

**Notice of Conclusion of Sunset Review of Anti-dumping Duties Imposed on Dumped Imports of PVC Resin (Suspension Grade) Originating in and/or Exported from the Republic of Iran and the Republic of Korea**

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 PVC Resin (Suspension Grade) ("PVC") originating in and/or exported from the Republic of Iran and the Republic of Korea. The Sunset Review was initiated upon receipt of an application under Section 58(3) of the Ordinance on September 12, 2009 from Engro Polymer & Chemicals Ltd., 1<sup>st</sup> Floor, Bahria Complex-I, M.T Road, Karachi, Pakistan, (the "Applicant"), a domestic producer of PVC. The application was made following the publication in national press and official Gazette on July 22, 2009 of a notice of impending expiry of the anti-dumping duties imposed on dumped imports of PVC imported from Messrs. LG International Corporation, Korea ("LG") and Messrs. Iran Petrochemical Commercial Company, Iran ("IPCC") (hereinafter collectively referred to as the "Exporters"). The Commission imposed anti-dumping duties with effect from October 26, 2004 for a period of five years on PVC exported by LG and IPCC vide notification No. ADC No.005/2004/NTC/PVCR published in the official Gazette and national press on February 24, 2005.

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 PVC exported by LG and IPCC. It is classified under Pakistan Customs Tariff classification number 3904.1090. The product under review is used in production of shoes, artificial leather, film, insulation cables, ducts, doors & window profiles, plastic chairs and tables etc.

**Period of Review ("POR"):**

The Commission sought necessary information for the last three financial years i.e. July 01, 2006 to June 30, 2009 from LG and IPCC to determine likelihood of continuation and recurrence of dumping and injury. Thus, POR for this Sunset Review was from July 01, 2006 to June 30, 2009

**Volume of Dumped Imports:** After imposition of definitive anti-dumping duty on dumped imports of PVC with effect from October 26, 2004, LG and IPCC stopped exporting to Pakistan.

**Likelihood of Recurrence of Dumping from LG:** LG 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 LG on the basis of best information available in pursuance to Section 32 of the Ordinance. For this purpose, the Commission has used the information provided by LG in original investigation and determined that there is likelihood of recurrence of dumping of the PVC from LG in case anti-dumping duty imposed on it is terminated.

**Likelihood of Continuation of Dumping from IPCC:** IPCC 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 LG on the basis of best information available in pursuance to Section 32 of the Ordinance. For this purpose, the Commission has used the information provided by LG in original investigation and determined that there is likelihood of recurrence of dumping of the PVC from LG in case anti-dumping duty imposed on it is terminated.

**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 PVC 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 anti-dumping duties on PVC 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, price undercutting, price suppression, 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. These factors will continue to affect the domestic industry in the same manner regardless of whether or not antidumping duties are removed.

**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 PVC 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 duties imposed @ 40.18 percent and 31.06 percent on PVC produced and exported by LG and IPCC respectively for another period of 5 years with effect from October 26, 2009.

**Disclosure meeting:** Pursuant to Rule 16 of the Rules, the Exporters of the product under review may request for a disclosure meeting within 15 days of the date of publication of this notice.

**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](http://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  
September 30, 2010