

**Notice of Final Determination and Levy of Definitive Antidumping Duty on
Glacial Acetic Acid Originating in and/or Exported from Chinese Taipei (Taiwan) to Pakistan**

The National Tariff Commission (the "Commission") initiated an investigation on September 03, 2003 under Section 23 of the Antidumping Duties Ordinance, 2000 (the "Ordinance") after establishing that the application lodged by Wah Nobel Acetates Ltd., G.T. Road, Wah Cantt. (the "Applicant") on behalf of the domestic industry was in accordance with Sections 20 and 24 of the Ordinance. The subject investigation concerns dumping of Glacial Acetic Acid minimum concentration 99% ("GAA") originating in and/or exported from Chinese Taipei (Taiwan) to Pakistan. The Commission had made a preliminary determination in this case in terms of Section 37 of the Ordinance and a provisional antidumping duty @ 13.77% was levied from February 25, 2004. In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission after further investigation has made its affirmative final determination as follows:

Name of Foreign Producers/ Exporters (the "Exporter"): Chang Chun Petrochemical Company Ltd., 301 Songkiang Road, 7th Floor, Taipei-104, Taiwan.

Product Under Investigation GAA produced and exported into Pakistan by the Exporter (the "investigated product"). It is classified under PCT heading No. 2915.2100.

Like Product In terms of Section 2 of the Ordinance, the examination revealed that the investigated product and the GAA produced by the domestic industry have the same characteristics, usage, and tariff classification. Thus it is established that both the products are "like products".

Period of Investigation ("POI")

Investigation of dumping from July 01, 2002 to June 30, 2003; and
Investigation of injury from July 01, 2000 to June 30, 2003.

Determination of Normal Value The normal value of the investigated product has been established in accordance with Section 5(1) of the Ordinance. Establishment of normal value is based on the information/data provided by the Exporter.

Adjustments in normal value claimed by the Exporter on account of credit cost and discount were taken into account. Inland freight was also deducted from the sales price to yield ex-factory normal value.

Determination of Export Price Export price has been calculated in accordance with Section 10(1) of the Ordinance.

To ensure a fair comparison between export price and normal value i.e., at ex-factory level, adjustments in C&F export price have been made with respect to (a) indenter's commission (b) credit cost (c) bank charges (d) ocean freight (e) inland freight (f) harbour construction tax (g) trade promotion fee, and (h) customs brokerage fee.

Dumping Margin The dumping margin has been calculated in accordance with Section 12(1) of the Ordinance by comparing the weighted average adjusted ex-factory normal value with the weighted average adjusted ex-factory export price. The dumping margin expressed as a percentage of weighted average C&F export price thus works out to be 13.77%.

Injury to the Domestic Industry Injury to the domestic industry has been determined in accordance with Part VI of the Ordinance. The Commission has established that the domestic industry was injured materially on account of; price undercutting, price depression, price suppression, decline in production and capacity utilization, decline in market share and sales, decline in return on investment, decline in productivity, incurrence of losses on its operations, negative effect on inventories, negative effect on growth and investment, negative effect on cash flow due to significant magnitude of dumping margin.

Dumped Imports Volume of dumped imports increased annually by 50.5% and 59.64% in the FY 2001-02 and FY 2002-03, respectively. The production of the domestic like product increased by 19.83% in the FY 2001-02 over FY 2000-01 and it decreased by 3.81% in the FY 2002-03 over FY 2001-02. Based on these facts, the Commission has concluded that the dumped imports increased in absolute as well as relative terms compared with the production of domestic like product.

Injury Factors Other than Dumped Imports The Commission also examined factors other than dumped imports, which were causing injury to the domestic industry. These include imports from countries other than Chinese Taipei (Taiwan), and interest rates prevailing in the country at the time of installation of domestic industry. However, the share of these factors in overall material injury is comparatively small and has been excluded in calculating injury due to dumped imports.

Imposition of Definitive Antidumping Duty In reaching this final affirmative determination, the Commission is satisfied that the investigated product has been imported at dumped prices. This has caused material injury to domestic industry during the POI. In terms of Section 50 of the Ordinance, by notification in the official Gazette, a definitive antidumping duty, equal to the dumping margin, @ 13.77% ad val of C&F price is hereby imposed on the investigated product importable from the Exporter for a period of five years effective from February 25, 2004. The definitive antidumping duty shall take the form of *ad valorm* duty and will be held in a non-lapsable personal ledger account established and maintained by the Commission for this purpose. Release of the investigated product for free circulation in Pakistan shall be subject to imposition of such antidumping duty. Definitive antidumping duty levied would be in addition to other taxes and duties levy able on import of investigated product under any other law. The definitive antidumping duty would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969).

Disclosure meeting Pursuant to Rule 16 of the Rules, the Exporter may request for disclosure meeting within 15 days of the date of publication of this notice.

Further Information A non-confidential version of the report on final 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.

Authority Under Law This investigation has been conducted under the Ordinance (No. LXV of 2000). This notice is published pursuant to Section 39 of the Ordinance.
By order of the Commission.

(Mrs. Batool Iqbal Qureshi)
Secretary

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