

Notice of Conclusion of Sunset Review of Anti-dumping Duties Imposed on Dumped Imports of Phthalic Anhydride Originating in and/or Exported from the Republic of India

The National Tariff Commission (the "Commission") under Section 58 of the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") conducted a review ("Sunset Review") of anti-Dumping duties imposed on dumped imports of Phthalic Anhydride ("PA") originating in and/or exported from the Republic of India. The Sunset Review was initiated on February 12, 2011 upon receipt of an application under Section 58(3) of the Ordinance from Nimir Chemical Pakistan Limited, (the "Applicant"), a domestic producer of PA. The application was made following the publication, in national press and official Gazette on November 12, 2010, of a notice of impending expiry of the anti-dumping duties imposed on dumped imports of PA imported from India. The Commission had imposed anti-dumping duties with effect from February 13, 2006 for a period of five years on PA exported from India.

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

Product Under Review:

The product under review is PA. It is classified under Pakistan Customs Tariff classification number 2917.3500. The product under review is used in production of plasticizers, alkyd resins, polyester resins, dyes and pigments etc.

Period for Review (POR):

The Commission sought necessary information for the last three years i.e. October 1, 2007 to September 30, 2010 to determine likelihood of continuation and recurrence of dumping and injury. Thus, POR for this Sunset Review was from October 1, 2007 to September 30, 2010.

Volume of Dumped Imports: After imposition of definitive anti-dumping duty on dumped imports of PA from India, the Indian exporters stopped exporting to Pakistan.

Likelihood of Recurrence of Dumping from India: Exporters from India did not respond to the Commission's questionnaire and provided no information for the purposes of this review. The Commission has, therefore, determined likelihood of recurrence of dumping from India on the basis of best information available in pursuance to Section 32 of the Ordinance.

Likely Continuation and Recurrence of Injury to the Domestic Industry: Likelihood of continuation and recurrence of injury to the domestic industry has been determined by the Commission in accordance with Section 58 (3) of the Ordinance. There were no dumped imports of PA after imposition of anti-dumping duties. In this regard factors and indices listed in Sections 15 and 17 of the Ordinance for injury analysis have been analyzed to determine the likelihood of continuation and/or recurrence of injury in case antidumping duties on PA are terminated. The Commission has determined that, should the anti-dumping duties lapse, the domestic industry would be likely to suffer material injury on account of volume of imports, prices, negative effects on production and capacity utilization, loss in market share and sales; negative effects on productivity, negative effects on inventories, negative effects on cash flows, decline in profit, and decrease in return on investment.

Injury Factors other than Dumped Imports: The Commission has also examined factors other than dumped imports, and found that the domestic industry was also affected due to factors other than dumped imports during the POR.

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

In view of the analysis and conclusions with regard to likely continuation and recurrence of dumping of PA and likely material injury to the domestic industry, there is a need to continue imposition of definitive anti-dumping duties on imports of the product under review. Thus, the Commission has decided to continue the imposition of definitive anti-dumping duty imposed @ 10.94 percent *ad val* on PA produced and exported by India for another period of 5 years with effect from February 13, 2011.

Further Information: A non-confidential version of the report on conclusion of Sunset Review has been placed on public file established and maintained by the Commission for this Sunset Review. The report has been also posted on the Commission's website: www.ntc.gov.pk. The public file shall be available to the interested parties, registered with the Commission for the purposes of this Sunset Review, for review and copying at the offices of the Commission, from Monday to Thursday (except public holidays) between 1100 hrs to 1300 hrs.

By order of the Commission.

(Muhammad Shahid)
Secretary
December 10, 2011