

Notice of Conclusion of Sunset Review of Anti-dumping Duties Imposed on Dumped Imports of Sorbitol 70% Solution Originating in and/or Exported from the Republic of France and the Republic of Indonesia

The National Tariff Commission (the "Commission") under Section 58 of the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") conducted a review ("Sunset Review") of Anti-Dumping duties imposed on dumped imports of Sorbitol 70% Solution ("Sorbitol") originating in and/or exported from the Republic of France and the Republic of Indonesia. The Sunset Review was initiated upon receipt of an application under Section 58(3) of the Ordinance on June 07, 2008 from Habib-ADM Ltd., 2nd Floor, UBL Building, I.I Chundrigar Road, Karachi, Pakistan, (the "Applicant"), a domestic producer of Sorbitol. The application was made following the publication in national press and official Gazette on April 09, 2008 of a notice of impending expiry of the anti-dumping duties imposed on dumped imports of Sorbitol imported from Messrs. Roquette, Freres, France ("Roquette") and Messrs. P.T Sorini Agro Asia Corporation Tbk, Indonesia ("P.T Sorini Agro") (the "Exporters"). The Commission imposed anti-dumping duties with effect from July 19, 2003 for a period of five years on Sorbitol exported by Roquette, France and PT Sorini Agro, Indonesia vide notification No. ADC No.002/2003/SB published in the official Gazette and national press on July 19, 2003.

In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission has conducted and concluded the Sunset Review as follows:

Product Under Review:

The product under review is Sorbitol 70% Solution exported by Roquette, France and PT Sorini Agro, Indonesia. It is classified under Pakistan Customs Tariff classification numbers 2905.4400 and 3824.6000. The product under review is used in food items, pharmaceuticals, cosmetics and in textile industries etc.

Period of Review ("POR"):

The Commission sought necessary information for the last three financial years i.e. July 01, 2005 to June 30, 2008 from the Applicant and from Roquette, France and PT Sorini Agro, Indonesia to determine likelihood of continuation and recurrence of dumping and injury. Thus, POR for this Sunset Review was from July 01, 2005 to June 30, 2008

Volume of Dumped Imports: After imposition of definitive anti-dumping duty on dumped imports of Sorbitol with effect from July 19, 2003, Roquette stopped exporting to Pakistan from 2004-05 onwards however, there were imports of Sorbitol from P.T Sorini Agro during the POR.

Likelihood of Recurrence of Dumping from Roquette: Roquette did not respond to the Commission's questionnaire and provided no information for the purposes of this review. The Commission has, therefore, determined likelihood of recurrence of dumping of the Sorbitol on the basis of best information available in pursuance to Section 32 of the Ordinance. For this purpose, the Commission has used the information provided by Roquette in original investigation and determined that there is likelihood of recurrence of dumping of the Sorbitol from Roquette in case antidumping duty imposed on it is terminated.

Likelihood of Continuation of Dumping from PT Sorini Agro: P.T Sorini Agro responded to the Commission's questionnaire and provided information for the purposes of this review. The Commission accepted the information provided by it and likelihood of continuation of dumping of the product under review for P.T Sorini Agro was determined on the basis of that information and the information obtained from PRAL. The Commission has determined that there is likelihood of continuation of dumping of the Sorbitol by P.T Sorini in case antidumping duty imposed on it is terminated.

Likely Continuation and Recurrence of Injury to the Domestic Industry: Likelihood of continuation and recurrence of injury to the domestic industry has been determined by the Commission in accordance with Section 58 (3) of the Ordinance. The imports of the Sorbitol fluctuated after imposition of anti-dumping duties, the financial position of the domestic industry improved. In this regard factors and indices listed in Sections 15 and 17 of the Ordinance for injury analysis have been analyzed to determine the likelihood of continuation and/or recurrence of injury in case antidumping duties on Sorbitol are terminated. The Commission has determined that, should the antidumping duties lapse, the domestic industry would be likely to suffer material injury on account of volume of imports, price undercutting, price suppression, negative effects on production and capacity utilization,

loss in market share and sales; negative effects on productivity, negative effects on inventories, negative effects on cash flows, decline in profit, and decrease in return on investment.

Injury Factors other than Dumped Imports: The Commission has also examined factors other than dumped imports, and found that the domestic industry was also affected due to factors other than dumped imports during the POR. These factors will continue to affect the domestic industry in the same manner regardless of whether or not antidumping duties are removed.

Continuation of Definitive Anti-dumping Duties: In terms of Section 58(3) of the Ordinance, a definitive anti-dumping duty shall not expire if the Commission determines in a review that the expiry of such anti-dumping duty would be likely to lead to continuation or recurrence of dumping and injury.

In view of the analysis and conclusions with regard to likely continuation and recurrence of dumping of Sorbitol and likely material injury to the domestic industry, there is a need to continue imposition of definitive anti-dumping duties on imports of the product under review. Thus, the Commission has decided to continue the imposition of definitive anti-dumping duties imposed @ 96.50 percent and 22.26 percent on Sorbitol produced and exported by Roquette and PT Sorini Agro respectively for another period of 5 years effective from July 19, 2008.

Disclosure meeting: Pursuant to Rule 16 of the Rules, the Exporters of the product under review may request for a disclosure meeting within 15 days of the date of publication of this notice.

Further Information: A non-confidential version of the report on conclusion of Sunset Review has been placed on public file established and maintained by the Commission for this Sunset Review. The report has been also 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 Sunset Review, for review and copying at the offices of the Commission, from Monday to Thursday (except public holidays) between 1100 hrs to 1300 hrs.

By order of the Commission.

(Omer Moin Chaudhry)

Director

July 16, 2009