

A.D.C No.04/2004/NTC/AT
National Tariff Commission

**Notice of Preliminary Determination and Levy of Provisional Antidumping Duty on
Acrylic Tow Originating in and/or Exported from Uzbekistan to Pakistan**

The National Tariff Commission (the "Commission") initiated an investigation on March 17, 2004 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") after establishing that the application lodged by Dewan Salman Fibre Limited, Islamabad (the "Applicant") on behalf of the domestic industry was in accordance with Sections 20 and 24 of the Ordinance. The subject matter and this investigation concerns dumping of Acrylic Tow ("Tow"), originating in and/ or exported from the Republic of Uzbekistan ("Uzbekistan") to 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:

Name of Exporters and Producer i) Pumice Trading Corporation, Uzbekistan; ii) Pouya Tarabar, Uzbekistan; and iii) East Sea Sail Co., Uzbekistan, (the "Exporters") and i) Navoiyazot, Uzbekistan (the "Producer")

Product Under Investigation Acrylic Tow exported by the Exporters (the "investigated product"). It is classified under Harmonized System (H.S) Code 5501.3000.

Like Product In terms of Section 2 of the Ordinance, the examination revealed that the investigated product and the Acrylic Tow produced by the domestic industry have the same usage and tariff classification. Thus it is established that both the products are "like products".

Period of Investigation ("POI")

Investigation of dumping from January 01, 2003 to December 31, 2003; and
Investigation of injury from July 01, 2000 to December 31, 2003.

Determination of Normal Value The Commission has relied on best information available in terms of Section 32 and schedule to the Ordinance for determination of normal value of the investigated product as the Commission did not receive any information from the Exporters and the Producer relating to their domestic sales or cost of production.

The Commission has determined normal value on the basis of constructed cost of production. For this purpose raw materials cost, labour cost (manufacturing salaries and wages), fuel and power costs, factory overheads and administration and selling expenses have been taken from the Applicant's record. Normal profit has been taken for purposes of these calculations.

Determination of Export Price Export price has been calculated in accordance with Section 10(1) of the Ordinance. For this purpose data obtained from Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Central Board of Revenue, Government of Pakistan, has been used.

Dumping Margin The dumping margin has been calculated in accordance with Section 12(1) of the Ordinance by comparing the constructed normal value at C&F level with the weighted average export price at C&F level. The provisional dumping margin expressed as a percentage of weighted average C&F export price thus works out to be 12.71% for the Exporters of the investigated product from Uzbekistan.

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 was and is being materially injured due to dumped imports on account of; price undercutting, price suppression, decline in market share, decline in production and capacity utilization, decline in productivity, losses on its operations and negative effect on cash flow due to significant magnitude of dumping margin.

Dumped Imports Volume of dumped imports increased by 38.91% and 19.06% in the year 2002 and in the year 2003, respectively. The production of the domestic like product increased by 35.73% in the year 2002 over the year 2001, and decreased by 30.78 % in the year 2003 over the year 2002. Based on these

facts, the Commission has concluded that the dumped imports increased in absolute as well as relative terms when compared with the production of the domestic like product.

Injury Factors Other than Dumped Imports The Commission also examined factors other than dumped imports, which were causing injury to the domestic industry. Imports from countries other than Uzbekistan are also causing some 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 a provisional antidumping duty @ 12.71% ad val of C&F price on imports of the investigated product imported from the Producer and/or the Exporters for a period of four months effective from August 13, 2004. The provisional antidumping duty shall take the form of security by way of cash deposit in Commission's Non-lapsable PLD Account No. 187 maintained with Federal Treasury Office Islamabad. The provisional antidumping duty would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969).

Disclosure meeting Pursuant to Rule 11 of the Rules, the Exporters and the Producer 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 Mrs. Batool Iqbal Qureshi, 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