



**Government of Pakistan
National Tariff Commission**

REPORT

ON

**TERMINATION OF ANTIDUMPING INVESTIGATION AGAINST ALLEGED
DUMPED IMPORTS OF CERAMIC TILES WHICH INCLUDES CERAMIC,
PORCELAIN/VITRIFIED/ GRANITE WALL AND FLOOR TILES IN
GLAZED/UNGLAZED, POLISHED/ UNPOLISHED FINISH ORIGINATING IN
AND/OR EXPORTED FROM KINGDOM OF SPAIN, UNITED ARAB EMIRATES,
MALAYSIA AND ISLAMIC REPUBLIC OF IRAN**

A.D.C No. 30/2013/NTC/TILES

Termination of Anti-dumping Investigation Against Alleged imports
of Tiles into Pakistan Originating in and/or Exported from the Kingdom of Spain, United Arab Emirates, Malaysia and Islamic Republic of Iran

The National Tariff Commission (the “Commission”) having regard to the Anti-Dumping Duties Ordinance, 2000 (LXV of 2000) (the “Ordinance”) and the Anti-Dumping Duties Rules, 2001 (the “Rules”) relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (“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 (the “Agreement on Antidumping”) has conducted an investigation and made a determination under the above mentioned Ordinance and Rules.

2. 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 July 30, 2013. The Commission was required to make preliminary determination in this investigation within 180 days from the date of initiation of investigation i.e. by January 25, 2014. However, the composition of the Commission remained incomplete during the period from December 12, 2013 to March 31, 2014 due to transfer/posting of one of its Members and the Commission was not properly constituted during this period in the light of decision of Honorable Supreme Court of Pakistan dated Oct. 29, 2009 in Civil Petitions Nos. 1608, 1654, 1686-1687, 1706- 1708/2009. An importer in the subject investigation has filed a Writ Petition in the Lahore High Court. On April 07, 2014 the Honorable Judge passed a verbal order which was perceived as stay order. However, on receipt of written order and upon clarification it was decided that the order issued by the Honorable Judge cannot be considered as stay order and the investigation may proceed in accordance with law. Another writ petition was filed against the Commission in Lahore High Court, hearing of which was held on May 19, 2014. Court passed an order in the light of which the Commission stands dysfunctional. In the circumstances stated above, the Commission could not conclude the investigation within one year as required by Section 37 of the Ordinance. However, the investigation is being terminated within 18 months as allowed. The Commission has adjusted the timeline for making this determination. This determination is based on the information available to the Commission at this time.

A. PROCEDURE

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

4. Receipt of Application

4.1 The Commission received a written application under Sections 20 and 24 of the Ordinance on July 09, 2013 (formal acceptance date) from Organization for Advancement and Safeguard of Industrial Sector (OASIS), on behalf of Master Tiles & Ceramic Industries Limited, Gujranwala and Shabbir Tiles & Ceramics Limited, Karachi (the “Applicants”). The Applicants are producers of wall and floor Tiles, which includes ceramic, porcelain, vitrified, granite wall and floor tiles in glazed/unglazed, polished/unpolished finish (“Tiles”). The Applicants have alleged that Tiles are being exported to Pakistan at dumped prices from the Republic of Indonesia (“Indonesia”), Islamic Republic of Iran (“Iran”), Malaysia, Kingdom of Spain (“Spain”) and United Arab Emirates (“UAE”). According to the Applicants, the alleged dumped import of Tiles from the said Countries has caused and is causing material injury to the Pakistan’s domestic industry producing Tiles.

4.2 The Embassies of Indonesia, Iran, Malaysia, Spain and UAE in Islamabad were informed through note verbal dated July 10, 2013 in accordance with the requirements of Section 21 of the Ordinance.

5 Evaluation and Examination of the Application

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 Tiles into Pakistan from above said countries and injury to the domestic industry caused therefrom. The requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein, were also found to have been met.

6 The Domestic Industry

6.1 Section 2(d) 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”.

6.2 Tiles industry producing the like product comprises of the following seven units, namely:

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- i. Master Tiles and Ceramics Industries (Master),
- ii. Shabbir Tiles and Ceramics Limited (Stile),
- iii. Karam Ceramics Limited (Karam),
- iv. Emco Industries Limited (Emco),
- v. Swat Ceramics (Pvt.) Limited (Swat),
- vi. Sonex Tiles & Ceramics Industries (Sonex), and
- vii. Frontier Ceramics Limited (Forte).

6.3 Master and Stile (mentioned at S. No. i & ii above) are the Applicants. All other units have supported the Application.

7. **Standing of the Application**

7.1 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.”

7.2 The application has been filed by the Applicants, which are the major producers of Tiles in Pakistan. The Applicants produced 13.78 million SQM Tiles out of total production of 23.96 million SQM (during financial year 2011-12). Other units of the domestic industry are also supporting the application. In support of this claim the Applicants have submitted letters from these units.

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Table – I

Standing of the Applicants

S. No	Name of Units	Share in domestic production %age	Supporting/ Opposing/ Indifferent
1	Stile	38.78	Applicants
2	Master	18.75	
3	Karam	13.80	Supporting
4	Emco	14.68	Supporting
5	Sonex	4.75	Supporting
6	Swat	4.59	Supporting
7	Forte	4.65	Supporting
	Total	100.00	

7.3 The above table shows that the Applicants represent 58 percent of the total domestic production. The Application is supported by 100% of the domestic production. Therefore, the application fulfills the requirements of Section 24 of the Ordinance.

8 Exporters/ Foreign Producers of the Tiles

8.1 The Applicants have identified sixty-three Exporters/ Foreign Producers involved in the alleged dumping of the investigated product from the said Countries (Para 4.1 supra). Twenty-nine Exporters/ Foreign Producers including eight additional Exporters/ Foreign producers (not identified by the Applicants) from Spain and one Exporter from Malaysia (not identified by the Applicant) submitted their response to Commission on Exporter’s Questionnaire. List of the all Exporters/ Foreign Producers is placed at Annex – I.

8.2 The Applicants have also stated that “there is a risk that exports could be diverted through Other Exporters/Traders and that Exporters/ Foreign Producers could export under a different name” and has requested for imposition of antidumping duty on all imports of the investigated product originating in and/or exported from the said Countries.

9. Applicant’s Views

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

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- i. Tiles imported from the said Countries into Pakistan and the Tiles produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from the said Countries are exporting Tiles to Pakistan at dumped prices; and
- iii. Exports of Tiles by the said Country's Exporters/ Foreign Producers to Pakistan at dumped prices have caused and is causing material injury to the domestic industry producing Tiles mainly through:
 - a) volume of dumped imports
 - b) price undercutting
 - c) loss of market share
 - d) decline in production and output;
 - e) decline in capacity utilization;
 - f) negative effect on profits;
 - g) negative effects on employment;
 - h) negative effects on wages and salaries;
 - i) negative effects on ability to raise capital; and
 - j) negative effect on growth

10. **Initiation of Investigation**

10.1 The Commission upon examining the accuracy and adequacy of the evidence provided in the application established that there is sufficient evidence of alleged dumping of Tiles into Pakistan and consequent material injury to the domestic industry to justify initiation of an investigation.

10.2 The Application was filed against the countries mentioned at Para 4.1 supra. The information/data on alleged dumped imports and other imports of Tiles was retrieved from Pakistan Revenue Automation Limited ("PRAL"), import database. The volume of alleged dumped imports of the investigated product from Indonesia was found below the negligible threshold set out in Section 41(3) of the Ordinance; therefore, investigation was not initiated against alleged dumped imports from Indonesia.

10.3 The Commission decided to initiate the investigation against Malaysia, Iran, Spain and UAE (collectively referred to as "Exporting Countries") and notified the Embassies of Exporting Countries in Pakistan of initiation of investigation against alleged dumped imports of Tiles from Exporting Countries (by sending a copy of the Notice of Initiation on August 01, 2013) with a request to forward it to all Exporters/ Foreign Producers involved in export of Tiles from the respective countries. Copy of Notice of Initiation was also sent to fifty exporters/producers from

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Exporting Countries (whose complete addresses were available with the Commission), the known Pakistani importers, and the Applicants on August 01, 2013, in accordance with the requirements of Section 27 of the Ordinance. All interested parties were informed through the Notice of Initiation that, if they do not respond to the Commission's request for information, the Commission would resort to the use of best information available in terms of Section 32 of the Ordinance.

10.4 In accordance with Section 28 of the Ordinance, on August 01, 2013 the Commission also sent copies of full text of the written application (non-confidential version) to the Embassies of the Exporting Countries in Pakistan with a request to forward it to all exporters/producers involved in export of Tiles from respective countries.

10.5 The notice of initiation of investigation was published in the official Gazette of Pakistan and in two widely circulated national newspapers (one in English language and one in Urdu Language)* on July 30, 2013.

11. **Investigated Product and Domestic Like Product**

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

Investigated Product:

"a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation".

Domestic Like Product:

"the domestically produced product, which is a like product to an investigated product".

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

Investigated Product

11.2.1 The investigated product is Tiles, which includes ceramic, porcelain/vitrified/ granite wall and floor tiles in glazed/unglazed, polished/ unpolished finish excluding border tiles produced in and/or exported from Exporting Countries. Investigated product is used for walls

* Daily Dawn & Daily Express.

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The investigated product is classified under Pakistan Customs Tariff (“PCT”) Heading Nos. 6907.1000, 6907.9000, 6908.1000, 6908.9010 and 6908.9090.

Domestic Like Product

11.2.2 The domestic like product is Tiles, which includes ceramic, porcelain/vitrified/ granite wall and floor tiles in glazed/unglazed, polished/ unpolished finish excluding border tiles, produced by the domestic industry. Domestic like product has the same uses as of the investigated product. It is also classified under Pakistan Customs Tariff (“PCT”) Heading Nos. 6907.1000, 6907.9000, 6908.1000, 6908.9010 and 6908.9090.

Like Product

11.2.3 In order to establish whether the investigated product and the domestic like product are like products, as contended by the Applicant: The Commission reviewed all the relevant information received/obtained from various sources including the Applicant and certain foreign producers. In this regard it is mentioned that the Asociación Española de Fabricantes de Azulejos y Pavimentos Cerámicos (ASCER) has asserted that the investigated product and the domestic like product are different from the tiles imported from Spain on account of geologically different inputs (although the difference have not been substantiated with evidence) and the tiles imported from Spain cater for higher end users. The Commission has examined the issue and is of the view that the mere difference in quality of product (both the differences indicated out by the ASCER relate to quality of product) does not change the nature of the product and does not effect the likeness of the product in the following terms:

- i. production process for each of the two is similar;
- ii. both employed same/similar inputs in production process;
- iii. uses of the both are identical and both are interchangeable in use;
- iv both the products are classified under the same PCT sub-headings;
- v. both compete directly with each other in domestic market; and
- vi. both the products are stocked and sold by the same traders through the same distribution and sales network.

11.2.4 The Commission has determined that both the investigated product and the domestic like product are “like products” in terms of Section 2(m) of the Ordinance.

12. Period of Investigation

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12.1 In terms of Section 36 of the Ordinance, period of investigation (hereinafter referred to as the “POI”) is:

“a) 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.

b) 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 so deems appropriate in view of the available information regarding domestic industry and an investigated product”.

12.2 The POI selected for dumping and injury are, therefore, respectively, as follows:

Investigation of dumping	from July 01, 2012 to June 30, 2013;
Investigation of injury	from July 01, 2010 to June 30, 2013

13. **Information/Data Gathering**

13.1 The Commission sent Exporter’s Questionnaire, on August 01, 2013, directly to the fifty exporters/producers from Exporting Countries (whose complete addresses were available with the Commission) for submission of data and information, and were asked to respond within 37 days of the dispatch of the exporter’s questionnaire i.e. by September 06, 2013.

13.2 The exporters mentioned in Annexure – II from Spain requested for an extension in time period for submission of information. The Commission acceded to the requests after taking into account the due cause shown by these exporters in their requests and granted 10 days extension in time period for submission of information on exporter’s questionnaire.

13.3 Filled-in Exporter’s questionnaires from twenty-nine Spanish exporters were received at the Commission on September 30, 2013. In spite of the fact that there was delay in response, the Commission considered it in a good faith. The response to the Commission from Spain was so large as to make it impracticable to determine an individual dumping margin for each known exporter/ foreign producer concerned of an investigated product.

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13.4 As per Section 14(3) of the Ordinance, the Commission decided to limit its examination to the 10 largest exporters on the basis of import data obtained from PRAL. The list of the 10 largest exporters/ foreign producers selected for detailed investigation is as under:

- i) Hatz Spain S. A.
- ii) Realonda Ceramica
- iii) Pamesa Ceramica Central
- iv) Cicogres S. A.
- v) Cifre Ceramica
- vi) Baldocer S. A.
- vii) Hijos De C Castello Alfonso
- viii) Kerben Grupo, S.A.
- ix) Grespania, S. A.
- x) Ceramica Gomez Ctra Ribesalbes

13.5 A letter was sent on November 06, 2013 to all twenty-nine cooperating Spanish exporters for comments on the selection of exporters for detailed investigation. The exporters chosen for detailed investigation confirmed their cooperation in the investigation via facsimile message. No comments from any other Spanish Exporter were received in this context.

13.6 The data of the chosen exporters were examined and certain deficiencies were found in the information supplied. These deficiencies were communicated to the exporters and were requested to supply the deficient information. A further detail of response to the exporter's questionnaire of each exporter is set out in paragraphs 14.1 to 14.11.

13.7 CerAsia International from Malaysia also requested for an extension in time period for submission of information. The Commission acceded to the request after taking into account the due cause shown by the exporter in its request and granted 10 days extension in time period for submission of information on exporter's questionnaire.

13.8 Filled-in exporter's questionnaire from CerAsia International was received at the Commission on September 17, 2013. The data of the exporter was examined and certain deficiencies were found in the information supplied. These deficiencies were communicated to the exporter and requested to supply the deficient information. A further detail of response to the exporter's questionnaire is set out in following paragraph 14.12.

13.9 The Commission sent Exporter/ Foreign Producer Questionnaire to all alleged exporter including RAK Ceramics (RAK) on August 01, 2013 with a request to furnish data/ information

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within 37 days of the dispatch of that letter. The time period of 37 days expired on September 06, 2013 and the Commission had not received any response from RAK.

13.10 The Commission issued another letter on September 12, 2013 with a request to furnish data/ information on prescribed Exporter/ Foreign Producer Questionnaire by September 20, 2013 otherwise, the Commission may be constrained to make preliminary and final determination of dumping for RAK on the basis of "Best Information Available" in terms of Section 32 of the Ordinance and Article 6.8 of the Agreement.

13.11 RAK has submitted data/ information on November 10, 2013. The information submitted by RAK in response to the questionnaire was analyzed at the Commission. The data submitted by RAK was not in the requisite format i.e. Exporter's/ Foreign Producer Questionnaire and is not understandable. The Commission vide its letter dated November 18, 2013 informed RAK that the deadline of submission of filled in Exporter's/ Foreign Producer Questionnaire has expired on September 17, 2013.

13.12 RAK did not respond to the Commission letter and the Commission issued another letter on December 24, 2013 to inform that if RAK did not to provide the requisite data by December 28, 2013 the Commission will reach to the preliminary determination on the best information available.

13.13 The RAK responded to the Commission's letter via an email dated December 28, 2013 and requested for addition 5 to 6 working days to submit data. However, RAK did not submit data within their own stated time.

13.14 No Exporter/ Foreign producer from Iran responded to the Commission.

13.15 On August 01, 2013 questionnaires were also sent to Pakistani importers known to the Commission and these importers were asked to respond to the Commission within 37 days of the dispatch of the questionnaires. None of the Pakistani importer furnished appropriate data in prescribed format.

13.16 The Commission has an access of import statistics, from PRAL, the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicants and the exporters.

13.17 On-the-spot investigation was conducted at the premises of the Applicants from October 21-23, 2013 at Master Tiles & Ceramic Industries Limited, Gujranwala and from

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December 11-13, 2013 at Shabbir Tiles & Ceramics Limited, Karachi, in order to verify the information provided by the Applicants and to obtain further information.

13.18 Thus the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this determination of dumping and injury caused therefrom. In terms of Rule 12 of the Rules, the Commission, during the course of the investigation, satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible for the purposes of this determination.

13.19 The interested parties also submit their views/ comments on the Application. These Comments are reproduced in Annexure – III.

14. **Questionnaire Response by the Exporters**

14.1 As mentioned in Para 13.4, the Commission has selected 10 largest exporters/foreign producers selected for detailed investigation. The details of those exporters are as follows:

14.2 **Hatz Spain S. A, Spain**

14.2.1.1 Questionnaire response from Hatz S.A (Hatz) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Hatz was involved in the exports of Tiles to Pakistan and other countries during POI.

14.2.1.2 The information submitted by Hatz in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Hatz vide Commission's letter dated December 24, 2013.

14.2.1.3 Hatz was asked to provide the deficient information/data no later than January 02, 2014. Hatz responded to the deficiencies via an email on January 03, 2014. The legal representative of Hatz furnished revised data which was received on January 17, 2014. However, Hatz response to deficiency letter did not contain all the required information.

14.3 **Realonda Ceramica, Spain**

14.3.1.1 Questionnaire response from Realonda Ceramica (Realonda) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Realonda was involved in the exports of investigated product to Pakistan and other countries during POI.

14.3.1.2 The information submitted by Realonda in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Realonda vide Commission's letter dated December 02, 2013.

14.3.1.3 Relonda was asked to provide the deficient information/data no later than December 11, 2013. Realonda responded to the deficiencies via an email on December 18, 2013. However, Realonda response to deficiency letter did not contain all the required information. The Commission sent second deficiency letter to Realonda on December 30, 2013 and asked to provide the deficient information/data no later than January 04, 2014.

14.3.1.4 Realonda responded to the deficiencies via an email on January 02, 2014. The legal representative of Realonda furnished revised data which was received on January 17, 2014. However, Realonda response to deficiency letter did not contain all the required information.

14.4 **Pamesa Ceramica Central, Spain**

14.4.1.1 Questionnaire response from Pamesa Ceramica Central (Pamesa) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Pamesa was involved in the exports of Tiles to Pakistan and other countries during POI.

14.4.1.2 The information submitted by Pamesa in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Pamesa vide Commission's letter dated December 27, 2013. Pamesa was asked to provide the deficient information/data no later than January 5, 2013. The legal representative of Pamesa furnished revised data which was received on January 17, 2014 but it did not contain all required information on normal value.

14.5 **Cicogres S. A., Spain**

14.5.1.1 Questionnaire response from Cicogres S. A. (Cicogres) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Cicogres was involved in the exports of Tiles to Pakistan and other countries during POI.

14.5.1.2 The information submitted by Cicogres in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those

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deficiencies were communicated to Cicogres vide Commission's letter dated December 27, 2013.

14.5.1.3 Cicogres was asked to provide the deficient information/data no later than January 05, 2013. The legal representative of Cicogres furnished revised data which was received on January 17, 2014 but it did not contain all required information on normal value.

14.6 **Cifre Ceramica, Spain**

14.6.1.1 Questionnaire response from Cifre Ceramica (Cifre) was received in the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Cifre was involved in the exports of Tiles to Pakistan and other countries during POI.

14.6.1.2 The information submitted by Cifre in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Cifre vide Commission's letter dated December 23, 2013.

14.6.1.3 Cifre was asked to provide the deficient information/data no later than January 01, 2013. Cifre responded to the deficiencies via an email on December 30, 2013. However, Cifre response to deficiency letter did not contain all the required information. The Commission sent second deficiency letter to Cifre on January 01, 2014 and asked to provide the deficient information/data no later than January 04, 2014. The legal representative of Cifre furnished revised data which was received on Jan 17, 2014 but it did not contain all required information. The information submitted by it cannot be used for determination of normal value.

14.7 **Baldocer S.A, Spain**

14.7.1.1 Questionnaire response from Baldocer S.A (Baldocer) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Baldocer was involved in the exports of Tiles to Pakistan and other countries during POI.

14.7.1.2 The information submitted by Baldocer in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Baldocer vide Commission's letter dated December 04, 2013.

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14.7.1.3 Baldocer was asked to provide the deficient information/data no later than December 04, 2013. The legal representative of Baldocer furnished revised data which was received on January 17, 2014. This data did not contain required information on normal value.

14.8 **Hijos De C Castello Alfonso, Spain**

14.8.1.1 Questionnaire response from Hijos De C Castello Alfonso (Hijos) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Hijos was involved in the exports of Tiles to Pakistan and other countries during POI.

14.8.1.2 The information submitted by Hijos in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Hijos vide Commission's letter dated January 08, 2014.

14.8.1.3 Hijos was asked to provide the deficient information/data no later than January 17, 2014. Hijos did not respond to the deficiency letter.

14.9 **Keraben Groupo, S.A., Spain**

14.9.1.1 Questionnaire response from Keraben Groupo, S.A., (Keraben) was received in the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Keraben was involved in the exports to Pakistan and other countries during POI.

14.9.1.2 The information submitted by Keraben in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Keraben vide Commission's letter dated December 24, 2014.

14.9.1.3 Keraben was asked to provide the deficient information/data no later than January 2, 2014. The legal representative of Keraben furnished revised data which was received on January 17, 2014.

14.10 **Grespania, S.A., Spain**

14.10.1.1 Questionnaire response from Grespania, S.A. (Grespania) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Grespania was involved in the exports of Tiles to Pakistan and other countries during POI.

14.10.1.2 The information submitted by Grespania in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Grespania vide Commission's letter dated December 23, 2013.

14.10.1.3 Grespania was asked to provide the deficient information/data no later than January 1, 2014. The legal representative of Grespania furnished revised data which was received on January 17, 2014.

14.11 **Ceramica Gomez Ctra Rlbesalbes, Spain**

14.11.1.1 Questionnaire response from Ceramica Gomez Ctra Rlbesalbes (Gomez) was received at the Commission on September 30, 2013. According to the information provided in response to the questionnaire, Gomez was involved in the exports of Tiles to Pakistan and other countries during POI.

14.11.1.2 The information submitted by Gomez in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Gomez vide Commission's letter dated December 23, 2013.

14.11.1.3 Gomez was asked to provide the deficient information/data no later than January 1, 2014. The legal representative of Gomez furnished revised data which was received on January 17, 2014.

14.12 **CerAsia International, Malaysia**

14.12.1.1 Questionnaire response from CerAsia International (CerAsia) was received at the Commission on September 17, 2013. According to the information provided in response to the questionnaire, was involved in the exports of Ceramic Tiles to Pakistan and other countries during POI.

14.12.1.2 The information submitted by CerAsia in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to CerAsia vide Commission's letter dated October 03, 2013.

14.12.1.3 CerAsia was asked to provide the deficient information/data no later than October 20, 2013. CerAsia responded to the deficiencies via letter dated November 05, 2013. However, CerAsia response to deficiency letter did not contain all the required information. The

Commission sent second deficiency letter to CerAsia on December 31, 2013 and asked to provide the deficient information/data no later than January 04, 2014. CerAsia responded to the deficiencies via letter dated January 06, 2014.

15. **Public File**

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file at its offices. 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. This file contains non-confidential versions of the application, submissions, notices, correspondence, and other documents for disclosure to the interested parties.

16. **Confidentiality**

In terms of Section 31 of the Ordinance, any information, which is marked confidential by the interested parties in their submissions and considered confidential by the Commission, shall, during and after the investigation, be kept confidential. Furthermore, any information, which is by nature confidential in terms of Section 31 of the Ordinance, shall also be kept confidential. However, in accordance with Section 31(5) of the Ordinance, interested parties submitting confidential information are required to submit non-confidential summary(ies) of the confidential information, which shall permit a reasonable understanding of the substance of information submitted in confidence. Non-confidential summaries submitted by different interested parties have been placed in the public file and are available to all interested parties (paragraph 15 supra).

17. **Negligible Volume of Imports**

In terms of Section 41(3) of the Ordinance, the volume of imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product for each country is found to account for less than 3 percent of total imports of the like product. In this regard, data and information provided by the Applicant (which is based on PRAL data) and provided by the exporters/producers from Exporting Countries has been analyzed. The data reveals that imports from all Exporting Countries were ***** SQM during the POI for dumping, which were 31% of total imports of the investigated product into Pakistan. Volume of dumped imports from each individual country was above *deminimis* threshold of 3% as shown in the table below:

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Table – II

Volume of Imports during POI

Imports from		Imports in % of total imports
Dumped Sources	Iran	12
	Malaysia	4
	Spain	11
	UAE	4
Other sources		69
Total		100

Source: PRAL.

B. DETERMINATION OF DUMPING

18. 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”.

19. Normal Value

19.1 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”.

19.2 However, 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.”.

19.3 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. Export Price

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. Dumping Determination

21.1 As stated earlier the Applicant identified fifty exporters/foreign producers involved in alleged dumping of the investigated product. The Commission sent questionnaires to gather information to all exporters/ foreign producers whose complete addresses were available with the Commission. Questionnaires were also provided to the Embassies of Exporting Countries in Islamabad with a request to forward it to all respective exporters/ foreign producers of the investigated product to submit information to the Commission.

21.2 Twenty nine exporters/ foreign producers from Spain and one exporter from Malaysia, provided information in response to the questionnaire. Information provided by an exporter/foreign producer from UAE was deficient and was not suitable for calculation of individual dumping margin.

21.3 It is pertinent to mention that Section 14(2) of the Ordinance 2000 states that:

“Where the Commission is satisfied that the number of exporters, producers or importers, or types of products involved is so large as to make it impracticable to determine an individual dumping margin for each known exporter or producer concerned of an investigated product, the Commission may limit its examination to a reasonable number of interested parties or investigated products by using samples which are statistically valid on the basis of information available to the Commission at the time of selection, or to the largest percentage of volume of exports from the country in question which can reasonably be investigated”.

Section 14(3) of the Ordinance 2000 also states that:

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“The selection of exporters, producers, importers or types of products shall normally be made by the Commission in consultation with the exporters, producers or importers concerned....”.

21.4 As identified earlier the numbers of cooperating exporters from Spain is large and the Ordinance provides that the Commission may limit its examination to a reasonable number of interested parties. Therefore, the Commission decided to limit its analysis to top ten exporters/foreign producers of investigated product from Spain. The list of exporters selected for investigation is given below.

S.No.	Exporters	Exports (SQM)
1	Hatz Spain S A	100
2	Realonda Ceramica	70
3	Pamesa Ceramica Central	64
4	Cifre Ceramica	65
5	Cicogres S A	57
6	Baldocer S.A	40
7	Hijos De C Castello Alfonso	35
8	Keraben Grupo, S.A.	33
9	Grespania, S.A.	27
10	Ceramica Gomez Ctra Rlbesalbes	29

Source: PRAL.

To keep confidentiality, the above figures have been indexed w.r.t. figures of Hatz.

22. Determination of Normal Value

Normal value for selected Spanish exporters/foreign producers (Para 12 supra) and CerAsia, Malaysia in this determination has been determined on the basis of information submitted by them and the best information available where appropriate. Normal value for all other exporters/foreign producers has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Ordinance.

22.1 Determination of Normal Value for Hatz, Spain

22.1.1 Normal value for Hatz has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during POI.

22.1.2 Hatz sold ***** Sqm of the like product in its domestic market during POI. It sold like product to un-related customers in its domestic market. Section 7 of the Ordinance

requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. The data furnished by the exporter/foreign producer have revealed that out of total sales, ***** Sqm were at loss while ***** Sqm were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Ordinance. Furthermore, below costs sales were in extended period of time and its prices did not provide for recovery of all costs within a reasonable period of time. Thus, in determination of normal value for the said exporter, the Commission has disregarded sales, which were not in the ordinary course of trade in accordance with provisions of Section 7 of the Ordinance.

22.1.3 According to Hatz, during POI, it sold like product in its domestic market on cash and credit. To arrive at the ex-factory price, Hatz has claimed adjustments on account of credit cost, rebate, commission, freight and indirect tax. Normal value at ex-factory level for the like product is worked out by deducting values of these adjustments.

22.3 **Determination of Normal Value for Realonda Ceramica, Spain**

22.3.1 Normal value for Realonda Ceramica has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during POI.

22.3.2 Realonda Ceramica sold ***** Sqm of the like product in its domestic market during POI. It sold like product to un-related customers in its domestic market. Section 7 of the Ordinance requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation has revealed that out of total sales, ***** Sqm were at loss while ***** Sqm were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Ordinance. Furthermore, below costs sales were in extended period of time and its prices did not provide for recovery of all costs within a reasonable period of time. Thus, in determination of normal value for the above-mentioned types, the Commission has disregarded sales, which were not in the ordinary course of trade in accordance with provisions of Section 7 of the Ordinance.

22.3.3 According to Realonda Ceramica, during POI, it sold like product in its domestic market at Ex-Works basis. To arrive at a comparable price, Realonda Ceramica has claimed adjustments on account of rebate and commission. Normal value at ex-factory level for the like product is worked out by deducting values of these adjustments.

22.4 **Determination of Normal Value for Pamesa Ceramica, Spain**

22.4.1 The Commission requested Pamesa Ceramica to submit information on its domestic sales in Appendix D-3 of the exporter's questionnaire. Pamesa Ceramica did not provide requisite information. However at D-4, Pamesa Ceramica provided selected information

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for top ten customers in domestic market. The Commission is of the view that normal value for the instant Exporter/Foreign producer cannot be worked out on this selected information. For the purpose of determination of normal value for Pamesa the Commission used the best available information i.e. the normal value of Hatz for determination of normal value of Pamesa.

22.4.2 The Normal value of Hatz has been used on the following grounds:

- a) Hatz is one of the major producer of tiles in Spain;
- b) Hatz is the largest exporter of the investigated product from Spain to Pakistan during POI;
- c) This is the only reliable information available with the Commission on Spanish cost to make and sell of tiles.

22.5 **Determination of Normal Value for Cicogres S A, Spain**

The Commission requested Cicogres to submit information on its domestic sales in Appendix D-3 of the exporter's questionnaire. Information provided by Cicogres was incomplete and the Commission is of the view that normal value for the instant exporter/foreign producer cannot be worked out on the basis of information provided by it. The Commission used the best information available i.e. the normal value of Hatz for determination of normal value for Cicogres. The Normal value of Hatz has been used on the grounds explained at Para 22.4.2 supra.

22.6 **Determination of Normal Value for Baldocer, Spain**

The Commission requested Baldocer to submit information on its domestic sales in Appendix D-3 of the exporter's questionnaire. However, Baldocer did not provide information on its domestic sales. The Commission used the best available information i.e. the normal value of Hatz for determination of normal value for Baldocer. The Normal value of Hatz has been used on the grounds explained at Para 22.4.2 supra.

22.7 **Determination of Normal Value for Hijos De Cipriano Castello Alfonso, S.L. – El Molino, Spain**

The Commission requested El-Molino to submit information on its domestic sales in Appendix D-3 of the exporter's questionnaire. However, El-Molino did not provide information on its domestic sales. The Commission used the best available information i.e. the normal value of Hatz for determination of normal value for El-Molino. The Normal value of Hatz has been used on the grounds explained at Para 22.4.2 supra.

22.8 Determination of Normal Value for Keraben Groupo, S.A., Spain

22.8.1 Normal value for Keraben Groupo, S.A. has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during POI.

22.8.2 Keraben Groupo, S.A. sold ***** Sqm of the like product in its domestic market during POI. Out of total sales, ***** Sqm tiles were specialized tiles. Price for these specialized tiles were abnormally high and therefore sales of specialized tiles were excluded for purpose of calculating normal value. It sold like product to un-related customers in its domestic market. Section 7 of the Ordinance requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. The data furnished by the exporter/foreign producer has revealed that out of remaining total sales, ***** Sqm were at loss while ***** Sqm were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Ordinance. Furthermore, below costs sales were in extended period of time and its prices did not provide for recovery of all costs within a reasonable period of time. Thus, in determination of normal value, the Commission has disregarded sales, which were not in the ordinary course of trade in accordance with provisions of Section 7 of the Ordinance.

22.8.3 According to Keraben Groupo, S.A. during POI, it sold like product in its domestic market at delivered basis. Keraben Groupo in its response dated September 11, 2013 claimed adjustments on account of credit cost and commission. However in its later response dated January 17, 2014, the company claimed several adjustments which were in contradiction to what it stated in questionnaire dated September 11, 2013. At D-2.8 of the questionnaire, “we do not provide any warrantee, guarantee or technical assistance. The question is not applicable.” Whereas, at later stage it claimed adjustments on account of warranty and technical assistance. Likewise at D-2.10 of the questionnaire, the company mentioned that “we are not claiming allowance for differences in other factors.” However, later it claimed adjustment on account of other charges and amount of adjustment claimed is exorbitantly high. The Commission is of the view that later response of the company is self-contradictory to its response in questionnaire dated September 11, 2013 the Commission has rejected the adjustments claimed for this determination. However, the Commission has accepted the adjustments claimed by the company vide its earlier response on account of credit cost and commission. Normal value at ex-factory level for the like product is worked out by deducting values of these adjustments.

22.9 Determination of Normal Value for Grespania, Spain

22.9.1 Normal value for Grespania has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during POI.

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22.9.2 Grespania sold ***** Sqm of the like product in its domestic market during POI. It sold like product to un-related customers in its domestic market. Section 7 of the Ordinance requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. The data furnished by the exporter has revealed that out of total sales, ***** Sqm were at loss while ***** Sqm were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Ordinance. Furthermore, below costs sales were in extended period of time and prices did not provide for recovery of all costs within a reasonable period of time. Thus, in determination of normal value, the Commission disregarded sales, which were at loss while applying ordinary course of trade test in accordance with provisions of Section 7 of the Ordinance.

22.9.3 According to Grespania, during POI, it sold like product in its domestic market at ex works basis. To arrive at a comparable price, Grespania has claimed adjustments on account of commission, indirect tax and insurance. Normal value at ex-factory level for the like product is worked out by deducting values of these adjustments.

22.10 **Determination of Normal Value for Ceramica Gomez, Spain**

22.10.1 Normal value for Ceramica Gomez has been determined on the basis of the information provided by it.

22.10.2 Ceramica Gomez sold ***** Sqm of the like product in its domestic market during POI. It sold like product to un-related customers in its domestic market. Section 7 of the Ordinance requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. The data furnished by the exporter has revealed that out of total sales, ***** Sqm were at loss while ***** Sqm were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Ordinance. Furthermore, below costs sales were in extended period of time and prices did not provide for recovery of all costs within a reasonable period of time. Thus, in determination of normal value for the above-mentioned types, the Commission disregarded sales, which were not in ordinary course of trade in accordance with provisions of Section 7 of the Ordinance.

22.10.3 According to Ceramica Gomez, during POI, it sold like product in its domestic market at Ex-Works basis. To arrive at a comparable price, Ceramica Gomez has claimed adjustments on account of commission. Normal value at ex-factory level for the like product is worked out by deducting value of the adjustment.

22.11 **Determination of Normal Value for Cifre Ceramica, Spain**

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According to Cifre, it is a trading company and an exporter of the investigated product. Cifre has provided its cost of acquisition of tiles but this information cannot be used for determining the sales which were in ordinary course of trade. Cifre has not provided its copy of its annual accounts in English translation. The Commission used the best available information i.e. the normal value of Hatz for determination of normal value for Cifre. The Normal value of Hatz has been used on the grounds explained at Para 22.4.2 supra.

22.12 Determination of Normal Value for non-cooperating Exporters/ Foreign producers from Spain

Normal Value for non-cooperating Spanish Exporters/ Foreign producers has been determine on the basis of average of five Spanish Exporters/ Foreign producers who provided necessary information for determination of normal value as best available information.

22.13 Determination of Normal Value for CerAsia, Malaysia

22.13.1 CerAsia stated in its exporter's questionnaire that it is only exporter of the investigated product. Section 6 of the Ordinance provides that when there is no sales of a like product in the ordinary course of trade in domestic market of an exporting county, 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 county the Commission shall establish normal value of and investigated product on the basis of either

(a) a 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.

22.13.2 The Commission asked CerAsia to provide information on its sales to all other countries. CerAsia provided selected information on its exports to other selected countries. However, models sold to other countries were different than the models sold to Pakistan. The Commission therefore, determined that export price to largest export market for CerAsia in terms of quantity and value i.e. Australia, may be taken as normal value.

22.13.3 The ordinary course of trade for export sales to Australia could not be determined as no cost of production is available. The normal value for this determination has been an absolute export price to Australia. Export price to Australia has been adjusted for credit cost,

handling cost and bank charges at a level of adjustments for Pakistan. Normal value at ex-factory level for the like product is worked out by deducting values of these adjustments.

22.14 Determination of Normal Value for Other Malaysian Exporters/Producers

22.14.1 To collect information on the normal value, the Commission sent questionnaire to known exporters/foreign producers of the Exporting Countries and the Embassies of the Exporting Countries in Islamabad on August 01, 2013. However, no response on the exporter's questionnaire has been received from any other exporter from the Malaysia. 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.

22.14.2 The Commission has constructed normal values for the other Malaysian exporters on the basis of information provided by the Applicant. The Applicant relied upon the following methodology for construction of normal value; for raw material costs, the Applicant has used the price of locally purchased raw materials adjusted to ex-factory level. For calculation of labor cost labor hours of domestic industry has been multiplied by labor rate per hour applicable in these countries. Energy consumption of the Applicant is used to calculate energy cost by multiplying it with fuel rates in the respective countries. Financial cost has been calculated on the basis of interest rates applicable in these countries. Profit has been calculated as 10% of the total constructed cost to make and sell of the Exporting Country. The Commission feels that it is the best information available.

22.15 Determination of Normal Value for exporters/foreign producers from UAE

22.15.1 To collect information on the normal value, the Commission sent questionnaire to known exporters/foreign producers of the UAE and the Embassies of the Exporting Countries in Islamabad on August 01, 2013. However, no response on the exporter's questionnaire has been received from any exporter from the Exporting Countries. 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.

22.15.2 The Commission has constructed normal values for the UAE on the basis of information provided by the Applicant. The Applicant relied upon the following methodology for construction of normal value; for raw material costs, the Applicant has used the price of locally purchased raw materials adjusted to ex-factory level. For calculation of labor cost labor hours of domestic industry has been multiplied by labor rate per hour applicable in UAE countries. Energy consumption of the Applicant is used to calculate energy cost by multiplying it

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with fuel rates in the UAE. Financial cost has been calculated on the basis of interest rates applicable in these UAE. Profit has been calculated as 10% of the total constructed cost to make and sell of Exporting Country. The Commission feels that it is the best information available.

22.16 Determination of Normal Value for exporters/foreign producers from Iran

To collect information on the normal value, the Commission sent questionnaire to known exporters/foreign producers of the Iran and the Embassies of the Exporting Countries in Islamabad on August 01, 2013. However, no response on the exporter's questionnaire has been received from any exporter from the Iran. 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. For the purpose of Normal value for Iran the Commission has used the information provided by the Applicant in the application which as a best information available. The Applicant allocate 31% cost to direct material, 9% to labour, 14% to gas, 4% to electricity, 17% to factory overheads, 15% to selling& distribution, 2% to administrative expenses and 8% to financial expenses. The projected cost to make & sell Iran is ***** which tends to ***** after adding 10% profit margin.

23. Determination of Export Price

23.1 The Commission received information on export sales of the investigated product from thirty exporters/foreign producers (twenty nine from Spain and one from Malaysia) in response to the questionnaires sent to various exporters/foreign producers of the Exporting Countries. In this investigation the numbers of cooperating exporters from Spain is large and the Anti-dumping law provides that the Commission may limit its examination to a reasonable number of interested parties by using statistically valid samples. The Commission decided to limit its analysis to top ten exporters/foreign producers of investigated product from Spain. Export price of investigated product for the exporters/foreign producers selected as such and exporter/foreign producer from Malaysia in this determination has been determined on the basis of the information provided by them. Export price for other exporters/foreign producers of the Exporting Countries who did not cooperate with the Commission is determined on the basis of the information obtained from PRAL.

23.2 Determination of Export Price for Hatz, Spain

23.2.1 Export price for Hatz is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its total exports of

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the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.2.2 During POI, Hatz exported investigated product on Ex-Works basis. To arrive at a comparable price, it has reported adjustments on account of credit cost and commission. The Commission has provisionally accepted adjustments for credit cost and commission. The comparable export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.3 **Determination of Export Price for Realonda Ceramica, Spain**

23.3.1 Export price for Realonda Ceramica is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. Out of total export sales to Pakistan, ***** Sqm were ceramic tiles and ***** Sqm were porcelain tiles. All export sales to Pakistan, during POI, were made to un- related customers.

23.3.2 During POI, Realonda Ceramica exported investigated product on mostly on Ex-Works basis but few sales were on CFR basis. To arrive at the ex-factory level, it has reported adjustments on account of freight, credit cost and commission. The Commission has provisionally accepted adjustments for freight, credit cost and commission. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.4 **Determination of Export Price for Pamesa Ceramica, Spain**

23.4.1 Export price for Pamesa Ceramica is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.4.2 During POI, Pamesa Ceramica exported investigated product on mostly on Ex-Works basis. Pamesa Ceramica has not reported any adjustments. However, to arrive at comparable price at ex-factory level, adjustment on account of credit cost has been calculated on the basis of credit period mentioned at C-3. The export price at ex-factory level is worked out by deducting values reported for calculated adjustments from the gross value of sales transactions.

23.5 **Determination of Export Price for Cicogres, Spain**

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23.5.1 Export price for Cicogres is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.5.2 During POI, Cicogres exported investigated product on mostly on Ex-Works basis. To arrive at comparable price at ex-factory level, it has reported adjustments on account of commission and discount. The Commission has provisionally accepted adjustments for commission and discount. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.6 **Determination of Export Price for Cifre Ceramica, Spain**

23.6.1 Export price for Cifre Ceramica is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. Out of total export sales to Pakistan, ***** Sqm were ceramic tiles and ***** Sqm were porcelain tiles. All export sales to Pakistan, during POI, were made to un-related customers.

23.6.2 During POI, Cifre Ceramica exported investigated product on mostly on Ex-Works basis but few sales were on CFR basis. To arrive at comparable price at ex-factory level, it has reported adjustments on account of discount and bank charges. The Commission has provisionally accepted adjustments for discount and bank charges. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.7 **Determination of Export Price for Baldocer, Spain**

23.7.1 Export price for Baldocer is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.7.2 During POI, Baldocer exported investigated product through agent and offered discounts to its customers. To arrive at the ex-factory level, it has reported adjustments on discount and commission. The Commission has provisionally accepted adjustments for discount and commission. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.8 Determination of Export Price for Hijos De Cipriano Castello Alfonso, S.L. – El Molino, Spain

The Commission requested El-Molino to provide information on its export sales to Pakistan. However, the information provided was extremely deficient. Export price was determined on the basis of the PRAL information. Export price was adjusted on account of credit cost and commission to reach at Ex-factory level for comparison.

23.9 Determination of Export Price for Keraben Groupo, S.A., Spain

23.9.1 Export price for Keraben Groupo, S.A. is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.9.2 During POI, Keraben Groupo, S.A. exported investigated product on Ex-Works basis. To arrive at a comparable price at ex-factory level, it has reported adjustments on account of credit cost. The Commission has provisionally accepted adjustments for credit cost. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.10 Determination of Export Price for Grespania, S.A., Spain

23.10.1 Export price for Grespania, S.A. is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.10.2 During POI, Grespania, S.A. exported investigated product on Ex-Works basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost and discount. The Commission has provisionally accepted adjustments for credit cost and discount. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.11 Determination of Export Price for Ceramica Gomez, Spain

23.11.1 Export price for Ceramica Gomez is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI. Its

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total exports of the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.11.2 During POI, Ceramica Gomez exported investigated product. To arrive at the ex-factory level, it has reported adjustments on account of bank charges and discount. The Commission has provisionally accepted adjustments for bank charges and discount. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.12 Determination of Export price for other non-cooperating Spanish Exporters

23.12.1 Export price for non-cooperating exporters from Spain has been determined on the basis of best information available in accordance with Section 32 of the Ordinance. Information obtained from PRAL is used for the purposes of determination of export price for non-cooperating exporters from Spain. This is the only information available with the Commission on export sales of the investigated product by the non-cooperating exporters from Spain.

23.12.2 Values in PRAL's information are reported at C&F level. The C&F export price has been adjusted to the ex-factory level. For this purpose, adjustments on account of inland and ocean freight have been made in the C&F price.

23.13 Determination of Export Price for CerAsia, Malaysia

23.13.1 Export price for CerAsia is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan during POI. Its total exports of the investigated product to Pakistan during POI were ***** Sqm. All export sales to Pakistan, during POI, were made to un-related customers.

23.13.2 During POI, CerAsia exported investigated product on FOB basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, handling cost and bank charges. The Commission has accepted these adjustments. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

23.14 Determination of Export Price for Other Non-cooperating Exporters from Malaysia.

23.14.1 Export price for exporters from Malaysia other than CerAsia, who did not cooperate with the Commission in providing information has been determined on the basis of

best information available in accordance with Section 32 of the Ordinance. Information obtained from PRAL is used for the purposes of determination of export price for non-cooperating exporters from Malaysia. This is the only information available with the Commission on export sales of the investigated product by the non-cooperating exporters from Malaysia.

23.14.2 Values in PRAL's information are reported at C&F level. The C&F export price has been adjusted to the ex-factory level. For this purpose, adjustments on account of inland & ocean freight, credit cost, handling cost and bank charges have been made in the C&F price. Information submitted by CerAsia and the Applicant on these adjustments has been used for non-cooperating exporters/producers.

23.15 Determination of Export Price for Exporters from UAE.

23.15.1 No exporter/foreign producer from UAE cooperated with the Commission. Export price for exporters from UAE has been determined on the basis of best information available in accordance with Section 32 of the Ordinance. Information obtained from PRAL is used for the purposes of determination of export price for non-cooperating exporters from UAE. This is the only information available with the Commission on export sales of the investigated product by the non-cooperating exporters from UAE.

23.15.2 Values in PRAL's information are reported at C&F level. The C&F export price has been adjusted to the ex-factory level. For this purpose, adjustments on account of inland and ocean freight have been made in the C&F price. Information submitted by the Applicant on these adjustments has been used for non-cooperating exporters/producers.

23.16 Determination of Export Price for Exporters from Iran.

23.16.1 No exporter/foreign producer from Iran cooperated with the Commission. The Commission usually determines export price on the basis of PRAL data. Upon examining the PRAL data in respect of imports from Iran, it was revealed that export price from Iran is abnormally low.

23.16.2 The Commission has retrieved the information of Iran exports to Pakistan from PRAL but it was noticed that the export price as obtained from PRAL is not reliable.

23.16.3 The Ordinance provides that:

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“In cases where there is no export price or where it appears to the Commission that an export price is unreliable because of association or a compensatory arrangement between an exporter and an importer or a third party –

- a) the export price may be constructed on the basis of a price at which imported products are first resold to an independent buyer; or*

- b) if the imported products are not resold to an independent buyer, or not resold in the condition as imported, on such reasonable basis as the Commission may determine”*

23.16.4 The Commission has conducted a market survey to arrive at a constructed export price of two cities namely Karachi and Quetta to obtain necessary information of export price from Iran. The Commission decided to conduct the market survey in the city of Karachi and Quetta. The Iranian Floor and Wall Tiles were available with most of the dealers in the market of Karachi. Almost all the dealers at Karachi quoted same price for similar types and sizes of tiles. The team of the Commission obtained size wise price of floor and wall tiles from dealers.

23.16.5 The Iranian tiles are abundantly available at Quetta in wide ranges, types, varieties and sizes. Variety of Iranian tiles available at Quetta is far superior to that of Karachi. All the dealers have stock of Iranian tiles. The team of the Commission obtained size wise price of floor and wall tiles from dealers.

23.16.6 The Commission decided to take into the account the prices of Iranian tiles in Quetta market for this investigation because as stated earlier in Quetta the wall and floor Iranian tiles, further the market of Quetta is geographically near to the border of Pakistan-Iran. To reach at C&F price of Iranian Tiles, the average retailer price is taken as Rs. *** per sqm, the retailer margin @ 20%, whole seller margin @ 5%, incidentals @ 2% whereas, the custom duty on tiles is 30%. On deducting the retail & whole seller margin, incidentals and custom duty the C&F price reach to Rs. *** per sqm.

24. **Dumping Margin**

24.1 The Ordinance in Section 2(f) defines “*dumping margin*” in relation to a product means “*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. In this determination, the Commission has determined individual dumping margin for the eleven exporters. The provisional antidumping margins established for each exporter. However, residual dumping margins have been determined for non-cooperating exporters/foreign producers of the Exporting Countries.

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24.2 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 weighted average normal value with weighted average export price at ex-factory level.

24.3 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*”.

24.4 Taking into account all requirements set out above, the dumping margins have been determined as follows.

Table – III

Dumping Margin

Country	Exporter Name	Dumping margin as % of	
		Export price	C & F price
Spain	Hatz Spain S A	15.97	14.99
	Realonda Ceramica	38.22	36.49
	Pamesa Ceramica Central	31.11	30.91
	Cicogres S A	92.89	84.40
	Cifre Ceramica	83.72	78.00
	Baldocer S.A	53.26	46.62
	Hijos De C Castello Alfonso	102.83	92.32
	Keraben Groupo, S.A.	45.27	45.05
	Grespania, S.A.	63.79	62.48
	Ceramica Gomez Ctra Ribesalbes	29.55	29.34
	Others Cooperating	33.40	32.10
All others	162.53	139.46	
Malaysia	CerAsia	25.55	25.41
	All others	76.52	63.33
UAE	All exporters	98.06	84.54
Iran	All exporters	174.57	111.57

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24.5 A residual dumping margin/duty rate has been determined for all other exporters/foreign producers of the Exporting Countries who did not cooperate with the Commission in this investigation.

24.6 Weighted average duty rate has been calculated for nineteen cooperating exporters/foreign producers not included for detailed investigation in this determination on the basis of the weighted average dumping margin of the exporters/foreign producers selected for detailed examination in terms of Section 14 of the Ordinance. Weighted average duty rate for others cooperating Spanish exporters/producers is 32.10%.

C. INJURY TO DOMESTIC INDUSTRY

25. Determination of Injury

25.1 Section 15 of the Ordinance sets out the principles for determination of material injury to the domestic industry and provides as follows:

“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...”*

25.2 Material injury to the domestic industry is discussed in the following paragraphs.

26. Domestic Industry

26.1 In terms of Section 2(d) of the Ordinance, domestic industry is defined as follows:

“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 of the allegedly dumped investigated product in such case “domestic industry” shall mean the rest of the domestic producers.”

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26.2 The domestic ceramic tiles manufacturing industry consists of the following six units with an installed production capacity of 35.42 million square meters (SQM) Tiles per annum.

26.3 The standing has been based on the data for 2012-13 in respect of the Applicants and actual data of other units for the first 9 months of the POI projected for the POI for dumping.

Table - IV

Standing of the Application

S. No.	Name	% age
1	Stile	35
2	Master	22
3	Karam	14
4	Emco	15
5	Sonex	5
6	Swat	5
7	Forte	5
Total		100

26.4 The Applicant (Shabbir Tiles and Master Tiles) are the major domestic producers of Tiles in Pakistan representing 57 percent of domestic production produced by the domestic industry. Other units have supported the Application but did not furnish any data. The Applicants meets the requirements of Section 24 of the Ordinance.

26.5 The Applicants represent “major portion” of the domestic production and any inference drawn of the analysis represents the whole of the domestic industry. The injury analysis carried out in following paragraphs is based on the information gathered by the Commission for this investigation from the Applicant. Any inference drawn on the basis of this data would apply to entire domestic industry.

27 Cumulation of Dumped Imports

27.1 Section 16 of the Ordinance states that:

“where imports of a like product from more than one country are the subject of simultaneous investigation under this Ordinance, the Commission may cumulatively assess the effects of such imports on the domestic industry only if it determines that

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“(a) *dumping margin in relation to an investigated product from each country is more than the negligible amount as specified...., and volume of dumped imports from each investigated country is not less than the negligible quantity as specified.....; and*

“(b) *a cumulative assessment of the effects of the imports is appropriate in the light of*

(i) the conditions of competition between the imports; and

(ii) the conditions of competition between the imports and a domestic like product”.

27.2 Investigation by the Commission has revealed that the volume of dumped imports during the POI from the Exporting Countries was above the negligible quantity. Furthermore, dumping margins for each country was also more than the negligible amount.

27.3 As regards the conditions of competition between dumped imports, the C&F prices of the imports on basis of PRAL data from Iran, UAE, Spain and Malaysia, the volume of dumped imports and the C&F prices are as under:

Table – V

Weighted Average C&F Price of the Investigated Product

Country	Weighted Average C&F Price (\$/ Sqm)	Volume of imports (Sqm in 000)
Iran	84	38
Malaysia	101	14
Spain	132	35
UAE	83	13
Average	100	100

Sources: PRAL

To keep confidentiality, the above figures have been indexed w.r.t. average of respective column.

27.4 It may be observed from the above table that the weighted average price from the exporting countries is \$ ***/Sqm. The average price from Spain and Malaysia are 32% and 1% respectively above the weighted average price, while the average price from Iran and UAE are 16% and 17% respectively below the weighted average price.

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27.5 This reflects that the average prices from Spain and other exporting countries are in the same price band. Similarly minimum and maximum prices from three countries are as under that shows that the prices are in the same price bands:

Table – VI

Minimum and Maximum Prices Investigated Product

Country	Volume in Common price range (% of total imports)
Iran*	---
Malaysia	99.80
Spain	100
UAE	77.40

Sources: PRAL

* C&F prices calculated on the basis of market survey.

27.6 As regards the competition between domestic industry and the dumped imports, the domestic industry average price during POI for dumping is Rs. ***/Sqm and the average landed cost for dumped imports is Rs. ***/Sqm. The price range of domestic industry is Rs. ***/Sqm to Rs. *****/Sqm while the range of landed cost from exporting countries is Rs. ***/Sqm to Rs. *****/Sqm. This reveals the existence of competition between dumped imports and domestic industry on the basis of price.

27.7 The Commission also investigated other factors like market, substitutability, quality of product action of market and channel of distribution and it has been found that:

- (i) The imported tiles and tiles manufactured locally are sold in the same market;
- (ii) Quality of the product is similar;
- (iii) The imported and locally manufactured tiles are sold in the same market by same channel of distributors and retailers; and
- (iv) The imported tiles and locally manufactured tile are substitutable in use.

27.8 The above analysis reveals that the conditions of competition between imports and the conditions of imports and domestic industry suggest that the assessment of the effects of dumped imports may be assessed cumulatively.

27.9 For the reasons given above, the Commission has cumulatively assessed the effects of dumped imports from the Exporting Countries on the domestic industry in following paragraphs.

28. **Volume of Alleged Dumped Imports**

Facts

28.1 In order to ascertain the volume of dumped imports of the investigated product, the Commission obtained import data from PRAL. As stated earlier the importers were also requested to provide information on imports, to which they did not respond.

28.2 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 production of the domestic like product in Pakistan. The following table shows imports of the investigated product during the POI:

Table – VII

Volume of Dumped Imports

Period	Absolute Quantity	Total Production in Pakistan
2010-11	9	100
2011-12	13	101
2012-13	23	102

Sources: PRAL

To keep confidentiality, the above figures have been indexed w.r.t. figures of total production of year 2010-11.

Analysis

28.3 The above table shows that the imports of the investigated product increased in absolute terms during POI. In percentage form it increased from 41% to 73 % during 2011-12 to 2012-13 and in relative to domestic production the imports increased from 9% in 2010-11 to 13% and 22% in 2011-12 and 2012-13 respectively reflecting significant increase in volume of dumped imports in absolute terms.

28.4 In relative to domestic production the imports increased from 44% in 2011-12 to 69% in 2012-13. The production of domestic like product in Pakistan marginally increased from 2010-11 to 2012-13.

Conclusion

28.5 On the basis of the above analysis, the Commission has concluded that there is a significant increase in dumped imports in absolute terms as well as relative to domestic production throughout the POI.

29. Price Effects

29.1 The effect of dumped imports on the sales price of domestic like product in Pakistan has been examined to establish whether there has been significant price undercutting (the extent to which the price of the imported product is lower than the price of the domestic producers), price depression (the extent to which the domestic producers experienced a decrease in its selling prices over time), and price suppression (the extent to which increases in the cost of production could not be recovered in selling price by the domestic producers).

29.2 ASCER has pointed out that the price of imported tiles from Spain is higher than the domestic like product and imports from other sources. Therefore, the price undercutting for imports from Spain may be separately calculated. This in other words implies that:

- i. product imported from Spain is not a like product to other investigated product and domestic like product. This has been argued by ASCER; or
- ii. there conditions of competitions between imports from Spain & other imports and the conditions of competition between domestic like product are not perfect. In such a situation injury may not assessed cumulatively.

29.3 The Commission examined the above issue. The analysis shows that there is no price effect of the investigated product and hence the above stance stands irrelevant.

30. Price Undercutting

Facts

30.1 Comparison of weighted average ex-factory price of the domestic like product with weighted average landed cost of the investigated product during the POI is given in the following table:

Table – VIII

Price Undercutting

Period	Average ex-factory price of domestic like product*	Average landed cost of investigated product**	Price under-cutting	
			Absolute Rs./SQM	% age
2010-11	100	145	-	-

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2011-12	113	141	-	-
2012-13	121	139	-	-

Source: * Domestic Industry, **PRAL, *** PRAL & Market Survey

To keep confidentiality, the above figures have been indexed w.r.t. figures of ex-factory price of domestic like product for year 2010-11.

Analysis

30.2 It appears from the above table that the weighted average landed cost of the investigated product was higher than the weighted average ex-factory price of the domestic like product in the range of Rs.**/SQM to Rs.***/SQM during 2010-11 to 2012-13.

Conclusion

30.3 On the basis of the above, the Commission has concluded that the prices of the investigated product do not undercut the prices of domestic like product during the POI.

Price Depression

Facts

30.4 The weighted average ex-factory price of the domestic like product during the POI is given in the table below:

Table – IX
Price Depression

Period	Weighted Average ex-factory price of domestic like product	Price depression	
		Absolute Rs./SQM	Percentage
2010-11	100	---	---
2011-12	113	---	---
2012-13	121	---	---

To keep confidentiality, the above figures have been indexed w.r.t. figures of weighted average ex-factory price of domestic like product of year 2010-11.

Analysis

30.5 The weighted average ex-factory price of domestic like product increased by Rs. **/SQM in the 2011-12 and Rs. **/SQM in 2012-13.

Conclusion

30.6 On the basis of the above analysis, the Commission has concluded that the domestic industry has not experienced price depression during POI.

Price Suppression

Facts

30.7 The following table shows the weighted average cost of production (“COP”) and the weighted average ex-factory sales price of the domestic like product during the POI:

Table – X

Price Suppression

Period	Weighted Average cost to make & sell of domestic like product	Weighted Average ex-factory price of domestic like product	Price Suppression		
			Increase/ (decrease) in COP	Increase/ (decrease) in price	Price Suppression
2010-11	100	103	-	-	-
2011-12	113	117	11	14	-
2012-13	121	125	9	8	1

To keep confidentiality, the above figures have been indexed w.r.t. figures of weighted average cost to make & sell of year 2010-11.

Analysis

30.8 The above table shows that the weighted average cost to make and sell of domestic like product increased by Rs.**/SQM and Rs. **/ SQM in 2011-12 and 2012-13 respectively. Weighted average ex-factory price of the domestic like product increased by Rs.**/SQM and Rs. **/ SQM in 2011-12 and 2012-13 respectively. The increase in cost to make and sell was more than the increase in price of the domestic like product in 2012-13 that was insignificant at 0.82% of the yearly weighted average prices.

Conclusion

30.9 On the basis of the above analysis, the Commission has concluded that there is marginal suppression in the price of domestic industry during the POI.

31. **Market Share**

Facts

31.1 The total domestic demand for tiles in Pakistan is met through local production and imports. To establish the size of Pakistan market, the production of domestic like product in

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Pakistan, imports of the investigated product and imports from other countries have been used and the figures for the POI are as follows:

Table – XI

Market Share

Period	Sales by domestic producers		Imports from		Total
	The Applicants	Other domestic units*	Dumped Source (Exporting Countries)	Other Sources	
2010-11	41	29	6	24	100
2011-12	39	30	9	34	112
2012-13	42	29	16	30	117

* Production assumed to be sold. The production for first nine months has been projected for full year. To keep confidentiality, the above figures have been indexed w.r.t. figures of total of 2010-11.

Analysis

31.2 The above table shows that the market share of the domestic industry was 69 percent in 2010-11, it decreased to 62 percent and 61 percent in 2011-12 and 2012-13 respectively. Whereas, the market share of dumped imports increased from 6 percent in 2010-11 to 8 percent in 2011-12 and 14 percent in 2012-13. Market share of imports from other sources remained in the range of 24 to 30 percent during the POI.

Conclusion

31.3 On the basis of the above information and analysis, the Commission has concluded that the domestic industry suffered marginal injury on account of market share during the POI.

32 Production and Capacity Utilization

Facts

32.1 Details of production and the capacity utilized during the POI are given in the table below:

Table – XII

Production and Capacity Utilization

(%)

Period	Capacity Utilization
--------	----------------------

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2010-11	67.58
2011-12	63.35
2012-13	62.81

Analysis

32.2 It may be noted from the table above that the installed capacity of the Applicant remained constant throughout the POI. The production of the Applicant decreased over 3 years and the capacity utilization level decreased from 67.58 percent in 2010-11 to 63.35 percent in 2011-12. The capacity utilization decreased further to 62.81 percent in 2012-13.

Conclusion

32.3 On the basis of the above information and analysis, the Commission has concluded that the domestic industry suffered marginal injury on account of production and capacity utilization during the POI.

33. Effect on Sales

Facts

33.1 The Applicant's sales made during the POI are given in table below:

Table – XIII

Effect on Domestic Sales

Period	Domestic Sales
2010-11	100
2011-12	97
2012-13	102

To keep confidentiality, the above figures have been indexed w.r.t. figures of domestic sales year 2010-11.

Analysis

33.2 The above table shows that the Applicant's sales increased during the POI.

Conclusions

33.3 On the basis of above analysis the Commission has concluded that the Applicant did not suffer material injury on account of sales.

34. Effects on Inventories

Facts

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34.1 The data relating to accumulation of inventories of the domestic like product during the POI is given in the table below:

Table – XIV

Effect on Inventories

Period	Opening Inventory	Production	Sales	Closing Inventory	Change in Inventory
2010-11	11	100	98	13	--
2011-12	13	94	95	11	-2
2012-13	11	93	98	7	-5

To keep confidentiality, the above figures have been indexed w.r.t. figures of production for year 2010-11.

Analysis

34.2 The production of the Applicants decreased over the POI whereas, the sales show a positive trend. The inventory level of the domestic like product decreased by ***** SQM Tiles in 2011-12 and further decreased by ***** SQM Tiles in 2012-13.

Conclusion

34.3 The Commission has concluded that the domestic industry did not suffer material injury on account of changes in inventories level during the POI.

35. Profit and Loss

Facts

35.1 The table below shows the profit and loss figures of the Applicants for the POI:

Table – XV

Profit/ (Loss)

Year	Net Profit
2010-11	100
2011-12	180
2012-13	147

To keep confidentiality, the above figures have been indexed w.r.t. figures of profit/ loss year 2010-11.

Analysis

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35.2 The Applicant earned net profit of Rs.*** million in 2010-11 and Rs.*** million in 2011-12 from Tiles. The profit of the Applicant decreased to Rs.*** million in 2012-13.

Conclusions:

35.3 On the basis of available facts, the Commission has concluded that the Applicants suffered material injury on account of decline in profit in 2012-13.

36. **Cash Flow**

Facts

36.1 The following is the information regarding the cash flow positions of the Applicant during POI:

Table – XVI

Cash Flow

Year	Cash Inflow/ (Outflow) from operating activities
2010-11	100
2011-12	241
2012-13	309

To keep confidentiality, the above figures have been indexed w.r.t. figures of cash flow of year 2010-11.

Analysis

36.2 The above table shows that cash generated from operations by the Applicant was Rs.*** million in 2010-11, the cash flow position of the Applicant further improved to Rs.*** million and *** million during 2011-12 and 2012-13 respectively.

Conclusions

36.3 On the basis of the above, the Commission has concluded that the Applicant did not suffer material injury on account of cash flow during the POI.

37. **Employment, Productivity and Wages**

37.1 Following is the information regarding employment, productivity and wages as given below in the table:

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Table – XVII

Employment, Productivity and Wages

Year	No. of Employees	Salaries & Wages in	Production	Productivity	Salaries and Wages
2010-11	100	100	100	100	100
2011-12	99	111	94	94	120
2012-13	100	131	93	93	143

To keep confidentiality, the above figures have been indexed w.r.t. figures of year 2010-11 in each column.

Analysis

37.2 The above table shows that the number of employees decreased from **** in 2010-11 to **** in 2011-12 and then increase to **** in 2012-13. During the same period wages increased from Rs. **/SQM in 2010-11 to Rs. **/SQM in 2012-13, whereas, the productivity per worker decreased from ****/ SQM in 2010-11 to ****/ SQM in 2012-13.

Conclusion

37.3 The domestic industry suffered marginal injury on account of productivity during the POI.

38. Return on Investment

Facts

38.1 The following is the information regarding the Return on Investment of the Applicant:

Table – XVIII

Return on Investment

(%)

Year	Return on Investment
2010-11	11
2011-12	14
2012-13	11

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Analysis

38.2 The return on investment firstly increase in 2011-12 and then return back to its previous position of 2010-11.

Conclusions

38.3 On the basis of the above, the Commission has concluded that the Applicant suffered material injury on account of the reduction in return on investment.

39. Growth

Table – XIX

Growth

(%)

Year	Growth
2010-11	100
2011-12	99
2012-13	109

Analysis

39.1 The above table shows that net assets of the Applicant units increased by 10% in 2010-13 as compared to the year 2011-12.

Conclusion

39.2 On the basis of the above, the Commission has concluded that the Applicant did not suffer injury on account of growth during POI.

40. Summing up of Material Injury

40.1 In order to see whether the local industry has suffered serious injury, the results of injury analysis in previous pages are summarized below:

Changes in injury factors

Injury factors	Whether domestic industry suffered material injury
Volume of dumped imports	Yes
Price Undercutting	No
Price Depression	No
Price Suppression	No
Market Share	No
Domestic Sales	No
Production	No
Capacity Utilization	No
Inventories	No
Profits	Yes
Cash Flow	No
No. of Employees	No
Productivity	No
Salaries & Wages	No
Return on investment	Yes
Growth	No

40.2 Facts mentioned above shows that volume of dumped imports have increased substantially during POI. However, this increase in volume did not affect the domestic industry, as the quantitative parameters of domestic industry including sales, production, capacity utilization etc. either improved or marginally decreased during the POI for dumping where major increase in dumped imports was observed.

40.3 The domestic industry did not observe any price effects during POI due to dumping. Similarly, decline in profits during POI was mainly due to insignificant price suppression. It is concluded that there was insignificant consequential impact on domestic industry due to increase in volume of dumped imports. This insignificant impact on domestic industry cannot be considered as an injury to domestic industry as the Ordinance in Section 2(i) defines injury as material injury. Therefore, it is concluded that there is no injury to domestic industry during the POI from dumped sources.

D. CAUSATION

41 Causal Link

41.1 Section 18.1 of the Ordinance states that:

“The Commission shall satisfy itself that dumped imports are, through the effects of dumping, as provided in sections 15 and 17, causing injury within the meaning of this Ordinance”.

As evident from the preceding paragraphs, the domestic industry is not suffering any material injury and hence establishment of causal link is not required.

E. CONCLUSIONS

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

- i. the application was filed on behalf of domestic industry as the domestic industry represents major proportion of the production of domestic like product;
- ii. the investigated product and the domestic like product are like products;
- iii. during the POI, the investigated product was exported to Pakistan by the exporters/producers, from Exporting Countries, at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established on the basis of the foregoing analysis, are above the negligible and *de minimis* levels respectively;
- v. the Commission concluded that there is no injury to the domestic industry because of dumped imports during the POI and hence the investigation is being terminated.

Termination of Anti-dumping Investigation Against Alleged imports
of Tiles into Pakistan Originating in and/or Exported from the Kingdom of Spain, United Arab Emirates, Malaysia and Islamic Republic of Iran

F. TERMINATION OF INVESTIGATION

43 In view of the analysis and conclusions with regard to dumping, material injury, and causation, the Commission has decided to terminate this investigation in terms of Section 41 of the Ordinance, as there is no injury to the domestic industry due to dumped imports.

(Shah Jahan Shan)
Member
November 28, 2014

(Azher Ali Chaudhry)
Member
November 28, 2014

(Naimatuallah Khan)
Chairman
November 28, 2014