

Islamabad, the 26th May 2006

Final Determination and levy of Definitive antidumping duty on import of Phthalic Anhydride (“PA”) into Pakistan Originating in and/or Exported from the Republic of India

The National Tariff Commission (the “Commission”) initiated an investigation on August 11, 2005 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the “Ordinance”) after establishing that the application lodged by Nimir Chemicals Pakistan Limited, Lahore (the “Applicant”) on behalf of the domestic industry was in accordance with Sections 20 and 24 of the Ordinance. The subject investigation concerns dumping of Phthalic Anhydride (“PA”) originating in and/or exported from the Republic of India (“India”) into Pakistan. The Commission made a preliminary determination in this case in terms of Section 37 of the Ordinance and provisional antidumping duty on PA @ 10.94 percent ad val of C&F price importable from India was levied on February 13, 2006 for a period of four months. In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the “Rules”), the Commission after further investigation has made its affirmative final determination as follows:

Exporters and Foreign Producers: The Applicant identified thirteen exporters/foreign producers involved in alleged dumping of PA and requested that anti-dumping duty may be imposed on all imports of PA from India. In terms of Section 27 of the Ordinance, the Commission upon initiation forwarded a copy of Notice of Initiation to all known exporters/producers of PA from India whose complete addresses were available. The Commission also forwarded the Notice of Initiation to the High Commission of India in Islamabad with a request to forward the same to all exporters/producers of PA in India in order to respond the Commission. However, none of the exporters/producers provided the requisite information.

Product Under Investigation: PA originating in and/or exported from India was the product under investigation (the “investigated product”). It is classified under Pakistan Customs Tariff (PCT) No. 2917.3500 (PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System under Brussels nomenclature upto six digit level).

Like Product: In terms of Section 2 of the Ordinance, the examination based on the best information available in terms of Section 32 of the Ordinance, revealed that the investigated product and PA produced by the domestic industry are produced with similar manufacturing process, and with the same raw materials. Both have the same physical characteristics, usage, and tariff classification. Thus it is established that both the products are “like products”.

Period of Investigation (“POI”):

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| Investigation of dumping | From April 1, 2004 to March 31, 2005 |
| Investigation of injury | From January 1, 2002 to March 31, 2005 |

Determination of Dumping: The normal value and the export price of the investigated product have been determined on the basis of best information available in terms of Section 32 and Schedule to the Ordinance, as none of the exporters/foreign producers provided the requisite information to the Commission.

Dumping Margin: The dumping margins have been calculated in accordance with Section 12(1) of the Ordinance by comparing the constructed normal value at ex-factory level with the weighted average export price at ex-factory level. The definitive dumping margin expressed as percentage of weighted average adjusted export price and weighted average C&F export price thus works out to be 11.52% and 10.94% respectively.

Dumped Imports: Volume of dumped imports of the investigated product increased 188.34 times in the year 2003 over the year 2002, and decreased by 18.26 percent and 1.08 percent in the year 2004 and during the period from January to March 2005 (on annualized basis) over the imports in the year 2003 and 2004 respectively. Production of the domestic like product decreased by 8.77 percent in the year 2003 and increased

by 12.98 percent in the year 2004 respectively. However, it decreased by 24.62 percent (on annualized basis) during the period from January to March 2005 over the production of the year 2004.

Injury to the Domestic Industry: Injury to the domestic industry has been determined in accordance with Part VI of the Ordinance. The Commission has established that the domestic industry suffered material injury on account of significant increase in dumped imports relative to the domestic production of PA; significant price undercutting; significant loss in market share; decrease in production and capacity utilization.

Injury Factors other than Dumped Imports: The Commission has also examined factors other than dumped imports, which were causing injury to the domestic industry and found that injury caused by other factors was not significant as compared to the injury caused by the dumped imports.

Imposition of Definitive Antidumping Duty In reaching this final affirmative determination, the Commission is satisfied that the investigated product has been imported at dumped prices. This has caused material injury to domestic industry during the POI. In terms of Section 50 of the Ordinance, by notification in the official Gazette, definitive antidumping duty, equal to the dumping margin @ 10.94% ad val of C&F price on import of the investigated product (Phthalic Anhydride) originating in and/or exported from India to Pakistan by all exporters/producers is imposed for a period of five years effective from February 13, 2006.

The definitive antidumping duty shall take the form of *ad val* duty and will be held in a non-lapsable personal ledger account established and maintained by the Commission for this purpose. Release of the investigated product for free circulation in Pakistan shall be subject to imposition of such antidumping duty. Definitive antidumping duty levied would be in addition to other taxes and duties levyable on import of the investigated product under any other law. The definitive antidumping duty would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969).

Imports of PA from sources other than India would not be subject to this antidumping duty.

Disclosure meeting Pursuant to Rule 16 of the Rules, the exporters and/or the foreign producers may request for disclosure meeting within 15 days of the date of publication of this notice.

Further Information A non-confidential version of the report on final determination and levy of definitive antidumping duty has been placed on public file established and maintained by the Commission. It has also been posted on the Commission's website: www.ntc.gov.pk. The public file shall be available to the interested parties, registered with the Commission for the purposes of this investigation, for review and copying at the offices of the Commission, from Monday to Thursday between 1100 hrs to 1300 hrs.

Authority Under Law This investigation has been conducted under the Ordinance (No. LXV of 2000). This notice is published pursuant to Section 39 of the Ordinance.
By order of the Commission.

(Omer Moin Chaudhry)
Director (Admin & Coordination)