pharmaceutical (PVT) LTD. on Application of Applicant	
1. "We face short supply issues of Cefadroxil from local manufacturers causing delay in production of subject cited Anti-Biotic which ultimately effect on consumers of the drug."	<p>During the course of investigation, the Commission has verified that the installed capacity of the domestic industry of Cefadroxil is more than the total domestic demand of Cefadroxil. A report of on-the-spot investigation is placed in this regard in the public file maintained in this investigation.</p> <p>Additionally, the Commission has examined the claims made by certain importers regarding the delayed or non-delivery of Cefadroxil by the domestic industry to the user industry. However, it has been determined that these claims lack factual support. The investigation has shown that the domestic industry has met the orders promptly and in accordance with the agreed contracts.</p>

Preliminary Determination in Anti-Dumping Investigation on Dumped Imports of Cefadroxil Originating in and/or Exported from the People's Republic of China

2. <i>"We also face price difference in imported items as compared to local manufacturers of Cefadroxil which totally effect on costing of the drug."</i>	Refer to Table VII of the Preliminary Determination report regarding Price Undercutting. The investigation has revealed that the landed cost of the dumped imports remained lower than the prices of domestic like product during the POI and exporters are found exporting investigated product at dumped prices. The trade remedy measures such as anti-dumping duties are applied to provide the level playing field to the domestic industry facing unfair trading practice rather than to restrict the imports. The buyers retain the option to import from any source other than dumped sources.
iv. Views/Comments of Platinum Pharmaceuticals (Pvt.) Ltd on Application of Applicant	
1. <i>"Superior quality and regulatory compliance of imported material."</i>	The Commission conducted an on the spot verification and confirmed that both the imported raw material used in production and the Cefadroxil produced by the Applicant follow the required quality standards. Quality test reports of imported raw material were examined, and it was verified that with each delivery order issued by the Applicant, lab test reports for quality checks are also attached. Hence, the claim that imported material is of superior quality or compliance is not supported by evidence.
2. <i>"Availability challenges from local manufacturers."</i>	<p>During the course of investigation, the Commission has verified that the installed capacity of the domestic industry of Cefadroxil is more than the total domestic demand of Cefadroxil. A report of on-the-spot investigation is placed in this regard in the public file maintained in this investigation.</p> <p>Additionally, the Commission has examined the claims made by certain importers regarding the delayed or non-delivery of Cefadroxil by the domestic industry to the user industry. However, it has been determined that these claims lack factual support. The investigation has shown that the domestic industry has met the orders promptly and in accordance with the agreed contracts.</p>
3. <i>"Overdependence on a single local source."</i>	Trade remedy measures such as anti-dumping duties are applied to provide the level playing field to the domestic industry facing unfair trading practice rather than to restrict the imports. The buyers retain the option to import from any source other than dumped sources.
v. Views/Comments of BOSCH PHARMACEUTICALS (PVT) Ltd. on Application of Applicant	
<p>1. Local market disparities</p> <p><i>"The local price of cefadroxil is approximately PKR 20,000/kg, substantially higher than imported alternatives. The main cause of import is that local suppliers do not produce regularly of Cefadroxil and thereby asymmetrical availability, shortages particularly during peak demand seasons, thereby impacting patient access to product and disrupting continuity of treatment. "In order to promote the domestic industry, we issued Purchase Orders to the applicant during 2022 and 2023 to procure Cefadroxil from Pharmagen Limited. Unfortunately,</i></p>	<p>Refer to Table XIX of the Preliminary Determination report regarding prices of cefadroxil. The information provided in the said table reveals that the landed cost of Cefadroxil imported from China was only lower than the price of domestic industry. The prices from all other sources remained higher than the price of domestic industry as well as from China.</p> <p>During the course of investigation, the Commission has verified that the installed capacity of the domestic industry of Cefadroxil is more than the total domestic demand of Cefadroxil. The domestic industry was producing Cefadroxil throughout the POI. A report of on-the-spot investigation is placed in this regard in the public file maintained in this investigation.</p> <p>The Commission has examined the claims made by M/s Bosch PHARMACEUTICALS (PVT) Ltd regarding the delayed or non-delivery of Cefadroxil by the domestic industry. However, it has been determined that</p>

Preliminary Determination in Anti-Dumping Investigation on Dumped Imports of Cefadroxil Originating in and/or Exported from the People's Republic of China

<p><i>they failed to meet our critical requirements in a timely manner, an issue that is vital to maintain the continuous supply of lifesaving drugs such as Cefadroxil. Consequently, we were compelled to import Cefadroxil from our trusted international suppliers to ensure patient welfare and meet market demand, in accordance with the Drug Act. We hereby like to share a historical event where a delay resulted in production loss and subsequently caused a disruption in the supply of finished products."</i></p> <p><i>"We placed an order with M/s. Pharmagen Limited on October 18, 2023, for a quantity of 1,000 KG of Cefadroxil. We requested scheduled deliveries-an initial shipment in early November and reminder by the end of November 2023. However, the delivery was not particularly fulfilled on December 20, 2023, with the remaining quantity supplied on December 28, 2023. This segment delays suggests either a capacity constraint or a lack of production prioritization by Pharmagen Limited, as Cefadroxil is not included among its top 5 products."</i></p>	<p>these claims lack factual support. The Applicant issued a proforma invoice with a delivery deadline of January 21, 2024, allowing partial shipments. The Applicant delivered all the shipments within the agreed timeline. The investigation has shown that the domestic industry has met the orders promptly and in accordance with the agreed contracts.</p>
<p>2. Consistent pricing policy for Pakistan and global market</p> <p><i>"The enclosed international trade data indicates that Cefadroxil exported from China is being supplied to global markets at prices ranging between USD \$56.5 and \$62.5 per kilogram. The same is true for Pakistan market as well. Our last three [procurement transactions in 2024 were completed at a unit price of \$59.5/kg, which falls squarely within this range. This demonstrates that the investigated product is not being dumped into the Pakistani market at below-market prices. The pricing structure remains consistent with prevailing international market norms.</i></p>	<p>The investigation has revealed that the landed cost of the dumped imports remained lower than the prices of domestic like product during the POI and exporters are found exporting investigated product at dumped prices. The Commission determined the dumping margin in accordance with the Anti-Dumping Duties Act, 2015. Additionally, the Commission has determined that these dumped imports are causing injury to the domestic industry in terms of Section 15 of the Act.</p>
<p>3. Potential market distortion and patient impact</p> <p><i>"The imposition of anti-dumping duties may reduce competition, allowing local</i></p>	<p>Trade remedy measures such as anti-dumping duties are applied to provide the level playing field to the domestic industry facing unfair trading practice rather than to restrict the imports or competition. The buyers retain the option to import from any source other than dumped sources.</p>

Preliminary Determination in Anti-Dumping Investigation on Dumped Imports of Cefadroxil Originating in and/or Exported from the People's Republic of China

<p><i>manufacturers to raise prices excessively and potentially disrupt the timely supply of medicines. Such outcomes could lead to imperfect market conditions, with direct negative consequences for patient health-especially regarding the affordability and availability of essential medicines."</i></p>	
<p>4. No material injury evident</p> <p><i>"We have not found any material injury to the domestic industry. As you are aware, Cefadroxil is imported solely for the production of our own finished pharmaceuticals products registered with DRAP. These imported volumes are strictly used for internal manufacturing purposed and don not influence or distort local market pricing. The applicant "PL" long term rating is "A- and short-term rating is A2 with an outlook is stable". The assigned ratings are supported by SAMI's strategic partnership with PL, a key driver of PL's growth and sustainability. Furthermore, PL has annual expansion of the Paracetamol project by 3,600 MT is expected to further drive the revenue growth, thereby material injury seems remote chance in light of existing development and growth of PL.</i></p> <p><i>"As M/s SAMI Pharmaceuticals (Pvt) Ltd is a key strategic partner of M/s Pharmagen Limited and is also engaged in the manufacturing of NEUCEF (Cefadroxil)- a direct competitor to our flagship brand DROMAX- there is a reasonable concern that the current petition may be strategically motivated to raise our production costs and hinder our ability to supply affordable medicines to the general public. Such a move could distort fair market dynamics and compromise public access to essential, economically accessible healthcare solutions across Pakistan. According to PACRA's published report, Pharmagen Limited's top five products-Amoxycillin, Cephadrine, Cefixime, Paracetamol, and Ciprofloxacin-account for approximately 89% of its total</i></p>	<p>The Commission has determined that the investigated product is being imported at dumped prices and such imports are causing injury to the domestic industry.</p> <p>During the on spot verification visit, the investigation team verified from the records of the Applicant that the sales to SAMI Pharmaceuticals were at arm's length with payment terms as advance.</p>

Preliminary Determination in Anti-Dumping Investigation on Dumped Imports of Cefadroxil Originating in and/or Exported from the People's Republic of China

<i>revenue, with Cefadroxil notably absent from this list. Furthermore, it is pertinent to highlight that approximately 30% of Pharmagen Limited's ownership lies with the family of Mr. Shamim Ahmed, who also owns M/s SAMI Pharmaceuticals (Pvt) Ltd, raising potential concerns of conflict of interest in the current proceedings."</i>	
--	--