(NON-CONFIDENTIAL)



Government of Pakistan National Tariff Commission

Report

on

Conclusion of Sunset Review of Anti-dumping Duties Imposed on Dumped Imports of Sorbitol 70% Solution from France and Indonesia

A.D.C No. 002/2003/SB/SR/08 July 14, 2009

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A. INTRODUCTION

The National Tariff Commission (hereinafter referred to as the "Commission") implements the Anti-Dumping Duties Ordinance, 2000 (hereinafter referred to as the "Ordinance") and the Anti-Dumping Duties Rules, 2001 (hereinafter referred to as the "Rules"). The Sections 58 and 62 of the Ordinance relate to review and determination of likelihood of continuation or recurrence of dumping of goods into the Islamic Republic of Pakistan (hereinafter referred to as "Pakistan"), and likely continuation or recurrence of material injury to the domestic industry caused by such imports. The Commission initiated this review in pursuance to Section 58 of the Ordinance to determine likelihood of continuation and recurrence of dumping and injury to the domestic industry.

Having regard to the Section 58 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.

Having regard to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "Agreement on Antidumping").

The Commission has conducted and concluded a review under the Ordinance and the Rules.

B. BACKGROUND

2. <u>Imposition of Definitive Anti-dumping Duties</u>

The Commission imposed definitive anti-dumping duties @ 96.50 percent and 22.26 percent percent *ad val* on dumped imports of Sorbitol 70% Solution, exported by Messrs. Roquette Freres, 62136 Lestrem, France and Messrs. P.T Sorini Corporation TBK, Desa Ngerong, Kecamatan, Gempol Kabupaten Pasuruan 67155, East Java, Indonesia, respectively for a period of five years effective from July 19, 2003.

C. PROCEDURE

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

4. Notice of Impending Expiry of Definitive Anti-dumping Duty

The Commission published a notice of impending expiry of anti-dumping duty in this case on April 9, 2008, in official gazette¹ and national press² in accordance with Section 58(2) of the Ordinance.

¹ The official Gazette of Pakistan (Extraordinary) dated April 9, 2008

² The "Daily Business Recorder" and the "Daily Express" of April 9, 2008 issue.

5. **Receipt of Application**

On May 23, 2008 the Commission received a written application from domestic producer of Sorbitol 70% Solution ("Sorbitol") namely Habib-ADM Ltd., 2nd Floor, UBL Building, I.I. Chundrigar Road, Karachi, Pakistan, (the "Applicant") on behalf of the domestic industry in terms of Section 58(3) of the Ordinance. This application was filed in response to the notice of impending expiry of the anti-dumping duty imposed on Sorbitol importable from Messrs. Roquette Freres, France and Messrs. P.T. Sorini Agro Asia Corporation Tbk (formerly as P.T. Sorini Corporation TBK), Indonesia. The Applicant alleged that expiry of anti-dumping duty on Sorbitol would be likely to lead to continuation and recurrence of dumping of Sorbitol and injury to the domestic industry producing Sorbitol.

6. Evaluation and Examination of the Application

The examination of the application showed that it met the requirements of Section 58(3) of the Ordinance as it contained sufficient evidence of likely continuation and recurrence of dumping of Sorbitol and injury to the domestic industry.

7. Domestic Industry

7.1 Domestic industry in terms of Section 2(d) of the Ordinance is defined as follows:

""domestic industry" means the domestic producers as a whole of the 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."

7.2 The domestic Sorbitol manufacturing industry comprises of only one unit i.e., the Applicant. Its installed production capacity is 15,000 MT per annum on three shifts basis.

8. Standing of the Application

- 8.1 In order to determine whether the request has been made by or on behalf of domestic industry, relevant provisions of Section 24 of the Ordinance have been considered. 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 opinion either support for or opposition to the application.
- 8.2 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 domestic like product produced by the domestic industry.

- 8.3 The domestic Sorbitol manufacturing industry comprises of only one unit i.e., the Applicant, therefore it comprises of 100 percent of domestic production of Sorbitol.
- 8.4 On the basis of the above information and analysis the Commission determined that the application was made by the domestic industry as the Applicant represents 100 percent of the domestic production of Sorbitol.

9. Applicant's Views

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

- i. Sorbitol imported from Messrs. Roquette Freres, France ("Roquette") and Messrs. P.T. Sorini Agro Asia Corporation Tbk., Indonesia ("P.T. Sorini Agro) into Pakistan and Sorbitol produced in Pakistan by the domestic industry are like products;
- ii. After imposition of definitive anti-dumping duties, Roquette stopped exporting Sorbitol to Pakistan after 2004-05, and P.T. Sorini Agro continued to export Sorbitol to Pakistan at dumped prices. Therefore, it is likely to result into recurrence and continuation of dumping if anti-dumping duties are terminated; and
- iii. Likely recurrence and continuation of dumping of Sorbitol by the Roquette and P.T. Sorini Agro into Pakistan is likely to cause material injury to the domestic industry producing Sorbitol, mainly through:
 - a) increased volume of dumped imports;
 - b) price undercutting;
 - c) decline in market share;
 - d) negative effect on sales and output;
 - e) negative effect on inventories;
 - f) decline in gross profit margin and operating profit;
 - g) negative effect on cash flow;
 - h) negative effect on capacity utilization;
 - i) negative effect on employment and wages; and
 - i) negative effect on growth, investment and ability to raise capital.

10. Initiation of Review

10.1 Upon examination of application, the Commission established that it met the requirements of Section 58(3) of the Ordinance (paragraph 6 supra), the Commission initiated a review on July 16, 2008 to determine whether the expiry of the anti-dumping duty imposed on Sorbitol would be likely to lead to continuation and recurrence of dumping and injury.

- 10.2 In terms of Section 27 of the Ordinance, the Commission issued a notice of initiation of review, which was published in the Official Gazette³ of Pakistan and in two widely circulated national newspapers⁴ (one in English language and one in Urdu Language) on July 16, 2008.
- 10.3 The Commission notified the Embassy of Republic of France (hereinafter referred to as the "France") and Embassy of the Republic of Indonesia (hereinafter referred to as the "Indonesia") in Pakistan (by sending a copy of the notice of initiation of review) on July 16, 2008. Copies of notice of initiation were also sent to Roquette and P.T Sorini Agro and the Applicant on July 16, 2008, in accordance with the requirements of Section 27 of the Ordinance.
- 10.4 In accordance with Section 28 of the Ordinance, on July 16, 2008, the Commission also sent copy of full text of the written application (non-confidential version) to the Roquette and P.T Sorini Agro.

11. Product under Review and Domestic Like Product

Product under Review

11.1 The product under review is Sorbitol. Its major input is Dextrose syrup (liquid glucose). It is used in food items, pharmaceuticals, cosmetics and textile industries. It is classified under Pakistan Customs Tariff ("PCT") No. 2905.4400 and 3824.6000.

Domestic like product

- 11.2 The domestic like product, produced by the domestic industry is Sorbitol. Its major input is Dextrose syrup (liquid glucose), produced from rice starch. It is used in food items, pharmaceuticals, cosmetics and textile industries. It is classified under Pakistan Customs Tariff ("PCT") No. 2905.4400 and 3824.6000.
- 11.3 The Commission in its original investigation had determined that the investigated product and the domestic like product were like products.
- 11.4 In order to establish whether the product under review 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 PT Sorini Agro in the following terms:
 - i. the basic raw materials (Starch) used in the production of the product under review and the domestic like product are the same;
 - ii. both the products (the product under review and the domestic like product) are produced with a similar manufacturing process;
 - iii. both the products have similar appearance;

³ The official Gazette of Pakistan (Extraordinary) dated July 16, 2008.

⁴ The 'Daily Business Recorder' and the 'Daily Express' of July 16, 2008 issue.

- iv. both the products are used for same purposes as they are mainly used in food items, pharmaceuticals, cosmetics and textile industries etc.; and
- v. both the products are classified under the same PCT/HS Nos. 2905.4400 and 3824.6000.
- 11.5 In light of the above, the Commission has determined that the product under review and the domestic like product are like products.

12. Period of Review (POR)

The Commission has sought necessary information for the last three years i.e. from July 01, 2005 to June 30, 2008 from the Applicant and from Roquette and P.T. Sorini Agro to determine likely continuation and recurrence of dumping and injury.

13. Interested Parties

The Commission gave an opportunity (through notice of initiation) to all interested parties to participate in this review and register themselves as an interested party with the Commission. Following parties requested to be registered as interested parties in this review:

| S.No | Name of Company | Business |
|-------|--|--------------------------|
| i. | Orkila Pakistan (Pvt.) Ltd., Karachi | Agent of Roquette |
| ii. | Colgate-Palmolive (Pakistan) Ltd., Karachi | Manufacturer of tooth |
| | | paste. Industrial User |
| iii. | Inter Globe Enterprises | Importer |
| iv. | M.A. Sami & Co, Karachi | Importer |
| v. | SAMI Pharmaceutical (Pvt) Ltd., Karachi | Industrial User |
| vi. | Mansoor Chemicals, Karachi | Agent of P.T.Sorini Agro |
| vii. | Al-Burque Enterprises, Karachi | Importer |
| viii. | Mak-Kemikal, Karachi | Importer |

14. <u>Information/Data Gathering</u>

- 14.1 The Commission sent questionnaires to the Roquette and P.T. Sorini Agro on July 16, 2008, asking them to respond within 37 days of the dispatch of the questionnaires i.e by August 23, 2008. Information on Exporter Questionnaire from P.T. Sorini Agro was received on August 25, 2008. (paragraph 15.2.2 infra). Roquette did not respond to Exporter Questionnaire.
- 14.2 The Commission has an access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this review the Commission has also used import data obtained from PRAL's data-base in addition to the information provided by the Applicant, and P.T. Sorini Agro.
- 14.3 Thus the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of determination of likelihood of continuation

and recurrence of dumping of Sorbitol and injury to the domestic industry. In terms of Rule 12 of the Rules, during the course of this review, the Commission satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

15. Questionnaire(s) Response by the Exporters/Foreign Producers

15.1 Roquette Freres, French Exporter/ Producer

15.1.1 The Commission sent questionnaires to the Roquette on July 16, 2008, asking them to respond within 37 days of the dispatch of the questionnaires i.e. by August 23, 2008. Roquette requested for extension in time period for submission of information on Questionnaire till September 5, 2008, which was granted by the Commission. However, it did not provide any information in response to Questionnaire by September 5, 2008. The Commission, after expiry of the time period given to respond, informed Roquette through a letter dated September 09, 2008, that it failed to provide information on Questionnaire by the extended time period of September 5, 2008. Therefore, The exporter/producer from France was informed that the Commission would be constrained to make the determination of likelihood of recurrence and continuation of dumping, on the basis of 'Best Information Available' in terms of Section 32 of the Ordinance and Article 6.8 and Annex II of the Agreement on Antidumping.

15.2 P.T. Sorini Agro, Indonesian Exporter/Producer

- 15.2.1 The Commission sent questionnaires to P.T. Sorini Agro on July 16, 2008, asking them to respond within 37 days of the dispatch of the questionnaires i.e by August 23, 2008.
- 15.2.2 The questionnaire response from P.T. Sorini Agro was received in the Commission on August 25, 2008. The information submitted by P.T. Sorini in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, data deficiencies were communicated to P.T. Sorini Agro vide Commission's letter dated September 01, 2008. The exporter responded to the deficiencies through e-mail dated September 15, 2008.
- 15.2.3 According to the information provided by P.T. Sorini Agro, it is a public listed company registered in Indonesia. PT. Sorini Corporation Tbk (the Company) was established in 1983 by Adikoesoemo family in Surabaya and was publicly listed on the Jakarta and Surabaya Stock Exchange in 1992. The Company is in the business of producing and supplying starch derivative products such as Sorbitol, dextrose monohydrate, glucose syrup and maltodextrin to various consumer goods industries. In 1985 the Company constructed its manufacturing operations in Kecamatan Gempol Pasuruan in East Java, and started its commercial operation in 1987. Over the years the Company had added and increased the production capacity of Sorbitol and diversified into production of other starch derivated products. Currently, PT Sorini Agro is the biggest starch derivative producer in Indonesia.
- 15.2.4 To strengthen and improve its competitive edge, in 1994 the Company took a strategic step by establishing PT. Sorini Towa Berlian Corporation ("STBC") located in East Java, a joint venture with Towa Chemical Industry Co. Ltd. Japan and Mitsubishi Corporation Japan to produce Sorbitol 70% Solution and powder. It is a subsidiary company of PT Sorini Agro in which it has share holding of 50.1 percent.

- 15.2.5 In 1993 the Company established PT Saritanam Pratama located in Ponorogo, East Java, to produce tapioca starch, the raw material (for Sorbitol 70% Solution) for both PT. Sorini Agro and STBC with capacity of 100 ton per day of starch. This capacity was doubled in 1998.
- 15.2.6 The Commission accepted the information supplied by the exporter/producer from Indonesia for the purposes of this review and the likelihood of continuation of dumping is determined on the basis of information provided by PT. Sorini Agro and import data obtained from PRAL (paragraphs 27 & 28 infra).

16. <u>Public File</u>

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file at its offices. This file remained available to the interested parties for review and copying from Monday to Thursday between 1100 hours to 1300 hours throughout the review. This file contains non-confidential versions of the application, response to the questionnaires, submissions, notices, reports, correspondence, and other documents for disclosure to the interested parties.

17. <u>Confidentiality</u>

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 review, be kept confidential.

18. Hearing

- 18.1 In terms of Rule 14 of the Rules, the Commission shall, upon request by an interested party, hold a hearing at which all interested parties may present information and arguments.
- 18.2 In this review the interested parties were required to make a request for hearing not later than forty-five days after publication of notice of initiation. No request for hearing was received from any interested party in this review.

19. Written Submissions by the Interested Parties

All interested parties were invited to make their views/comments and to submit information and documents (if any) not later than 45 days of the date of publication of notice of initiation of the review. The Commission did not receive any written submissions/comments from any interested party on this review.

20. Disclosure of Essential Facts

20.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of Agreement on Anti-dumping, the Commission disclosed essential facts, and in this context circulated a Statement of Essential Facts (hereinafter referred to as the "SEF") on May 26, 2009 to the Applicant, P.T Sorini Agro, Roquette, the Embassy of Republic of France and to the Embassy of the Republic of Indonesia in Pakistan and other interested parties.

- 20.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Commission received comments from Mansoor Chemicals (Agent of PT Sorini Agro)
- 20.3 Comments received from Mansoor Chemicals on essential facts and germane to this review under the Ordinance are reproduced in Column A below and the Commission's views/determination thereto are set out in Column B below:

| | Column A | Column B |
|------|--|---|
| S.N | Column A | Column B |
| 0 | | |
| i. | "Dumping impose only when selling price are higher in Indonesia and lower price in export but as per all fact and figure which provided by you in which also confirmed that in 2008 and 2007 the price in Indonesia which they sell are higher as well, there is no issue for dumping now." | The Commission has analysed the data regarding domestic sales provided by PT Sorini Agro and normal value of the Sorbitol has been calculated from the said data. The export price of Sorbitol has been calculated from PRAL data. The information gathered by the Commission shows that PT Sorini Agro has been exporting Sorbitol to Pakistan at dumped prices. (paragraph 28 Infra) |
| ii. | "In Pakistan Habib are only main producers and they want monopolization on their product to sell the higher price in the market which effect the cost of production are higher of end users who are using Sorbitol." | Total requirement of Sorbitol in Pakistan is met by sales of domestic industry, imports from dumped as well as other sources. Market share of domestic industry has been in the range of 34% to 44% and balance demand was met by imports. (paragraph 33.2 infra). The end users of Sorbitol are free to buy it at most competitive rates from any source. The imports from other sources have also been analysed for determining likely effect on market share of the Applicant. |
| iii. | "This statement on 26 May 2009 was turn the case for local industry injury (Habib) instead of dumping issue, while Habib are selling and increase the sale in year 2007, 2008 so there is no injury for this as other imported material are coming on regular basis." | The SEF circulated on May 26, 2009 contained the facts of this review, which were under consideration with the Commission. The Commission has determined the likelihood of continuation and recurrence of dumping and injury on the basis of information gathered from all interested parties for the purposes of this review. |
| iv. | "NTC already know and they have a statistic of import of year 2007, 2008, till in which noted that mostly import are taking over by Indian/China Sorbitol not Indonesia infect total import 70% share taking by Indian/China and others not Indonesian, so if dumping again impose or extend what is the guarantee of another origin are not coming to Pakistan? Which is not and which take the advantage for this as they are doing this." | The Commission has analysed the import data, which shows that there are imports from other sources i.e. China and India etc. The Commission has not received an application for investigation against imports from China/India pursuant to Section 20 of the Ordinance. |

| V. | "Impose the dumping duty which give the support to Habib they sell the higher price in the market to increase their profit of margin as well as to allow other import/origin to enter in Pakistan specially Indian and china as they enter in the market and selling the material on regular basis." | During the POR the Applicant increased its exfactory sales price with the increase in cost of production, however, during 2007-08 it was not able to increase its sales price to fully recover increase in its cost of production. Paras 32.5 infra. The imports from other sources have been taken into account while determining market share of Applicant in domestic market. |
|------|--|---|
| vi. | "Habib are producing and selling those quantity which they have sources and selling capability, I don't think they can capture the whole market and claim they can produce 15000mt in a year, infect they have only one unit in Pakistan and they want to monopoly in their product which I mention earlier but due to the import of other origin like India and China they will not take the advantage as in future." "Habib claim that if anti dumping duty are terminated they effect it but as per given their fact and figure, we noted that in 5 to 6 year they maintain their sale, please recheck this because they don't have any capability to increase the sale and producers while M/s Roquette stopped exporting in Pakistan as well and SORINI are also importing less very limited share." | The domestic demand for Sorbitol grew during from around 8,500MT in 2004-05 to 20,000MT in 2007-08 (the POR) and the Applicant increased its production capacity from 7,500MT to 15,000 MT per annum. The market share of the applicant was however, in the range of 34 to 44 percent of total domestic market during the POR. (Paragraph 33.2 infra). |
| vii. | "We also noted that M/s Roquette France exporting few quantity of their China plant and NTC must have the static in which noted that M/s Colgate and Orrkilla Pakistan are import from them in last 2 or 3 year few quantity it means few end users still need material from them instead of Habib as well." | There were imports of Sorbitol from China during the POR, however, the Commission has not received any application under the Ordinance against imports from China and therefore, cannot comment whether Roquette is exporting from its Plant located in China. |
| viii | "You also noted and have the figure that sorini exported USD 578/mt average price only 281 MT and other source exported 12600 MT (huge quantity import) at USD 512/MT average price in year 2008 it means that all are in control and there is no effect and injury to Habib (as they will not able to continue or increase sale) while other are enjoy the market share as well." | The import data for 2007-08 shows that PT Sorini has exported 281MT Sorbitol, whereas, it subsidiary PT Sorini Towa exported 4, 047 MT during the same period. The Commission has examined the likely effect of imports from Roquettee and PT Sorini Agro on the domestic producer of Sorbitol. |
| ix. | "PT Sorini Towa has different plant and their management and office are all different it is not related to M/s PT Agro Asia (formerly PT Sorini)." | The information provided by PT Sorini Agro in response to the Questionnaire shows that PT Sorini Towa is its subsidiary/related company, in which it has share of 50. 1 percent. |
| | "Habib claim that they are facing problem for | The Commission's analysis of ex-factory |

| | selling the material in 2008, as price undercutting but they know and release that in 2008 Indonesian average price USD 512/MT or more and what price they need to sell in Pakistan end users (they r taking the advantage) and another other origin Indian and China are coming a which result they are taking the share as well it is not because of Indonesian material have dumping." | export price of the Applicant and landed cost of imports from PT Sorini Agro during the POR shows that the Applicant experienced price undercutting during 2005-06 and 2006-07 from the landed cost (without AD duty) of dumped imports from Indonesia. (Paragraph 32.3.4 infra) |
|----|---|---|
| xi | "I hope NTC also consider to check the Indian and China Sorbitol are importing in Pakistan which have 70% approx. which increase the imported volume which effected Sorini Sorbitol due to the dumping they are not able to exported." | The Commission's examination of import data shows there were significant imports of Sorbitol from China and India during the POR, however, the Commission would take remedial measures under the Ordinance if the domestic industry files an application against the imports from China and India at alleged dumped prices. |

D. LIKELY CONTINUATION AND RECURRENCE OF DUMPING OF SORBITOL

21. In accordance with Section 58 of the Ordinance, it was examined whether dumping was currently taking place or whether or not the expiry of the measures (definitive anti-dumping duty) would likely to lead to continuation and recurrence of dumping of the product under review.

22. What is 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".

23. Normal Value

23.1 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".

23.2 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:".
- 23.3 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."

24. 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".

25. Determination of Likely Recurrence of Dumping from Roquette

25.1 As stated earlier (paragraph 14.1 supra) Roquette 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 of the product under review on the basis of best information available in pursuance to Section 32 of the Ordinance and Schedule to the Ordinance.

25.2 Roquette did not export Sorbitol to Pakistan during the POR (after FY 2004-05) mainly because of imposition of 96.50 percent antidumping duty on its exports to Pakistan at dumped prices. The Commission has established likelihood of recurrence of dumping of Sorbitol by Roquette in this review, by using the dumping margin calculated for it in the original investigation on the basis of best information available in accordance with Section 32 and Schedule to the Ordinance. The Commission has determined that there is likelihood of recurrence of dumping from Roquette in case antidumping duty @96.50 percent is removed.

26. <u>Determination of Likely Continuation of Dumping from PT Sorini Agro</u>

The exporter/producer from Indonesia responded to the Commission's questionnaire and provided requisite information for the purposes of this review. The Commission accepted the information provided by PT Sorini Agro on domestic sales, however, the data regarding export sales to Pakistan did not reconcile with imports data taken from PRAL and was not verifiable. The likelihood of continuation of dumping of the product under review is determined on the basis of information provided by PT Sorini Agro and obtained from PRAL in the following paragraphs.

27. <u>Likely Dumping of the Product Under Review</u>

27.1 Normal Value for P.T. Sorini Agro

- 27.1.1 Normal value in Indonesia of the product under review is worked out on the basis of the information provided by PT Sorini Agro on its domestic sales made during the last three years.
- 27.1.2 As per the information provided by the PT Sorini Agro, it sold 25 to 27 percent of its total sales in its domestic market during the last three calendar years. Following table shows the Indonesian exporter/producer's quantity of sales and weighted average price of the Sorbitol in its domestic market during last three years:

Table: 1 Domestic Sales of Sorbitol by PT Sorini Agro

| Domestic sures of solution by 11 solution | | | | |
|---|----------|------------------|--|--|
| Year | Quantity | Ex-factory Price | | |
| 2006 | 100 | 100 | | |
| 2007 | 113 | 113 | | |
| 2008 | 58 | 145 | | |

Note: Actual figures indexed by taking figures of 2006 equal to 100 Source: Information provided by PT Sorini Agro

27.2 Determination of Export Price

27.2.1 In terms of Section 10 of the Ordinance, export price is a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan.

27.2.2 After imposition of definitive anti-dumping duty on dumped imports of P.T Sorini Agro with effect of July 23, 2003, its exports of the product under review declined considerably. P.T Sorini Agro was requested to provide information on its exports of the product under review to Pakistan for the last three years. P.T Sorini Agro did not provide information in requested format. The information provided by it was not verifiable from the information obtained from PRAL. Thus the Commission was constrained to determine export price for P.T Sorini Agro on the basis of best information available. The export price of the product under review, exported by PT Sorini Agro has been worked out on the basis of data obtained from PRAL. Following table shows quantity of the product under review imported from P.T. Sorini Agro and its C&F prices during the POR:

Table: 2 C&F Prices of Sorbitol Imported from Indonesian Producer/ Exporter

| | , 1 | | | |
|---------|--------------------|-----|--|--|
| Year | Indonesian | | | |
| | Producer/ Exporter | | | |
| | Qty C&F pr | | | |
| | | | | |
| FY 2006 | 100 | 100 | | |
| FY 2007 | 2,398 | 113 | | |
| FY 2008 | 260 | 147 | | |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100

Source: PRAL

28. <u>Likely Dumping by PT Sorini Agro</u>

- 28.1 The Ordinance defines dumping in relation to a product to the amount by which its normal value exceeds its export price.
- 28.2 In terms of Section 12 of the Ordinance, the comparison of normal value and export price is to be made at ex-factory level, however, since information required to reach at exfactory level was not available, therefore, a comparison of the normal value (ex-factory domestic sales price of PT Sorini Agro as given in table 1 supra) and export price (C&F price of imports from PT Sorini Agro as given in table 2 supra) shows that the Indonesian exporter/producer exported Sorbitol at a price less than its normal value during the last three years.
- 28.3 On the basis of the above information and analysis, the Commission has concluded that dumping of the product under review would be likely to continue if definitive anti-dumping duty imposed on PT Sorini Agro is terminated.

29. Alleged Circumvention of Antidumping Duty Imposed on PT Sorini Agro

29.1 The Commission received a letter from the Applicant (Habib ADM Ltd) on November 5, 2008, in which it was alleged that the importers are now importing Sorbitol from a related company of PT. Sorini Agro (i.e. PT. Sorini Towa), which is cleared by customs authorities without payment of anti-dumping duty. To substantiate its claim the Applicant provided information about the subsidiary/related companies of PT. Sorini Agro, in which it has share

holding of 50.1 percent. The Applicant has requested that anti-dumping duty imposed on PT. Sorini Agro may also be imposed on PT. Sorini Towa Berlain under Antidumping Duties Ordinance, 2000.

- 29.2 To substantiate their claim the Applicant provided information about the related companies of PT. Sorini Agro. According to which in order to strengthen and improve its competitive edge the Company took a strategic step by establishing PT. Sorini Towa Berlian Corporation ("STBC") located in East Java, in 1994, a joint venture with Towa Chemical Industry Co. Ltd. Japan and Mitsubishi Corporation Japan to produce Sorbitol liquid and powder. It is a subsidiary company of PT Sorini Agro in which it has share holding of 50.1 percent. Through this venture Sorini became the first Company to produce Sorbitol Powder in Indonesia. Thus PT. Sorini Towa is a subsidiary company of PT. Sorini Agro and is related to the exporter/producer of Sorbitol, which is subject to antidumping duty.
- 29.3 The Applicant alleged that PT. Sorini Agro has been circumventing the anti-dumping duty by exporting Sorbitol through its affiliated/related company PT. Sorini Towa Berlian Corporation, which is cleared by customs authorities without payment of anti-dumping duty. Following table shows imports from PT. Sorini Agro and PT. Sorini Towa during FY 2008:

Table 3
Imports of Sorbitol from PT. Sorini Agro and its Affiliated Company
PT. Sorini Towa Berlain

| Exporter/Producer | Product/ | Quantity | Value | Unit Value |
|-------------------|-----------------------|----------|-------|------------|
| from Indonesia | H.S Code | | | |
| PT Sorini Agro | Sorbitol 70% Solution | 6% | *** | *** |
| | H.S Code 3824.6000 | | | |
| | Total | | | |
| PT Sorini Towa | Sorbitol 70% Solution | 94% | *** | *** |
| | H.S Code 3824.6000 | | | |
| | Total | 100% | | |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100

Source: PRAL data

- 29.4 The above table shows that during FY2008 the imports of Sorbitol from Indonesia were ***MT, out of which imports from PT. Sorini Agro were only 6%, while from PT. Sorini Towa Berlian were 94%. The weighted average C&F price of Sorbitol exported by PT Sorini Agro was US\$***/MT, whereas, PT Sorini Towa's weighted average C&F price was US\$***/MT.
- 29.5 The Commission has addressed issue of alleged circumvention of antidumping duty by PT Sorini Agro through its subsidiary company PT Sorini Towa, however, it was decided to consider this issue separately under the Ordinance. The Commission is of the view that review under Section 58 of the Ordinance would cover only the antidumping measure already taken in the original investigation. Thus' in this review the Commission has determined the likelihood of continuation of dumping of the product under review from P.T Sorini Agro, on which antidumping duty was imposed by the Commission.

E. LIKELY CONTINUTION OR RECURRENCE OF MATERIAL INJURY TO DOMESTIC INDUSTRY

30. <u>Likelihood of Continuation and Recurrence of Injury</u>

In order to determine the likelihood of recurrence and continuation of injury in terms of Section 58(3) of the Ordinance, the Commission analysed likelihood of injury in the following paragraphs:

31. <u>Likely Volume of Dumped Imports</u>

Facts

31.1 The information obtained from PRAL shows that during FY 2005 there was negligible (51 MT) import of Sorbitol from French exporter/producer and there were no imports after FY 2005 (table 4 infra). One possible reason for zero imports from French exporter/producer could be the effect of imposition of antidumping duty on dumped imports of Sorbitol. However, there were substantial imports from Indonesian exporter/producer. Following table shows quantity of Sorbitol exported by the French exporter/producer, Indonesian exporter/producer and others to Pakistan during last four years:

Table 4
Imports of Sorbitol from French exporter/producer and Indonesian exporter/producer

| | una madicolari exporter, producer | | | | | |
|---------|-----------------------------------|-----------|-----------|---------|--|--|
| Year | Roquette, French | PT Sorini | PT Sorini | Other | | |
| | | Agro | Towa | Sources | | |
| FY 2005 | 0.61 | 16 | | 43 | | |
| FY 2006 | No Imports | 1 | | 57 | | |
| FY 2007 | No Imports | 31 | | 86 | | |
| FY 2008 | No Imports | 3 | 48 | 100 | | |

Note: Actual figures of imports from other sources indexed by taking figures of FY 2008 equal to 100 Source: PRAL data

Analysis

- 31.2 The above table shows that there were no imports of Sorbitol from the French exporter/producer during last three financial years mainly because it was subject to 96.50 percent anti-dumping duty. In case anti-dumping duty imposed on the French exporter/producer is terminated, it is likely that dumping would recur. The volume of dumped imports from the Indonesian exporter/producer fluctuated during the period of review, and it is likely that dumping would continue in case anti-dumping duty is terminated.
- 31.3 The dumped imports from PT Sorini Agro decreased from ***MT in 2004-05 to ***MT in 2005-06, it again increased to ***MT in 2006-07. In 2007-08 the imports from PT Sorini again decreased to ***MT, whereas, imports from its subsidiary company PT Sorini Towa were ***MT (which indicates that PT Sorini Towa is replacing the exports of PT Sorini Agro).

Conclusion

31.4 On the basis of above information and analysis the Commission has concluded that in case antidumping duties are terminated it is likely that the volume of dumped imports would increase.

32. <u>Likely Price Effects</u>

- 32.1 The likely effect of dumped imports on domestic sale prices of Sobitol in the domestic market has been examined to establish whether there would be likely: (i) price under-cutting, (ii) price suppression and (iii) price depression in case antidumping duties imposed on Sorbitol are terminated.
- 32.2 Likely price effects on domestic sale prices of Sobitol have been analysed on the basis of import data obtained from PRAL and information provided by the Applicant. Price undercutting, depression and suppression to the Applicant are discussed in the following paragraphs:

32.3 Price Under-cutting

Facts

32.3.1 Average ex-factory prices of domestic like product and average landed cost of product under review during last three years are given below:

Price Under-cutting

| Year | Weighted Average | Weighted Average* | Price | | |
|---------|-----------------------|-------------------|--------------|--|--|
| | Ex-factory price of | landed cost of | undercutting | | |
| | domestic like product | dumped imports | | | |
| FY 2006 | 100.00 | 100.00 | | | |
| FY 2007 | 106.12 | 114.08 | | | |
| FY 2008 | 118.54 | 154.07 | | | |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100 Source: Applicant and PRAL data. *Weighted average landed cost has been calculated with antidumping duty.

Analysis

32.3.2 The above table shows the comparison of Applicant's ex-factory sales price with landed cost of dumped imports (with antidumping duty @ 22.26 %) from PT Sorini Agro during the POR. PT Sorini's weighted average C&F price was US\$ ***/MT, US\$ ***/MT and US\$ ***/MT during 2005-06, 2006-07 and 2007-08 respectively. The Applicant faced no price undercutting during the POR on account of imports from the PT Sorini, because antidumping duty @22.26 percent increased the landed cost to the level of fair competition/level playing field.

32.3.3 The following table shows comparison of Applicant's ex-factory sales price with landed cost of dumped imports (without antidumping duty) from PT Sorini Agro during the POR:

Table 6
Price Under-cutting

| Year | Weighted Average | Weighted Average* | Price | |
|---------|-----------------------|-------------------|--------------|--|
| | Ex-factory price of | landed cost of | undercutting | |
| | domestic like product | dumped imports | | |
| FY 2006 | 100.00 | 86.41 | 13.59 | |
| FY 2007 | 106.12 | 98.58 | 7.54 | |
| FY 2008 | 118.55 | 133.14 | | |

Note: Actual figures indexed by taking ex-factory price of FY 2006 equal to 100 Source: Applicant and PRAL data

*Weighted average landed cost has been calculated without antidumping duty.

32.3.4 The above table shows that the Applicant faced price undercutting during the POR from imports of Sorbitol from PT Sorini Agro during 2005-06 and 2006-07.

Conclusion

32.3.5 On the basis of above information and analysis the Commission has concluded that in case antidumping duties are terminated, it is likely that the Applicant would experience price undercutting from imports of Sorbitol from Roquette and PT Sorini Agro, as is shown in table 6 supra. There is likelihood of recurrence and continuation of injury on account of price undercutting in case anti-dumping duties are removed.

32.4 Price Depression

Facts

32.4.1 The information regarding increase/(decrease) in ex-factory sales price of the Applicant during the POR is given in the table below:

Table 7
Price Depression

| Year | | Ex-factory price | Increase/(decrease) |
|------|---------|------------------|---------------------|
| | | | in price |
| | FY 2006 | 100.00 | - |
| | FY 2007 | 106.12 | 6.12 |
| | FY 2008 | 118.55 | 12.43 |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100

Source: Applicant and PRAL data

Analysis

32.4.2 The above table shows that domestic industry increased its sales prices during the POR. One possible reason that the domestic industry did not suffer injury on account of price depression could be the imposition of anti-dumping duties on dumped imports from Roquette and PT Sorini Agro.

Conclusion

32.4.3 On the basis of above information and analysis the Commission has concluded that the domestic industry did not experience price depression during the POR, however, it is likely that the Applicant would suffer price depression in case antidumping duties are terminated.

32.5 **Price Suppression**

Facts

32.5.1 Following table shows analysis of ex-factory price of domestic like product with its cost to make and sell:

Table 8
Price Suppression

| | | | | L L | |
|---------|------------|-------------|---------------|------------------------|-------------|
| Year | Ex-factory | Cost to | Increase/ | Increase/(decrease) in | Price |
| | price | make & sell | (decrease) in | cost to make & sell | Suppression |
| | | | price | | |
| FY 2006 | 100.00 | 100.00 | | | |
| FY 2007 | 106.12 | 109.11 | 6.12 | 9.11 | 2.99 |
| FY 2008 | 118.55 | 133.73 | 12.43 | 24.62 | 12.19 |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100.

Analysis

32.5.2 The above table shows that the during the POR domestic industry increased its sales prices with an increase in cost to make and sell. However, the domestic industry was not able to increase prices with the same proportion as observed in cost to make sell. Thus the Applicant experienced price suppression during 2006-07 and 2007-08.

Conclusion

32.5.3 The Commission has concluded that in case the anti-dumping duties are removed there is likelihood that injury will continue and recur consequent to dumping.

33 <u>Likely Effect on Market Share</u>

Facts

33.1 The domestic market of Sorbitol during the POR is shown in the following table: **Table 9**

Domestic Market of Sorbitol

| Year | Sales by | Dumped imports | Imports from other | Total |
|---------|----------|----------------|--------------------|--------|
| | domestic | | sources | market |
| | industry | | | |
| FY 2005 | 42.00 | 16*.00 | 42.00 | 100 |
| FY 2006 | 44.83 | 1.02 | 56.04 | 101.89 |
| FY 2007 | 58.88 | 31.17 | 83.12 | 173.17 |
| FY 2008 | 83.60 | 3.23 | 145.39 | 232.22 |

Note: Actual figures indexed by taking total market figures of FY 2005 equal to 100.

Source: Applicant and PRAL data

Analysis

33.2 The above table shows that the domestic market of Sorbitol grew by 2 percent in 2005-06 over FY 2004-05 and further increased by 69 percent in 2006-07 over 2005-06. The growth in domestic market of Sorbitol was 34 (58.88/173.17) percent during 2007-08 over 2006-07. The domestic industry's market share decreased from 44 percent in the year 2005-06 to 34 percent in the year 2006-07, however, it increased to 36 percent (83.60/232.22) in 2007-08. Market share of imports for other sources increased from 42 percent in the year 2004-05 to 63 (145.39/232.22) percent in the year 2007-08. This shows that imports of Sorbitol from other sources benefited from the imposition of anti-dumping duty on French exporter/producer and Indonesian exporter/producer.

Conclusion:

33.3 The above information and analysis shows that although the market share of dumped imports decreased during the POR, it is likely to increase in case antidumping duties are terminated and the market share of domestic industry is likely to decrease.

34 Likely Effects on Production and Capacity Utilization

Facts

34.1 The installed capacity, production and the capacity utilization of the domestic industry during the last five years, as provided by the Applicant were as follows:

^{*} Includes imports from Roquette during 2004-05 and imports from PT Sorini Agro during the POR

Table 10 Production and Capacity Utilization

| Period | Installed | Capacity |
|---------|-----------|-----------------|
| | Capacity | Utilization (%) |
| FY 2005 | 100 | 49 |
| FY 2006 | 100 | 49 |
| FY 2007 | 200 | 34 |
| FY 2008 | 200 | 51 |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100. Source: Applicant

Analysis

34.2 The above table shows that production of the domestic like product remained almost the same in FY 2006 over FY 2005. However, the production of domestic industry increased by 37 percent in FY 2007. The Applicant increased its production capacity from 7,500MT to 15000MT in FY 2007 due to increase in domestic demand of Sorbitol and its production also increased by 53 percent in FY 2008. However, the Applicant has not been able to utilize increased capacity. It is likely that capacity utilization will further decrease in case imports from Indonesian exporter/producer increase and recur from French exporter/producer in case antidumping duties are removed.

Conclusion

34.3 Due to imposition of antidumping duty the Applicant was able to increase its production capacity to increase its share in the growing domestic market of Sorbitol. In case antidumping duties are terminated it is likely that continuation and recurrence of dumping would result in lower capacity utilization of the Applicant.

35. Likely Effect on Profit

Facts

35.1 Information submitted by the Applicant on its profits is given in the following table:

Table 11 Net Profit

| Year | Total Profit/(loss) |
|---------|---------------------|
| | before Tax |
| FY 2006 | 100 |
| FY 2007 | 119.26 |
| FY 2008 | (137.19) |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100 Source: Applicant

Analysis

35.2 The domestic industry earned net profits during FY 2006 and FY 2007. However it incurred loss in its Sorbitol operation in FY 2008. The Applicant made additional investment of Rs.13.80 million during 2005-06 and 2006-07 to enhance production capacity from 7, 500MT to 15, 000MT per annum. The increase in fixed cost, due to additional investment on enhancing capacity and also increase in the cost of raw materials, the cost to make and sell of domestic like product increased substantially during 2007-08. However, the Applicant was not

able to increase its sales price to fully recover increase in cost of production and thus sold ***MT Sorbitol at a loss of Rs.***/MT during 2007-08. The loss is likely to increase in case antidumping duties are removed.

Conclusion

35.3 The Commission concludes that in case antidumping duties are removed the domestic industry is likely to face injury on account of bearing further losses.

36 Likely Effect on Inventories

Facts

36.1 The data provided by the Applicant on the position of inventories is as follows:

Table 12
Opening and closing Inventory

| o p 011111 | | | | | |
|-------------|----------------|-------------------|--|--|--|
| Year/Period | Opening | Closing inventory | | | |
| | inventory (MT) | (MT) | | | |
| FY 2006 | 100.00 | 40.28 | | | |
| FY 2007 | 40.28 | 15.90 | | | |
| FY 2008 | 15.90 | 192.39 | | | |

Note: Actual figures indexed by taking opening inventory

figures of FY 2006 equal to 100. Source: Applicant

Analysis

36.2 The inventories of the Applicant decreased during FY 2005, FY 2006 and FY 2007, however, it increased in FY 2008. In case antidumping duty is removed the dumped imports of Sorbitol are likely to recur and continue, which will effect the sales of domestic industry and there is likelihood of increase in inventories of the domestic like product.

Conclusion

36.3 The Commission concludes that the domestic industry is likely to suffer injury on account of increase in inventory levels, in case antidumping duties are removed.

37 <u>Likely Effects on Employment, Productivity and Wages</u>

Facts

The data submitted by the Applicant on employment in the domestic industry and the wages paid during the POR is given in following table:

Table 13
Employment, Productivity and Wages

| Year | Number of | Productivity | Salaries & | Salaries & |
|---------|-----------|--------------|------------|------------|
| | Employees | per worker | wages | wages |
| FY 2006 | 100 | 100 | 100 | 100 |
| FY 2007 | 100 | 136.82 | 97.20 | 71.05 |
| FY 2008 | 100 | 209.55 | 92.64 | 44.21 |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100

Source: Applicant

Analysis

37.2 The above table shows that productivity of the domestic industry increased due to increase in production capacity and consequent production and similarly the salaries and wages per MT also decreased.

Conclusion

37.3 From the foregoing the Commission concludes that the productivity per worker is likely to suffer in case antidumping duties are removed.

38 <u>Likely Effect on Cash Flow</u>

Facts

38.1 Following table shows net cash flow position of the Applicant during last three years:

Table 14 Net Cash Flow

| Year | |
|---------|---------|
| FY 2006 | 100 |
| FY 2007 | 129.35 |
| FY 2008 | (71.47) |

Note: Actual figures indexed by taking figures of FY 2006 equal to 100 Source: Applicant

Analysis

38.2 The Applicant's cash flow position has improved during 2006-07 over the previous year. However, in FY 2008 there was negative cash flow. The Applicant alleged that this is due to increase in dumped imports, which led to losses and consequently negative cash flow.

Conclusion

38.3 In case the antidumping duties are removed, there is likelihood of further negative effects on cash flow of the Applicant due to continuation and recurrence of dumped imports.

39. Likely Effect on Investment

Facts

- 39.1 The Applicant states that the imposition of antidumping duties in July 2003 encouraged the company to commit additional investments in Sorbitol related activities. However, the increased incidence of dumping in the most recent period under review (July 2007-2008) has discouraged the company from committing additional funds towards Sorbitol-related activities.
- 39.2 Following are the details of investments made by the Applicant in Sorbitol operations:

| Year | Investments (Rs.) | Purpose of investment | | | |
|---------|-------------------------|--|--|--|--|
| FY 2006 | 13 million | Capacity enhancement of the Project 1 (complete & online) | | | |
| FY 2007 | 0.80 million | De-bugging, optimization and integration of production process | | | |
| FY 2008 | 10.5 million | Capacity enhancement of the Project 2 | | | |
| FY 2008 | 18.00 million (approx.) | Currently, on hold due to increase in dumping) | | | |

Analysis

39.3 The above table shows that the domestic industry did not experience any difficulty in arranging further investment for increasing its production capacity.

Conclusion

39.4 The Commission concludes that in case antidumping duties are terminated the investment made by the Applicant on the purchase of another plant to further increase its production capacity would suffer.

40. Other Factors

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

40.2 Imports from Other Sources

Facts

40.2.1 Table below shows the volume of imports of Sorbitol from all sources during the POR:

Table 15
Domestic Market of Sorbitol

| Year | Sales by | Dumped imports | Imports from | Total market |
|---------|----------|----------------|---------------|--------------|
| | domestic | | other sources | |
| | industry | | | |
| FY 2005 | 42.00 | 16.00 | 42.00 | 100.00 |
| FY 2006 | 44.83 | 1.02 | 56.04 | 101.89 |
| FY 2007 | 58.88 | 31.17 | 83.12 | 173.17 |
| FY 2008 | 83.60 | 3.23 | 145.39 | 232.22 |

Note: Actual figures indexed by taking total market figures of FY 2005 equal to $100\,$

Source: Applicant and PRAL data.

Analysis

40.2.2 The above table shows that imports from dumped sources (i.e. France and Indonesia) decreased, whereas, imports from other sources increased. The investigation showed that there was significant volume of imports of Sorbitol from sources other than the France and Indonesia during last three years. Share of the imports from other sources was more than 62 percent (145.39/232.22) of the total domestic market during 2007-08.

F. CAUSALITY

41. On the basis of the information, analysis and conclusions at Section E supra, the Commission has concluded that there is relationship between likely recurrence of dumping of the product under review and likely continuation and recurrence of material injury to the domestic industry. It transpired from this review that the domestic industry is likely to suffer further material injury in future in case antidumping duties imposed on Roquette, France and PT Sorini Agro, Indonesia are terminated.

G CONCLUSIONS

- 42. The conclusions, after taking into account all considerations for this sunset review, are as follows:
 - i. the application was filed by the domestic industry as the Applicant account for 100 percent of the total production of the domestic like product;
 - ii. the product under review and the domestic like product are alike products;
 - iii. there were no exports of Sorbitol from Roquette to Pakistan from 2004-05 onwards, after imposition of definitive anti-dumping duty by the Commission;
 - iv. the domestic industry is likely to suffer material injury due to the continuation and recurrence of dumping of the product under review in case antidumping duties are removed;
 - v. the domestic industry also suffered and is likely to suffer material injury due to factors other than imports of the product under review, however, it is likely that in case the antidumping duties on Roquette and PT Sorini are terminated, it would suffer material injury.
 - vi. there is causal relationship between likely continuation and recurrence of dumping of the product under review and likely recurrence and continuation of material injury to the domestic industry.

H. CONTINUATION OF DEFINITIVE ANTIDUMPING DUTY

- 43. 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 continuation or recurrence of dumping and injury.
- 44. In view of the analysis and conclusions with regard to likely continuation and recurrence of dumping, material injury and causation, it is imperative to continue imposition of definitive anti-dumping duties on imports of the product under review from Roquette, France and PT Sorini Agro, Indonesia. Thus, the Commission hereby continues imposition of definitive anti-dumping duties imposed on Sorbitol produced and exported by Roquette, France and PT Sorini Agro, Indonesia for a period of five years w.e.f. July 19, 2008.

(Bilal Khan) Member July 14, 2009 (Muhammad Ikram Arif) Chairman July 14, 2009