

Preliminary Determination and levy of Provisional Antidumping Duty on imports of PFY into Pakistan Originating in and/or Exported from the Republic of Indonesia, the Republic of Korea, Malaysia and the Kingdom of Thailand.

The National Tariff Commission (the “Commission”) initiated an antidumping investigation on May 12, 2005 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the “Ordinance”) after establishing that the application lodged by Pakistan Filament Yarn Merchants Association, Karachi (the “Applicant”) on behalf of the domestic industry manufacturing Polyester Filament Yarn (“PFY”) was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of PFY, originating in and/or exported from the Republic of Indonesia, the Republic of Korea, Malaysia, and the Kingdom of Thailand (the “Exporting Countries”) into Pakistan. In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the “Rules”), the Commission has, after investigation, determined the following on a preliminary basis:

Exporters and Foreign Producers: All exporters/producers of PFY from the Exporting Countries involved in dumping into Pakistan.

Product Under Investigation: PFY exported by the exporters and foreign producers from the Exporting Countries is the product under investigation (the “investigated product”). It is classified under Pakistan Customs Tariff (PCT) Nos. 5402.3300 and 5402.4300 (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 revealed that the investigated product and PFY 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 provisionally established that both the products are “like products”.

Period of Investigation (“POI”):

Investigation of dumping From January 1, 2004 to December 31, 2004
Investigation of injury From July 1, 2001 to December 31, 2004

Sampling: In view of the apparent large number of exporters/foreign producers involve in this investigation, it is impracticable to determine individual margin of dumping for each exporter or foreign producer of PFY from the Exporting Countries. Therefore, the Commission has resorted to sampling in accordance with Section 14(2) of the Ordinance, and selected the following 13 exporters/foreign producers based on the largest representative volume of exports, which could reasonably be investigated within the time available, in consultation with the exporters/foreign producers:

<u>S. No.</u>	<u>Exporter/ Foreign Producer</u>	<u>Exporting Country</u>
1.	P.T S.K Keris	Indonesia
2.	P.T. Indorama Synthetics Tbk	Indonesia
3.	P.T PanAsia Indosyntec Tbk	Indonesia
4.	P.T. Sulindafin	Indonesia
5.	Tongkook Corporation	Korea
6.	Hyosung Corporation	Korea
7.	Hualon Corporation Sdn	Korea
8.	Hualon Corporation (M) Sdn Bhd.	Malaysia
9.	Global Trade Well P.T.E Ltd.	Malaysia
10.	Fotex Trading	Malaysia
11.	Jong Stit Co. Limited	Thailand
12.	Tuntex (Thailand) Public Company Ltd	Thailand
13.	Chiem Patana Synthetic Fibers Co. Ltd	Thailand

Determination of Dumping: The normal value and the export price of the investigated product exported by S.K Keris, P.T Indorama Synthetics Tbk, and P.T Panasia Indosyntec Tbk from Indonesia, Tongkook Corporation, Korea, Hualon Corporation (M) Sdn Bhd, Malaysia and Jong Stit Company Ltd., and Tuntex (Thailand) Public Company Ltd., from Thailand have been determined in accordance with Sections 5(1) and 10 (1) of the Ordinance respectively on the basis of the information provided by these exporters/producers in response to the Commission’s Questionnaire.

The Commission has determined normal value and export price of the investigated product on the basis of best information available in terms of Section 32 and schedule to the Ordinance for P.T Sulindafin, Indonesia, Yyosung Corporation, Korea, Hualon Corporation, Korea, Global Trade Well T.T.E. Ltd., Malaysia, Fotex Trading, Malaysia, and Chiem Patana Synthetic Fibres Co. Ltd., Thailand as these exporters/foreign producers did not provide to the Commission the requisite information.

For the exporters/foreign producers who have not been investigated in this investigation, the dumping margin has been established on the basis of weighted average dumping margin of the exporters/foreign producers selected in the sample and investigated subsequently in accordance with Section 51(4) of the Ordinance. However, where all dumping margins are established pursuant to Section 32 of the Ordinance, or where dumping margins are *deminimis* for the investigated exporter/foreign producer from an exporting country, a dumping margin for all others has been determined on the basis of the weighted average dumping margin of investigated exporters/foreign producers in terms of Section 51(7) of the Ordinance.

Any foreign producer who was not selected in sampling and subsequently not investigated if wants an individual dumping margin in terms of Section 14(4) of the Ordinance, it may voluntarily submit necessary information to the Commission within a period of fifteen days from the date of publication of this notice. The Commission will consider the information, if not unduly burdensome and does not prevent timely completion of this investigation, to determine individual dumping margin for that foreign producer subject to the verification of the information submitted for this purpose, if required.

Dumping Margin: The dumping margins have been calculated in accordance with Section 12(1) of the Ordinance by comparing the weighted average normal value at ex-factory level with the weighted average export price at ex-factory level. The provisional dumping margins expressed as percentage of weighted average adjusted export price and weighted average C&F export price thus work out as follows:

S. No.	Exporter/Foreign Producer Name	Dumping margin as percentage of	
		Adjusted export price	C&F export price
1	P.T S.K Keris, Indonesia	4.52%	4.19%
2	P.T Indorama, Indonesia	- 0.36%	- 0.37%
3	P.T PanAsia, Indonesia	30.65%	27.78%
4	P.T Sulindafin, Indonesia	13.02%	12.00%
5	All Others from Indonesia	17.10%	15.55%
6	Tongkook Corporation, Korea	1.72%	1.52%
7	Hyosung Corporation, Korea	33.58%	29.07%
8	Hualon Corporation, Korea	42.62%	36.56%
9	All Others from Korea	10.31%	8.92%
10	Hualon Corporation (M) Sdn, Malaysia	16.31%	14.80%
11	Global Trade Well, Malaysia	27.62%	24.84%
12	Fotex Trading, Malaysia	25.49%	22.97%
13	All Others from Malaysia	16.31%	14.80%
14	Jong Stit Co., Thailand	- 0.31%	- 0.25%
15	Tuntex, Thailand	20.63%	18.93%
16	Chiem Patana, Thailand	32.79%	29.68%
17	All Others from Thailand	20.63%	18.93%

Injury to the Domestic Industry: Injury to the domestic industry has been determined in accordance with Part VI of the Ordinance. The Commission has on preliminary basis established that the domestic industry suffered material injury on account of significant increase in dumped imports in absolute as well as relative to the domestic production of PFY; significant price undercutting; significant price suppression; loss in market share; decrease in return on investment; losses on operations; negative effect on cash flow; negative effect on employment; and negative effect on growth and investment.

Dumped Imports: Volume of dumped imports increased by 25.46 percent in Fiscal Year (“FY”) 2003 over FY 2002, by 8.67 percent in FY 2004 over FY 2003, and by 9.89 percent (on annualized basis) during July to December 2004 over FY 2004. The production of domestic like product decreased by 6.52 percent in FY 2003 over the production of FY 2002. It increased 10.48 percent in FY 2004 over FY 2003, and increased by 2.57 percent (on annualized basis) during July to December 2004 over FY 2004.

Injury Factors other than Dumped Imports: The Commission also examined factors other than dumped imports, which were causing injury to the domestic industry.

Imposition of Provisional Antidumping Duty: In reaching this preliminary 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 order to prevent material injury in course of this investigation, the Commission, pursuant to the powers conferred upon it under Section 43 of the Ordinance, has decided to impose provisional antidumping duties on PFY importable from the Exporting Countries as given in the following table for a period of four months effective from November 12, 2005. The antidumping duty rates are determined on C&F value in *ad val.* terms.

Country	Exporter/Foreign Producer Name	Duty rate
Indonesia	P.T S.K Keris	4.19%
	P.T Indorama,	0.00%
	P.T PanAsia	27.78%
	P.T Sulindafin,	12.00%
	All others	15.55%
Korea	Tongkook Corporation	0.00%
	Hyosung Corporation	29.07%
	Hualon Corporation	36.56%
	All others	8.92%
Malaysia	Hualon Corporation (M) Sdn	14.80%
	Global Trade Well	24.84%
	Fotex Trading	22.97%
	All others	14.80%
Thailand	Jong Stit Company	0.00%
	Tuntex	18.93%
	Chiem Patana	29.68%
	All others	18.93%

The provisional antidumping duties shall take the form of security by way of cash deposit in Commission's Non-lapsable PLD Account No. 187 with Federal Treasury Office Islamabad. The provisional antidumping duties would be collected in the same manner as customs duty under the Customs Act, 1969 (IV of 1969).

Disclosure meeting: Pursuant to Rule 11 of the Rules, the exporters/foreign producers of the investigated product may request for a disclosure meeting within 15 days of the date of publication of this notice.

Hearing: Any party registered as an interested party in this case may, if it so wishes, request a hearing in accordance with Rule 14 of the Rules within 30 days of the publication of this notice by contacting Secretary, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Telephone No. 0092-51-9202839, Fax No.0092-51-9221205.

Further Information: A non-confidential version of the report on preliminary determination 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.

(Batool Iqbal Qureshi)
Secretary
November 12, 2005