



**Government of Pakistan
National Tariff Commission**

REPORT

ON

**PRELIMINARY DETERMINATION AND LEVY OF PROVISIONAL
ANTI-DUMPING DUTY ON DUMPED IMPORTS OF SORBITOL 70%
SOLUTION INTO PAKISTAN ORIGINATING IN AND/OR
EXPORTED FROM THE REPUBLIC OF INDIA.**

A.D.C No. 32/2015/NTC/SB

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Originating In And/Or Exported From The Republic Of India.**

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The National Tariff Commission (hereinafter referred to as the “Commission”) having regard to the Anti-Dumping Duties Ordinance, 2015 (IV of 2015) (hereinafter referred to as the “Ordinance”) and the Anti-Dumping Duties Rules, 2001 (hereinafter referred to as the “Rules”) relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (hereinafter referred to as “Pakistan”), material injury to the domestic industry caused by such imports, and imposition of antidumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof and to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the “Agreement on Antidumping”).

2. The Commission is conducting this investigation, on imports of Sorbitol 70% Solution, (hereinafter referred to as “Sorbitol”) into Pakistan Originating in and/or exported from the Republic of India (“India”), under the Ordinance and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Ordinance. This report on preliminary determination has been issued in accordance with Article 12.2 of the Agreement on Antidumping.

3. In terms of Section 37 of the Ordinance, 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 March 29, 2015. The preliminary determination is based on the information available to the Commission at this time.

A. PROCEDURE

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

5. Receipt of Application

5.1 On February 22, 2015, the Commission received a written application under Section 20 of the Ordinance from Habib-ADM Limited, 2nd Floor, UBL Building, I.I, Chundrigar Road, Karachi (the “Applicant”). The Applicant has alleged that Sorbitol originating in and/or exported from India is being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing Sorbitol.

5.2 The Commission informed the High Commission of India in Islamabad through note verbale dated February 23, 2015, of the receipt of application in accordance with the requirements of Section 21 of the Ordinance.

6. Evaluation and Examination of the Application

6.1 The examination of the application showed that it met the requirements of Section 20 of the Ordinance as it contained sufficient evidence of dumping of Sorbitol

into Pakistan from the India and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed there in were also found to have been met.

7. The Domestic Industry

7.1 Section 2(e) of the Ordinance defines domestic industry as:

*“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” shall 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”.

7.2 The domestic industry manufacturing Sorbitol comprises of only one unit, the Applicant.

7.3 Habib-ADM Limited produces and market a wide range of rice based starch sugars, protein concentrates, and derivatives since 1982. The Applicant is engaged in the manufacturing, marketing and distribution of Sorbitol. The applicant is neither related to importers and exporters nor did it import Sorbitol itself.

8. Standing of the Application

8.1 In terms of Section 24(1) of the Ordinance,

“.... 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.”

Furthermore, Section 24(2) of the Ordinance 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."

8.2 As stated above (paragraph 7.2 supra) the domestic industry of Sorbitol comprises of the only one unit i.e. the Applicant. The application has been filed by the Applicant, who is the only producer of the domestic like product. The Applicant produced **** MT of Sorbitol during January 1, 2014 to December 31, 2014. On the basis of this, it is determined that the application is made by or on behalf of domestic industry as it fulfills the requirements of Section 24 of the Ordinance.

9. **Applicant's Views**

The Applicant, *inter alia*, raised the following issues in application regarding alleged dumping of Sorbitol and material injury to the domestic industry caused therefrom:

- i. Sorbitol imported from India into Pakistan and Sorbitol produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from India are exporting Sorbitol to Pakistan at dumped prices; and
- iii. Exports of Sorbitol by the exporters/producers from India to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing Sorbitol mainly through:-
 - a. Volume of dumped imports
 - b. Price undercutting;
 - c. Price Suppression;
 - d. Price depression;
 - e. Decline in market share;
 - f. Negative effect on sales;
 - g. Decline in profit;
 - h. Negative effect in capacity utilization;
 - i. Negative effect on cash flow; and
 - j. Negative effect on return on investment;
 - k. Negative effect on employment; and
 - l. Negative effect on ability to raise capital

10. **Exporters/Foreign Producers of Sorbitol**

10.1 The Applicant has identified 4 exporters/foreign producers involved in alleged dumping of the investigated product from India. The Applicant has provided contact addresses for these 4 exporters/foreign producers. List of exporters/foreign producers,

identified by the Applicant is placed at Annex-I. The Applicant has stated that there may be other exporters and foreign producers of the investigated product, which are not known to it. Therefore, the Applicant has requested for imposition of antidumping duty on all imports of the investigated product originating in and/or exported from India instead of imposition of anti-dumping duty on identified exporters/foreign producers.

11. Initiation of Investigation

11.1 The Commission, in accordance with Section 23 of the Ordinance examined the accuracy and adequacy of the evidence provided in application, and established that there was sufficient evidence of alleged dumping of Sorbitol into Pakistan from India and consequent material injury to the domestic industry. Thus initiation of the investigation was justified. Consequently, the Commission issued a notice of initiation in accordance with Section 27 of the Ordinance, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on March 29, 2015. Investigation concerning alleged dumped imports of Sorbitol into Pakistan {classified under PCT No³. 2905.4400 and 3824.6000} originating in and/or exported from India was thus initiated on March 29, 2015.

11.2 In pursuance of Section 27 of the Ordinance, the Commission notified High Commission of India in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on March 30, 2015 with a request to forward it to all exporters/producers involved in production, sales and export of Sorbitol from India. Copy of the notice of initiation was also sent to known exporters/producers of Sorbitol from India whose addresses were available with the Commission. Copy of the notice of initiation was also sent to known Pakistani importers and the Applicant on March 30, 2015.

11.3 In accordance with Section 28 of the Ordinance, on April 1, 2015 the Commission sent copy of full text of the written application (non-confidential version) and Exporter's Questionnaire to known exporters of India, on available addresses. On April 1, 2015, copy of the full text of the written application along with Exporter Questionnaire was also sent to High Commission of India in Pakistan with a request to forward it to all exporters/producers involved in production and/or sale/export of Sorbitol from India. The Importer's Questionnaire was also sent to the importers of Sorbitol on April 1, 2015.

12. Investigated Product, Domestic Like Product and Like Product

12.1 Section 2 of the Ordinance defines investigated product, domestic like product and like product as follows:

¹ The official Gazette of Pakistan (Extraordinary) dated March 29, 2015.

² The 'DailyNews' and the 'Daily Express' of March 29, 2015 issue.

³ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

- 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".

12.2 For the purposes of this investigation and given the definitions set out above, investigated product, domestic like product and like product are identified as follows:

12.2.1 **Investigated Product:**

12.2.1.1 The investigated product is Sorbitol imported from India. Sorbitol is a sugar alcohol classified as a "polyhydric alcohol" (polyol). Polyols are starch sugars, which have been hydrogenated under carefully controlled conditions to enable hydrogen atoms to bind with specific carbohydrates. Other polyols include maltitol, xylitol and mannitol. It is classified under PCT Heading Nos. 2905.4400 and 3824.6000.

12.2.1.2 Sorbitol is one of the most versatile polyol with a wide range of applications in food, pharmaceuticals, cosmetics and textiles. In food industry, sorbitol is used to add body, texture and sweetness as well as to reduce the undesirable aftertaste of saccharin. It is also used as a sweetener in low calorie confectionery for diabetic consumers. In pharmaceuticals, the sorbitol is used as a carrier and bodying agent in products such as coughs syrups, toothpaste and skin ointments. The cosmetic industry uses sorbitol in shampoos and facial creams, whereas its applications in textiles include dry-cleaning and bleaching process.

12.2.1.2 Tariff structure during the last three years applicable on import of Sorbitol is given in the following table:

Table-I
Tariff Structure

S. #	Period	Customs Duty (MFN)	Customs Duty under SAFTA	Sales tax
1	2011-12	20%	5%	17%
2	2012-13	20%	5%	16%
3	2013-14	20%	5%	17%

12.2.2 Domestic Like Product

12.2.2.1 The domestic like product is Sorbitol manufactured by domestic industry. It is classified under Pakistan Customs Tariff Heading Nos. 2905.4400 and 3824.6000. Its major input is dextrose (liquid glucose). It is used in food, pharmaceutical, cosmetics and textile industries. The domestic industry uses similar technology (production process), which is used by the Indian producers of sorbitol. It contains the same technical specifications that are of sorbitol exported by Indian exporters into Pakistan

12.2.2.2 Domestic like product is mainly used in food, pharmaceuticals, cosmetics and textile. In food industry, it is used to add body, texture and sweetness as well as to reduce the undesirable aftertaste of saccharin. It is also used as a sweetener in low calorie confectionery for diabetic consumers. In pharmaceuticals, the sorbitol is used as a carrier and bodying agent in products such as coughs syrups, toothpaste and skin ointments. The cosmetic industry uses sorbitol in shampoos and facial creams, whereas its applications in textiles include dry-cleaning and bleaching process.

12.2.3 Like Product:

Sorbitol produced by the domestic industry and imported from the India is comparable in terms of physical and chemical characteristics, product specifications, chemical formulation, end uses and tariff classification of the goods etc. Investigated product and domestic like product are technically and commercially substitutable. Domestically produced Sorbitol and imported Sorbitol are classified under the same PCT/HS Heading No. 2905.4400 and 3824.6000.

12.4 In light of the above, the Commission has determined that the investigated product and the domestic like product are like products.

13. Period of Investigation

13.1 In terms of Section 36 of the Ordinance, Period of Investigation (hereinafter referred to as "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".

13.2 The Commission received the application on February 22, 2015 and initiated the investigation on March 29, 2015. The applicant has provided the information/data up to December 31, 2014 in the application. Therefore, to fulfill the requirement of Section 36 of the Ordinance, the POI selected by the Commission POI for dumping and injury are, as follows:

For determination of dumping:	From January 1, 2014 to December 31, 2014
For determination of injury:	From January 1, 2012 to December 31, 2014

14. Information/Data Gathering

14.1 The Commission sent Exporter's Questionnaire to 4 exporters/foreign producers from India, on April 1, 2015 for collection of data and information. Applicant identified following 4 exporters from India involved in dumping of Sorbitol;

- i. Kasyap Sweetners Limited, No. 20C, Phase I, Near UPL, GIDC , Vapi - 396195, Gujarat, India.
- ii. Gulshan Polyols Limited, G-81, Preet Vihar, Delhi - 110092, Delhi, India.
- iii. Kasyap Sweetners Limited, Marthanda Building, 84 Dr Annie Besant Road, Worli Naka, Mumbai 400018, India.
- iv. Maize Products, P. O. Kathwada-Maize Products, Ahmedabad - 382430, Gujarat, India.

14.2 The exporters/foreign producers were asked to respond within 37 days of dispatch of the Questionnaire. On April 1, 2015 the Questionnaire was also sent to the High Commission of India in Islamabad with a request to forward it to the all exporters/foreign producers of the investigated product in India.

14.3 The exporters/foreign producers namely, Kasyap Sweetners Limited, Gulshan Polyols Limited and Maize Products requested for extension in time for submission of the information/data in response to Commission's letter dated April 1, 2015. The Commission accordingly accorded the extension up to May 23, 2015 for submission of information. However, even after the expiration of extended time no information/data was provided by the exporters/producers from India.

14.4 The Commission sent letters to 4 exporters/foreign producers and the High Commission of India on June 9, 2015; (on expiry of 37 days period and extension granted) stating that so far no response has been received from exporters/producers on the Exporter's Questionnaire. The exporters /producers were advised to submit the data on prescribed questionnaire otherwise the Commission would be constrained to make preliminary determination of dumping in this investigation on the basis of best information available including those contained in the application submitted by the domestic industry, in terms of Section 32 of the Ordinance.

14.5 On April 1, 2015 Questionnaires were also sent to 17 Pakistani importers of the investigated product known to the Commission and these importers were asked to respond within 37 days of dispatch of the Questionnaires. Two importers submitted data/information on prescribed questionnaire.

14.6 The Commission has access to database of import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this preliminary determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicant.

14.7 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Few interested parties have made comments /submitted information which has also been considered while making this preliminary determination.

14.8 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of preliminary determination of dumping and injury therefrom in this investigation

15. Verification of the Information

15.1 In terms of Sections 32(4) and 35 of the Ordinance and Rule 12 of the Rules, during the course of an investigation, the Commission shall satisfy itself as to the accuracy of the information and for this purpose verify the information supplied by the interested parties. Accordingly the Commission has satisfied itself to the accuracy and adequacy of information supplied by the interested parties to the extent possible for the purposes of this preliminary determination.

15.2 In order to verify information/data provided by the Applicant and to obtain further information (if any), officers of the Commission conducted on-the-spot investigation at the office and plant of the Applicant from May 4 to 6, 2015.

16. 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 1100 hours to 1300 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.

17. Confidentiality

17.1 In terms of Section 31 of the Ordinance, 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.

17.2 The Applicant has requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Ordinance. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, growth, investment, salaries & wages, number of employees and capacity.

17.3 On the basis of request made by the Applicant, the Commission has determined the confidentiality in light of Section 31 of the Ordinance 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 made a request to keep it confidential.

17.4 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.

18. Views/Comments of Interested Parties

18.1 The Commission received views/comments from following interested parties which have also been considered while making this preliminary determination;

- i) Abbot Laboratories Pakistan Limited
- ii) Pakistan Pharmaceutical Manufacturers Association
- iii) Kasyap Sweetners Limited
- iv) Gulshan Polyols Limited
- v) Maize Products

B. DUMPING

19. Dumping

In terms of Section 4 of the Ordinance 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 Ordinance “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 Ordinance 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 Ordinance 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."

20.4. In case there is no cooperation from the exporter/foreign producer, the Commission may rely on best information available to reach preliminary or final determinations as in terms of Section 32 of the Ordinance. Section 32 of the Ordinance states:

"(1) Subject to Sub-section (2), if, at any time during an investigation, any interested party;

(a) refuses access to or otherwise does not provide, necessary information within the period of times as may be prescribed; or

(b) otherwise significantly impedes the investigation.

The Commission may reach preliminary and final determinations, whether affirmative or negative, on the basis of the best information available.

(2) The provisions of the Schedule to this Ordinance shall be followed in the application of sub-section (1).

(3) The Commission shall take due account of any difficulties experienced by interested parties, in particular, small companies, in supplying information requested by it and may, where it deems fit, provide such assistance as is practicable including, but not limited to, extension of any time period prescribed submission of information under this Ordinance.

(4) The Commission shall satisfy itself of the accuracy of the information supplied by interested parties during the course of an investigation in such manner as may be prescribed."

20.5 Determination of Normal Value

20.5.1 To collect information on the normal value, the Commission sent questionnaire to known exporters/foreign producers of India and the High Commission of India in Islamabad on April 1, 2015 as mentioned at Para 14 supra. However, no response on the exporter's questionnaire has been received from any exporter from India. Therefore, the Commission has relied for determination of normal value on the basis of best available information in terms of Section 32 of the Ordinance.

20.5.2 For the purpose of normal value, Commission has used export price to a third country to determine normal value. The Commission has relied on the Indian export price of sorbitol to Iran. The selection of Iran as an appropriate third country is because of the facts that Iran is one of the largest destinations of Indian exports of Sorbitol and Iran has an established domestic industry of Sorbitol. Furthermore, the Sorbitol being exported to Iran is similar to that of Pakistan.

20.5.3 The Applicant had provided the data with regard to Normal Values which was obtained from the website of Indian Ministry of Commerce <http://commerce.nic.in>. The Applicant provided weighted average price of the India's exports to Iran for eighteen months i.e. from April 2013 to August 2014. However, for the purpose of determination of normal value, Commission has used the data of [International Trade Centre \(ITC\), Trade Map](#), an interactive online database on international trade statistics. It presents indicators on export performance, international demand, alternative markets and the role of competitors from both the product and country perspective. Trade Map is considered as one of the world's largest trade databases as it covers trade flows (mirror and direct) of over 220 countries and territories and 5,300 products defined at the 2, 4 or 6-digit level of the Harmonized System.

20.5.4 The Commission has selected the weighted average price of India's exports to Iran from Trade Map, during the period January 1, 2014 to December 2014 as this period coincide with the selected POI in this investigation.

20.5.5 The Commission is of the view that it is best information available as the domestic prices for these countries are not reasonably available. As per information obtained from ITC, Trade Map database, following were quantities and prices of Indian exports of Sorbitol solution to Iran:

Table-I
Normal Value at Ex-factory Level from India

Period	Quantity (MT)	Weighted average price (US\$/MT)
January 1, 2014 to December 31, 2014	****	****

Source: ITC, Trade Map database

Note: For purpose of confidentiality the actual figures have been deleted.

21. **Determination of Export Price**

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

21.2 The weighted average export price of Sorbitol imported from India has been calculated on the basis of import data obtained from PRAL. The data obtained from PRAL shows prices at C & F level. The export price at C & F level has been duly adjusted, for estimated ocean freight & insurance @ 5% of C & F export price, for comparison with normal value at same level of trade i.e. ex-factory level. The export prices have been worked out as follows:

Table-II
Weighted Average Export Price of the Investigated Product from India

Period	Quantity (MT)	Weighted average export price (US\$/MT)	Adjustments (US\$/MT)	Weighted average adjusted export price (US\$/MT)
Jan 2014 - Dec 2014	****	****	****	****

Source: PRAL Data

Note: For purpose of confidentiality the actual figures have been deleted

22. Dumping Margin

22.1 The Ordinance defines “dumping margin” in relation to a product to mean “*the amount by which its normal value exceeds its export price*”. In terms of Section 14(1) of the Ordinance the Commission shall determine an individual dumping margin for each known exporter or producer of an investigated product.

22.2 Section 12 of the Ordinance provides three methods for fair comparison of normal value and export price in order to establish dumping margin. The Commission has established dumping margin by comparing a comparable price of the like product when exported to an appropriate third country with weighted average export price to Pakistan at FOB level.

22.3 The Commission has also complied with the requirements of Section 11 of the Ordinance 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*”.

22.4 Taking into account the requirements of Section 11 of the Ordinance, dumping margin is calculated by comparing weighted average normal value at FOB level with the weighted average export price at FOB level. Both figures and the dumping margin for India are shown below:

Table-III
Dumping Margin for India

Calculations of Dumping Margin for Non-Cooperating Indian exporters/producers						
Product	Normal Value	Export Price		Dumping Margin		
		Wtd. Avg. C&F price (US\$/MT)	Wtd. Avg. adjusted price (US\$/MT)	US\$/MT	Percentage of adjusted export price	Percentage of C&F export price
Sorbitol	100.00	89.31	84.84	15.16	17.86	16.97

Note: To maintain confidentiality, actual figures have been indexed with respect to the figures of normal value.

23. De minimis Dumping Margin and Negligible Volume of Alleged Dumped Imports

23.1 In terms of Section 41(2) of the Ordinance “*an investigation shall be immediately terminated if Commission determines that the dumping margin is negligible or that volume of dumped imports, actual or potential, or injury is negligible.*”

23.2 Section 41(3) states that the 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 for the alleged dumped imports of the investigated product, set out in paragraph 23.4 supra, appear to be above negligible (*de minimis*) level.

23.3 As regards the volume of dumped imports, Section 41(3) of the Ordinance 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. The information/data on alleged dumped imports of the investigated product and other imports of Sorbitol has been obtained from PRAL. Volume of alleged dumped imports of the investigated product and the Sorbitol imported from other sources during the POI (January 1, 2014 to December 31, 2014) is given in a table be

**Table-IV
Volume of Imports of Sorbitol during POI**

Country	Volume of Imports in:
	Percentage
India	77.8
Other Sources	22.2
Total	100.0

Period: January 1, 2014 to December 31, 2014

Source: PRAL

Note: To maintain confidentiality, actual figures have been indexed with respect to the figures of total imports during POI..

23.4 On the basis of above information, the Commission has preliminary determined that the volume of dumped imports of the investigated product from India was well above the negligible threshold (less than three percent of volume of total imports of the like product) during the POI.

C. INJURY TO DOMESTIC INDUSTRY

24. Determination of Injury

24.1 Section 15 of the Ordinance 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...”*

24.2 Section 15 of the Ordinance 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”.

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

25. Domestic Industry

For the purposes of this preliminary determination, the Commission has determined that domestic industry manufacturing domestic like product consists of only one unit i.e. the Applicant. Therefore, the analysis of the injury factors given in following paragraphs is based on Applicant’s information.

26 Volume of Dumped Imports

Facts

26.1 With regard to the volume of dumped imports, in terms of Section 15(2) of the Ordinance, the Commission considered whether there has been a significant increase in dumped imports, either in absolute terms or relative to the domestic production or consumption of the domestic like product manufactured by the domestic industry during POI.

26.2 In order to assess the impact of volume of dumped imports of the investigated product in relation to production and consumption of the domestic like product, the information submitted by the Applicant, and information obtained from PRAL has been used. The following table shows imports of the investigated product and production of the domestic like product during the POI;

Table-V
Imports and Domestic production of Sorbitol (MT)

Year	Imports from India	Increase/ (Decrease) in imports from India	Domestic Production (D.P)	Dumped imports as % age of D.P	Increase/ (Decrease) in Dumped Imports relative to D.P.
2012	100.00	---	87.34	114%	---
2013	86.52	(13.48)	125.49	69%	(45%)
2014	170.40	83.88	95.74	177%	108%

Source: PRAL and the Applicant

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to dumped imports for the year 2012.

Analysis

26.3 The above table shows that the volume of dumped imports increased in absolute terms from **** MT to **** MT showing 97% increase in year 2014 as compared to year 2013, which is a significant increase in volume of dumped imports in absolute terms.

26.4 Volume of dumped imports relative to domestic production decreased by 45% in year 2013 as compared to year 2012 however it increased by 108% in the year 2014 as compared to year 2013. This shows a significant increase in volume of dumped imports relative to domestic production.

Conclusion

26.5 On the basis of the above information and analysis, the Commission has preliminarily concluded that the dumped imports of the investigated product increased significantly in absolute terms as well as relative to production of the domestic like product during POI.

27. Price Effects

27.1 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 over time), 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:

27.2 Price undercutting**Facts**

27.2.1 Weighted average ex-factory price of the domestic like product has been calculated from the information submitted by the Applicant on quantity and value of sales during POI. Landed cost of the investigated product has been calculated from the information obtained from PRAL. Calculation of landed cost has been placed at Annex-II. Comparison of weighted average ex-factory price of the domestic like product with the weighted average landed cost of the investigated product during POI is given in following table:

Table-VI
Price Undercutting (Rs./MT)

Period	Ex-factory price of domestic like product	Landed cost of investigated product*	Price under-cutting	
			Absolute	%age
2012	100.00	77.97	22.03	22.03
2013	96.59	87.21	9.38	9.71
2014	104.08	86.30	17.78	17.09

Source: the Applicant and PRAL

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to ex-factory price for the year 2012.

Analysis

27.2.2 The information provided in the above table shows that the weighted average landed cost of the investigated product remained lower than the weighted average ex-factory price of the domestic like product during the POI for injury. The landed cost of the investigated product undercut the price of the domestic like product by 17.09% in the POI for dumping. Due to this lower landed cost, the import from dumped sources increased during the POI for dumping.

Conclusion

27.2.3 On the basis of the above, the Commission has concluded that the prices of the investigated product undercut the prices of domestic like product during the POI. The domestic industry suffered material injury on account of price undercutting due to dumped imports.

27.3 Price Depression**Facts**

27.3.1 Applicant's prices of the domestic like product during the last three years are given in table below

Table - VII
Calculation of Price Depression (Rs./MT)

Year	Average ex- factory price of domestic like product	Price Depression	
		Absolute	Percentage (%)
2012	100.00		-
2013	96.59	3.41	3.41%
2014	104.08		-

Source: The Applicant

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to ex -factory price for the year 2012.

Analysis

27.3.2 The table above shows that the Applicant industry was able to increase the prices of the domestic like product during the POI for dumping i.e. year 2014. The domestic industry faced price depression during the year 2013 as compared to year 2012.

Conclusion

27.3.3 The Commission has concluded on the basis of the above information and analysis that there was no price depression during POI for dumping.

27.4 Price Suppression

Facts

27.4.1 Weighted average cost to make and sell and ex-factory prices of the domestic like product for the POI, calculated on the basis of information provided by the Applicant, are given in the following table:

Table - VII
Cost to Make and Sell and Ex-factory Price of the Domestic Like Product (Rs./MT)

Year	Average cost of production of domestic like product	Average ex-factory price of domestic like product	Price Suppression		
			Increase/(decrease) in cost of production	Increase/ (decrease) in price	Price suppression
2012	100.00	99.65	---	---	---
2013	98.76	96.25	-1.23	-3.40	---
2014	111.08	103.71	12.32	7.46	4.86

Source: Applicant

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to cost to make and sell for the year 2012.

Analysis

27.4.2 Above table shows that cost to make and sell of the domestic like product decreased by 1.24% in year 2013 however it increased by 12.47% in the year 2014. The sale price of domestic industry decreased by 3.40% in the year 2013 and increased by and 7.75% in the year 2014. During the year 2014, the domestic industry experienced price suppression of Rs. ****.

Conclusion

27.4.3 On the basis of the above information and analysis, the Commission has concluded that the domestic industry suffered material injury on account of price suppression during the POI.

28. Effects on Market Share**Facts**

28.1 The total domestic demand of Sorbitol in Pakistan is met through local production and imports. Following table shows the market share from imports and domestic production during the POI.

Table - VIII
Market Share (MT)

<u>Year</u>	<u>Share of Applicant Industry in the Domestic Market</u>	<u>Share of Dumped Imports in Domestic market</u>	<u>Share of Other Imports in Domestic Market</u>	<u>Total Domestic Market</u>
2012	36.62	41.76	21.61	100.00
2013	53.08	36.13	21.39	110.60
2014	40.26	71.16	20.31	131.73

Source: PRAL and the Applicant

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to total domestic market for the year 2012.

Analysis

28.2 The above table reveals that during the year 2013, the share of domestic industry in the total domestic market was **** MT but in year 2014, the share of domestic industry decreased by 17.4% and came down to the level of **** MT, inspite of the fact that the domestic market increased during the same period. The share of dumped imports increased from 32.7% to 52.4% during the year 2014 as compared to year 2013 while the share of other imports decreased from 19.3% to 15.4% in the same period.

Conclusion

28.3 On the basis of above information and analysis, the Commission has concluded that the domestic industry suffered material injury on account of loss of market share due to imports of the investigated product during POI.

29. Effects on Sales

Facts

29.1 The domestic industry comprises of only one unit i.e. the Applicant. Sales of the domestic like product are given in the following table:

Table - IX
Sales of the Sorbitol (MT)

Year	Sales by domestic industry
2012	100.00
2013	144.93
2014	109.92

Source: the Applicant

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to sales for the year 2012.

Analysis

29.2 The above table shows that the sales of domestic industry increased by **** MT (44.92 percent) in the year 2013 and decreased by **** MT (24.15 percent) in the year 2014. Due to the dumped imports, the sales of Applicant decreased during the POI as the share of the dumped imports increased in the domestic market due to lower prices of dumped imports. The applicant was unable to increase its share in the domestic market inspite of the fact that total market in year 2014 was increased.

Conclusion

29.3 On the basis of above information and analysis, the Commission has concluded that sales of the domestic like product decreased during POI, hence domestic industry suffered material injury on account of loss in sales due to dumped imports of the investigated product.

30. Effects on Production and Capacity Utilization

Facts

30.1 Quantity produced and the capacity utilized by the domestic industry during POI was as follows:

Table-X
Installed Capacity, Quantity Produced and Capacity Utilization

Year	Production Capacity (MT)	Total Production (MT)	% of Capacity Utilization
2012	100.00	32.14	32.14%
2013	100.00	46.18	46.18%
2014	100.00	35.23	35.23%

Source: the Applicant

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to installed capacity for the year 2012.

Analysis

30.2 It may be noted from the above table that installed production capacity of the Applicant remained same over the POI. The production of domestic like product increased during the year 2013, however it decreased during the POI for dumping i.e. year 2014. The domestic industry's capacity utilization which was 46.18 percent in the year 2013 decreased to 35.23% percent in the year 2014.

Conclusion

30.3 On the basis of the above information and analysis, the Commission has concluded that the Applicant suffered material injury on account of production and capacity utilization.

31. Effects on Inventories

Facts

31.1 The Applicant provided data relating to its inventories of the domestic like product during POI. Data for opening and closing inventories for the domestic like product of the POI is given in the following table:

Table-XI
Inventories of Domestic Like Product (MT)

Year	Opening inventory	Production	Sales	Closing inventory
2012	5.66	100.00	100.41	5.25
2013	5.25	143.68	145.53	3.40
2014	3.40	109.62	110.37	2.66

Source: the Applicant

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to production for the year 2012.

Analysis

31.2 The data given in the table above shows that the inventory of the domestic like product decreased in year 2013 and 2014.

Conclusion

31.3 On the basis of the above facts and analysis, the Commission has concluded that the Applicant did not suffer material injury on account of increase in inventories of the domestic like product during POI.

32. Effects on Profit/Loss

Facts

32.1 As explained earlier, the Applicant is multi-product company. The profit & loss on the basis of Sorbitol duly adjusted (explained in on-the-spot investigation report of domestic industry) is given below:

Table -XII
Profit/(Loss) of the Applicant (Rs.)

Year*	Net Profit/(Loss)
2012	(100.0)
2013	(1,029.3)
2014	(2,294.6)

Source: on the spot investigation report

Year: January 1 to December 31

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t to profit& loss for the year 2012.

Analysis

32.2 The above table shows that the Applicant is incurring losses during the POI. Furthermore, the losses incurred by the Applicant are increasing each year. The net loss of the domestic industry increased by 123% in the POI for dumping i.e. year 2014 as compared to year 2013.

Conclusion

32.3 On the basis of the above facts, the Commission has concluded that the domestic industry suffered material injury on account of profitability.

33. Effects on Cash Flow**Facts**

33.1 The Applicant company is a multiproduct company and has consolidated financial statements. For the purpose of ascertaining cash flow for Sorbitol, the Applicant was asked to provide separate reconciled cash flow statement for each product. It was not possible for Applicant to provide cash flow statement for each product separately. Therefore the Commission accepted the consolidated cash flow statement and figures for cash flow during POI were verified from the cash flow statement as given in the audited accounts of the company. Following are the verified figures of net operating cash flow relating to Applicant Company for the years ended on June 30 of the respective years from the operating activities;

Table -XIII
Cash Flow Statement (Rs. in Thousands)

Year*	Cash flow from Operations
2012	100.00
2013	158.12
2014	224.84

* Year is from 1st July to 30th June

Note: To maintain confidentiality, actual figures have been indexed with respect to the cash flow of domestic industry during year 2012.

Analysis

33.2 The above table shows that the net cash flow of the Applicant increased during the POI.

Conclusion

33.3 On the basis of the above, the Commission is inconclusive about the impact of dumped imports on cash flow with regard to Sorbitol.

34. Effects on Employment, Productivity and Salaries & Wages**Facts**

34.1 Effects on domestic industry's employment, productivity and salaries & wages on yearly basis and on quarterly basis are ascertained in the following tables:

**Table - XIV
Employment, Wages and Productivity**

Period	Average Number of Employees (Direct)	Salaries & Wages (Rs.)	Domestic Production (MT)	Productivity Per Worker in MT	Salaries and Wages Per MT in Rs.
2012	100.0	100.0	100.0	100.0	100.0
2013	105.8	112.7	143.7	135.8	78.4
2014	109.4	113.1	109.6	100.3	103.2

Source: the Applicant

Year: January 1 to December 31

Note: To maintain confidentiality, actual figures have been indexed with respect to, employees, production, productivity per worker, salaries and wages and salaries and wages per MT by domestic industry during year 2012.

Analysis

34.2 The above data reveals that number of employees increased from *** in year 2012 to *** in year 2014. The productivity of the domestic industry decreased from ***MT in year 2013 to *** MT in the year 2014. The salaries and wages per MT also increased during the same period because of the fact that the production of domestic industry decreased during the year 2014.

Conclusion

34.3 Based on the above information and analysis, the Commission has concluded that the domestic industry suffered material injury on account of productivity and salaries and wages per MT.

35. Effects on Return on Investment**Facts**

35.1 Return on investment realized by the domestic industry during POI is determined on consolidated basis as separate information for equity for each segment was not available with Applicant. Following table shows return on investment of the Applicant as a company during POI:

**Table XV
Return on Investment**

Year/Period	Return on Investment (%)
2012	100.00
2013	71.19
2014	76.54

Source: the Applicant

Year: January 1 to December 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the return on investment of domestic industry during year 2012.

Analysis

35.2 The return on investment of the Applicant remained positive as the company is multiproduct company and earning profit on sale of other products during the POI and has increased in year 2014.

Conclusion

35.3 On the basis of the above consolidated data, the Commission has not concluded any injury with regard to return on investment to Applicant during the POI.

36. Effects on Growth

Facts

36.1 The growth of the domestic industry has been determined on the basis of growth of the domestic market. A perusal of the Table-VIII reveals that the demand for Sorbitol in the domestic industry has increased from **** MT in year 2012 to **** MT in year 2014. It shows that the domestic market is expanding and demand for the Sorbitol is increasing. However, the total installed capacity of the Applicant is **** MT.

Analysis

36.2 The applicant has not been able to increase its installed capacity despite of the fact that there is demand of Sorbitol in domestic market beyond Applicant's installed capacity. Due to continuous losses suffered by the domestic industry, it has not been able to increase its capacity.

Conclusion

36.3 On the basis of the above, the Commission has concluded that the Applicant suffered material injury on account of Growth during the POI.

37. Summing up of Material Injury

37.1 Facts and analysis in the preceding paragraphs shows that the domestic industry has suffered material injury due to dumped imports of the investigated product during POI on account of:

- a. Volume of dumped imports;
- b. Price undercutting;
- c. Price suppression;
- d. Decline in production;

- e. Decline in Sales;
- f. Decline in market share;
- g. Negative effect on capacity utilization;
- h. Negative effect on Profitability;
- i. Negative effect Productivity and salaries and wages per MT; and
- j. Negative effect on Growth.

D. CAUSATION

38. Effect of Dumped Imports

38.1 On the basis of the analysis and conclusions, the Commission has concluded that there was a causal link between dumped imports of the investigated product and material injury suffered by the domestic industry.

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

- i. Volume of dumped imports of the investigated product increased significantly in absolute as well as relative to production of the domestic like product;
- ii. Domestic industry experienced price undercutting due to dumped imports of the investigated product;
- iii. Domestic industry experienced price suppression due to dumped imports of the investigated product;
- iv. Market share of dumped imports of the investigated product increased significantly whereas market share of the domestic like product declined simultaneously;
- v. Sales of the domestic like product decreased due to increased share of the dumped imports in domestic market;
- vi. The capacity utilization of the domestic industry decreased due to dumped imports;
- vii. Domestic industry faced negative effect on profitability;
- viii. Domestic industry faced negative effect on productivity and salaries and wages per MT;

39. Other Factors

39.1 In accordance with Section 18(2) of the Ordinance, the Commission also examined factors, other than dumped imports of the investigated product, which could at the same time cause injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports.

39.2 The Commission's investigation showed that the domestic industry did not suffer injury due to imports of the like product from sources other than the India during POI as imports from sources other than India were reducing. Imports from other sources are low in volume and their landed cost is higher than ex-factory price of investigated product. Following table shows volume and landed cost of sorbitol solution imported from other sources during POI:

Year	Imports from Other Sources (MT)	Landed cost from other sources (Rs/MT)	Imports from Dumped Sources (MT)	Landed cost from Dumped Sources (Rs/MT)
2012	100.00	100.00	193.21	73.27
2013	98.95	105.53	167.17	81.96
2014	93.98	106.54	329.23	81.10

Source: PRAL

Year: January 1 to December 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the imports from other sources and landed cost from other sources during year 2012.

39.3 The factors mentioned in Section 18(3) of the Ordinance were also examined and it was determined that:

- i. There was no contraction in demand;
- ii. There was no considerable change in technology to produce Sorbitol; and
- iii. The domestic industry did not export Sorbitol during the POI meaning thereby that injury to domestic industry is not because of export performance similarly the productivity alone cannot be considered as a major source of injury to the domestic industry.

E. CONCLUSIONS

40. The conclusions, after taking into account all considerations for this preliminary determination, are as follows:

- i. the application was filed by the domestic industry as the Applicant is the sole producer of the domestic like product in domestic market;
- 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/foreign producers from India at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/producers of the investigated product from India were above the negligible and *de minimis* levels respectively.
- v. the domestic industry suffered material injury during POI on account of significant increase in volume of dumped imports, price undercutting, price suppression, decline in market share, production, sales, negative effect on capacity utilization, Profitability, Productivity and salaries and wages per MT in terms of Section 15 and 17 of the Ordinance; and
- vi. There was a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.
- vii. The Commission is of view that injury to the domestic industry is material to justify imposition of provisional measures. Therefore, provisional measures are recommended.

41. In reaching this preliminary affirmative determination, the Commission is satisfied that the investigated product has been imported at dumped prices from the India. This has caused material injury to domestic industry during the POI.

F. IMPOSITION OF PROVISIONAL ANTIDUMPING DUTY

42. In view of the analysis and conclusions with regard to dumping, material injury, and causation, the Commission is of the view that imposition of provisional antidumping duty on the investigated product is necessary to prevent injury being caused to the domestic industry due to dumped imports during the course of an investigation.

43. Individual dumping margins could not be determined for the exporters/foreign producers from India as no exporters/foreign producers have provided the information/data during the investigation. A residual dumping margin and antidumping duty rate for all the exporters/producers from India is determined on the basis of best available information in terms of Section 32 of the Ordinance.

44. In terms of Section 43 of the Ordinance, provisional antidumping duties given in the following table are hereby imposed on the dumped imports of the investigated product classified under PCT heading No. 2905.4400 and 3824.6000 importable from India for a period of four months effective from August 25, 2015. The provisional anti-dumping duty rates are determined on C&F value in ad val. terms as under:-

Table-XVI
Provisional Antidumping Duty Rates

Country	Exporter Name	Provisional Antidumping Duty
India	All exporters	16.97%

45. In accordance with Section 51 of the Ordinance, 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.

46. Provisional anti-dumping duties levied would be in addition to other taxes and duties leviable on import of the investigated product under any other law.

47. 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 Commission's Non-lapsable PLD account No. 187 with Federal Treasury Office, Islamabad.

(Shah Jahan Shah)
Member
August 21, 2015

(Niamat Ullah Khan)
Member
August 21, 2015

(M. Abbas Raza)
Chairman
August 21, 2015

Annex-I

List of exporters

<p>Kasyap Sweetners Limited, No. 20C, Phase I, Near UPL, GIDC , Vapi -396195, Gujarat, India.</p>	<p>Maize Products, P. O. Kathwada-Maize Products, Ahmedabad - 382430, Gujarat, India. Tel: +(91)-8042974086</p>
<p>Gulshan Polyols Limited, G-81, Preet Vihar, Delhi - 110092, India. Tel: +(91)-8043257034</p>	<p>Kasyap Sweetners Limited, Marthanda Building, 84 Dr Annie Besant Road, Worli Naka, Mumbai 400018, India.</p>

Annex - III

Comments by Interested Parties during the Investigation	
<p>Incomplete Application:</p> <p>It is submitted that as per initiation notification, Period of Investigation (“POI”) for determination of dumping and injury is January 1, 2014 to December 31, 2014 but the copy of non-confidential version (NCV) of the application provided by the NTC appears to be taking into account July 2014 to December 2014 as the POI. To this extent, the information submitted by the petitioner and relied upon by the NTC grossly is incomplete and ought not to have made the basis for the subject initiation. This has constrained us to furnish our meaningful comments at this stage. NTC may direct the Petitioner to submit complete information on dumping and injury etc. for the POI as a whole along with non-confidential copy so as to provide an opportunity to all interested parties for their comments. In the absence of such complete and relevant information, the obligations of investigating authority under provisions of Article 6 of the WTO AD Agreement stands vitiated and the investigation itself would be liable to be terminated.</p>	<p>The application submitted by the Applicant contained information on dumping and injury for the complete POI, which has been included in the analysis contained in the initiation memo of the Commission.</p>

<p>Import Data:</p> <p>The petitioner has used import data provided by Pakistan Revenue Automation Limited (“PRAL”) for the purpose of export price. However, petitioner has failed to provide the same (transaction wise import data) in the NCV petition. It is respectfully submitted that treating such rudimentary but key information to an anti-dumping investigation amounts to gross misuse of confidentiality provisions enshrined in the Agreement itself and NTC should not permit confidentiality treatment to transaction wise import information. Under such circumstances, we are unable to understand whether import data for subject product adopted by petitioner is correct or not. We would request NTC to kindly provide us complete transaction-wise import data with soft copy for our comments.</p> <p>In the absence of the above, we are not in a position to defend our interests fully.</p>	<p>The transaction wise import data is confidential in nature as it contains information on business information of importers of the investigated product. The non-confidential version of the application and initiation memo contained the figures of imports from India in indexed form.</p>
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<p>Excessive confidentiality:</p> <p>It is very respectfully submitted that there is excessive confidentiality adopted by the petitioner while providing NCV version of the petition to other interested parties. Some of such major instances are as follows;</p> <p>a. Petitioner has not disclosed transaction wise import data in the petition.</p> <p>b. All information related to injury treated as confidential by the petitioner. Even sales and production volume are also treated as confidential.</p> <p>c. Petitioner has determined normal value based on Indian exports of Sorbitol solution to Iran. This data is obtained by the petitioner from website of Indian Ministry of Commerce. However, petitioner has treated this information as confidential from interested parties.</p> <p>The above clearly shows absolute misuse of confidentiality provisions which should not be permitted by NTC. We reserve our rights to elaborate on this issue by supplementing practices followed by various other countries and also dispute settlement bodies of WTO itself, should the NTC decide to continue to permit such confidentiality treatment by the petitioner.</p>	<p>The domestic industry provided the non-confidential summaries of confidential data. Furthermore, the Commission while initiating the case prepared an initiation memo in confidential and non-confidential version. The non-confidential version of the said initiation memo contained the information submitted by domestic industry on injury in indexed form. The non-confidential version of initiation memo was placed in public for review and copy of the interested parties.</p>
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<p>Different Period used for determination of dumping and injury:</p> <p>It is noted that the petitioner has adopted two different periods for determination of dumping and injury in the petition. It is respectfully submitted that such illogical and illegal methods and unheard and impermissible in anti-dumping investigations and the entire initiation itself stands vitiated on this ground alone. It appears that dumping margin is calculated for the period from January 1, 2014 to December 31, 2014. However, injury determination is based on July 2014 to December 2014. This is untenable and hints at breach of causal link among other core aspects and factors which should have been examined judiciously by the NTC before initiating the subject investigation.</p> <p>From the above, it is respectfully submitted that NTC may direct the petitioner to provide us a copy of the complete petition with all relevant information to enable us to provide our detailed and meaningful comments to defend our interests in the subject investigation.</p>	<p>The Commission determined the POI as follows:-</p> <p>For determination of dumping: From January 1, 2014 to December 31, 2014</p> <p>For determination of injury: From January 1, 2012 to December 31, 2014</p> <p>The period selected for determination of dumping and injury is strictly in accordance with the relevant provision of the Ordinance.</p>
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<p><u>Abbott Laboratories (Pakistan) Limited</u></p> <p>The local price of Sorbitol in India is around Indian Rs. 35/- per KG which on conversion in Pak rupee is equal to Rs. 57/- per KG. The C&F price on import from India is \$ 550 per MT. Which is after conversion in Pak rupee is also approximately Rs. 57 per KG. It means there is no disparity between the local and export price of Sorbitol in India.</p>	<p>The Abbot Laboratories might have provided the evidence of local rice of Sorbitol, which it did not. No exporter/foreign producer have cooperated with the Commission in this investigation. The Commission will base its dumping determination in this investigation on the basis of best information available.</p>
<p>Since the C&F price offered by manufacturers in South Asian countries are in line with international market, there is no justification to increase the duty under the SAFTA MFN agreement from 5% to 20. Such an increase would have a direct impact on the products in which this raw material is used.</p>	<p>The customs duty is not changed pursuant to an antidumping investigation.</p>
<p>That C&Fs from many countries are at the same level. And there is no 'dumping' into Pakistan. Prices to Pak are aligned with global trends.</p>	<p>The Commission will determine the existence of dumping in the preliminary determination.</p>
<p>There is no specific reason to additionally protect Sorbitol local manufacture as the Habib ADM plant has been in place for many years and has had the time opportunity to fully depreciate any capital differentials.</p> <p>In the light of foregoing, we would request that the request of Habib ADM for protective duty and levy of SFT must be declined.</p>	<p>Antidumping duties are imposed to counter the dumping and not to protect to domestic industry.</p>

<p><u>Comments of PPMA</u></p> <p>It is too risky for Pharmaceuticals Industry to depend on only Habib ADM, because Habib ADM has been facing problem of shortage of water in our City Gas and Electricity time to time, which causes the delay in supply to suffer the production and meet the demand.</p> <p>Indian Sorbitol price is going down since last 4 to 6 months due to the reason that Corn price in India has been reduced and Indian manufacturers passed this advantage to our Pharmaceutical Industry, while early and mid, 2014 the price was more than USD 500/-.</p>	<p>Imposition of antidumping duty does not ban import of Sorbitol from an exporting country. The importers can import Sorbitol after paying duties & taxes levied.</p>
<p>In 2014, the total import from India was approx. 10,000 MT while share of Pharmaceutical Industry was approx. 50% of the total import of Sorbitol and if NTC impose the antidumping duty by and put Sales Tax or by increasing the Duty. It will cause immediate negative impacts on the Pharmaceuticals product in the country, Pharmaceutical Companies may increase the prices of their products or many discontinue them.</p>	<p>Antidumping duty is imposed on dumped sources only and pharmaceutical sector may import Sorbitol from non-dumped sources.</p>
<p>Habib ADM has not been able to supply the product 100% as per market demand, due to the less capacity of production. They also manufacturer Dextrose, Liquid Glucose and other materials and has low production capacity of Sorbitol as per consumption.</p>	<p>Habib-ADM's capacity to produce Sorbitol is 15000MT. The Applicant has not been able to use its installed capacity due to dumped imports.</p>

**Preliminary Determination And Levy Of Provisional Antidumping Duty On Imports Of Sorbitol 70% Solution Into Pakistan
Originating In And/Or Exported From The Republic Of India.**

<p>Being Pharmaceuticals use of Sorbitol Solution, it is not possible to compromise the quality standard by many Pharmaceuticals Companies and they prefer to purchase the imported material due to the quality issue, supply demand, packaging etc.</p>	<p>Issues raised by the PPMA regarding quality of the domestic like product may be supported with evidence and the Commission will investigate the matter in detail.</p>
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