

A.D.C No. 11/2006/NTC/CT
Government of Pakistan
National Tariff Commission

Notice of Preliminary Determination and levy of Provisional Antidumping Duty on imports of Tiles into Pakistan Originating in and/or Exported from the People's Republic of China in Pursuance to the Decision of the Hon'ble Supreme Court of Pakistan in Civil Petition Nos. 1608, 1654, 1686, 1687, 1706, 1707 and 1708 of 2009

In pursuance of the Short Order of the Supreme Court of Pakistan, National Tariff Commission (the "Commission") has initiated proceedings for imposition of antidumping duty on imports of tiles, which includes ceramic, porcelain/vitrified/granite wall and floor tiles in glazed/unglazed, polished/unpolished finish ("Tiles"), originating in and/or exported from the People's Republic of China ("China") on November 13, 2009. In accordance with the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") and the Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission has, after investigation, determined the following on a preliminary basis subject to detailed judgment of the Hon'ble Supreme Court of Pakistan in above-mentioned cases:

Product Under Investigation: Tiles exported by the exporters from China is the product under investigation (the "investigated product"). It is classified under Pakistan Customs Tariff (PCT) Nos. 6907.1000, 6907.9000, 6908.1000 and 6908.9000 (PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System under Brussels nomenclature upto six digit level).

Like Product: In terms of Section 2 of the Ordinance, the examination revealed that the investigated product and Tiles produced by the domestic industry are produced with similar manufacturing process, and with the same raw materials. Both have the same physical characteristics, usage, and tariff classification. Thus it is provisionally established that both the products are "like products".

Period of Investigation ("POI"):

Investigation of dumping	from January 1, 2005 to December 31, 2005
Investigation of injury	from July 1, 2002 to December 31, 2005

Hearing: The Commission held a hearing on December 15, 2009 in these proceedings initiated in compliance with decision of the Supreme Court of Pakistan. The Commission has considered views/comments and information submitted by interested parties in the hearing or otherwise in this determination.

Determination of Normal Value and Export Price: The normal value and the export price of the investigated product exported by the exporters from China who provided the requisite information have been determined in accordance with Part III, VI, V and VIII of the Ordinance respectively.

Dumping Margin: The dumping margins have been calculated in accordance with Section 12(1) of the Ordinance by comparing the weighted average normal value at ex-factory level with the weighted average of prices of all comparable export transactions at ex-factory level.

Dumped Imports: Volume of dumped imports increased by 194.65 percent in Fiscal Year ("FY") 2004 over FY 2003, by 91.50 percent in FY 2005 over FY 2004, and by 51.04 percent (on annualized basis) during July to December 2005 over FY 2005. The total production in Pakistan of domestic like product increased by 45.40 percent in FY 2004 over the production of FY 2003. It increased by 16.45 percent in FY 2005 over FY 2004, and decreased by 1.12 percent (on annualized basis) during July to December 2005 over FY 2005.

Injury to the Domestic Industry: Injury to the domestic industry has been determined afresh in accordance with Part VI of the Ordinance. The Commission has established that the domestic industry suffered material injury during POI on account of significant increase in dumped imports in absolute as well as relative to the domestic production of Tiles, price undercutting; price depression, price suppression; negative effects on production and capacity utilization, loss in market share; negative effects on productivity, increase in inventories, decline in profit, decrease in return on investment in terms of Section 15 and 17 of the Ordinance.

Injury Factors other than Dumped Imports: The Commission also examined whether there were factors other than dumped imports, which were causing injury to the domestic industry during the POI and the findings reveal that there is no factor other than dumped imports which caused injury to domestic industry.

Imposition of Provisional Antidumping Duty: In reaching this affirmative preliminary determination, the Commission is satisfied that the investigated product has been imported into Pakistan at dumped prices. This has caused material injury to domestic industry during POI. Therefore, the Commission, pursuant to the powers conferred upon it under Section 43 of the Ordinance, has decided to impose provisional antidumping duties as given in the following table from February 23, 2010 until further orders on Tiles importable from China. The antidumping duty rates are determined afresh on C&F value in *ad val* terms and are set out as under:

<u>S. No.</u>	<u>Exporter/Producer Name</u>	<u>Anti-Dumping Duty Rate as % of C & F Price</u>
1.	Foshan Junjing Industrial Co. Ltd.	14.85%
2.	J & M Designers Ltd.	16.46%
3.	Guangdong Nanhai Light Industrial Products I/E Ltd.	21.08%
4.	Guangzhou Metals & Minerals Imp & Exp Ltd.	23.65%
5.	All others rate from China	23.65%

Provisional antidumping duties shall be held in a Non-lapsable PLD Account No. 187, with Federal Treasury Office Islamabad, established and maintained by the Commission for the purpose. The antidumping duties shall be collected in the same manner as customs duty under the Customs Act, 1969 (IV of 1969) and shall be in addition to taxes and duties due otherwise under any other law.

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

(Imran Zia)
Secretary, NTC
February 23, 2010