

**Preliminary Determination on Imports of Formic Acid 85% and above into Pakistan Originating in and/or Exported from the People's Republic of China and Republic of Korea**

The National Tariff Commission (the "Commission") initiated an antidumping investigation on February 23, 2011 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") after establishing that the application lodged by Tufail Chemical Industries Limited, Mezz. Floor, Progressive Center, 30-A/6, P.E.C.H.S, Main Shahrah-e-Faisal, Karachi (the "Applicant") on behalf of domestic industry manufacturing Formic Acid 85% and above ("FA") was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of FA, originating in and/or exported from the People's Republic of China ("China") and Republic of Korea ("Korea") (cumulatively referred as "Exporting Countries") into Pakistan and material injury caused therefrom to the domestic industry manufacturing FA. In accordance with provisions of the Ordinance and Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission has, after investigation, determined the following on a preliminary basis:

**Exporters and Foreign Producers:** The Applicant identified 13 exporters/foreign producers involved in alleged dumping of FA from the Exporting Countries and provided complete addresses of 11 exporters/foreign producers. In terms of Sections 27 and 35 of the Ordinance, the Commission upon initiation of the investigation sent a copy of the notice of initiation of investigation and questionnaires to 11 exporters/foreign producers whose complete addresses were available with the Commission. The Commission also forwarded copies of notice of initiation and the questionnaire to the Embassies of the Exporting Countries in Islamabad with a request to forward the same to all exporters/foreign producers of FA based in the Exporting Countries including those identified by the applicant.

In response to the questionnaire, one exporter/foreign producer from China namely BASF responded to the Commission. BASF, China furnished necessary information for the purposes of this investigation.

**Product Under Investigation:** FA originating in and/or exported from the Exporting Countries is the product under investigation ("investigated product"). It is classified under Pakistan Customs Tariff ("PCT") No. 2915.1100.

**Domestic Like Product:** The domestic like product is FA, produced by the domestic industry. It is classified under PCT heading No. 2915.1100.

**Like Product:** The Commission's investigation has established that the investigated product and FA produced by the domestic industry are same. Both products have the same physical characteristics, usage, and tariff classification. Thus it is provisionally established that the investigated product and FA produced by the domestic industry are "like products".

**Period of Investigation ("POI"):**

For investigation of dumping: From October 01, 2009 to September 30, 2010

For investigation of injury: From October 01, 2007 to September 30, 2010

**Determination of Dumping:** Normal value and export price of the investigated product for the exporter/foreign producer who cooperated and furnished necessary information have been determined in accordance with Sections 5, 6 and 10 (1) of the Ordinance, respectively on the basis of the information provided by the exporter/foreign producer in response to the Commission's questionnaire. Dumping margins for all other exporters from the Exporting Countries, who did not cooperate, is determined on the basis of best information available in terms of Section 32 of the Ordinance.

**Dumping Margin:** 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

export price at ex-factory level. The provisional dumping margins expressed as percentage of weighted average adjusted export price at ex-factory level thus worked out are given in Table-I:

**Table-I: Provisional Dumping Margin**

Country	Exporter Name	Dumping margin as % of	
		Export price	C & F price
China	BASF	-9.06	-7.23
	All others	4.91	3.91
Korea	All exporters	48.19	44.10

**Injury to the Domestic Industry:** Injury to the domestic industry has been determined in accordance with Part VI of the Ordinance. The Commission has on preliminary basis established that the domestic industry suffered material injury on account of Increase in volume of dumped imports, price suppression, decline in market share, decline in domestic sales, decline in production and capacity utilization, negative effect on inventories, decline in profit, negative effect on productivity and number of employees and negative effect on salaries & wages.

**Injury Factors other than Dumped Imports:** The Commission has also examined factors other than dumped imports, which were causing injury to the domestic industry. Analysis showed that the domestic industry suffered injury due to non-dumped imports in this preliminary determination.

**Causation:** In this preliminary determination, the Commission is satisfied that the investigated product has been imported at dumped prices. However, there is a weak causal relationship between dumped imports and injury to domestic industry.

**Imposition of Provisional Antidumping Duty:** In view of weak causal relationship between dumped imports and injury to domestic industry, the Commission is not making an order for imposition of provisional antidumping duty. The investigation would continue in terms of Section 43(2) of the Ordinance.

**Disclosure meeting:** Pursuant to Rule 11 of the Rules, cooperating exporter/foreign producer may request for a disclosure meeting within 15 days of the date of publication of this notice.

**Hearing:** Any party registered as an interested party in this case may, if it so wishes, request a hearing in accordance with Rule 14 of the Rules within 30 days of the publication of this notice by contacting Secretary, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Telephone No. +92-51-9202839, Fax No.+92-51-9221205.

**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](http://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 (except public holidays) between 1100 hrs to 1300 hrs.

**Final Determination:** In terms of Section 39 of the Ordinance, the Commission is required to make final determination within 180 days of publication of notice of Preliminary Determination. However, the Commission has planned to finalize this investigation within four months of the publication of this notice of Preliminary Determination.

**Authority under Law:** This notice is published pursuant to Section 37 of the Ordinance by order of the Commission.

(Muhammad Shahid)  
Secretary  
August 23, 2011