

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

Final Determination and levy of Definitive Antidumping Duty on imports of Tiles into Pakistan Originating in and/or Exported from the People's Republic of China

The National Tariff Commission (the “Commission”) initiated an antidumping investigation on March 27, 2006 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the “Ordinance”) after establishing that the application lodged by Master Tiles and Ceramics Industries Limited, G.T. Road, Gujranwala (the “Applicant”) on behalf of the domestic industry manufacturing tiles was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping 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”) into Pakistan. The Commission made a preliminary determination in this case in terms of Section 37 of the Ordinance and a provisional antidumping duty was levied on imports of Tiles from China at the rate ranging from 0% to 21.02% from November 30, 2006. In accordance with the Ordinance and the Anti-Dumping Duties Rules, 2001 (the “Rules”), the Commission has made its affirmative final determination as follows:

Exporters and Foreign Producers: The Applicant identified 219 exporters involved in alleged dumping of Tiles. However, addresses of 35 exporters and 10 producers were available with the Commission. In terms of Section 27 of the Ordinance, the Commission, upon initiation, forwarded a copy of Notice of Initiation directly to all exporters/producers of Tiles from China whose addresses were available. The Commission also forwarded the Notice of Initiation to the Embassy of China in Islamabad with a request to forward the same to all exporters/producers of Tiles in China in order to respond to the Commission. In response to the questionnaires, 9 exporters and ten of their respective producers responded.

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 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

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 and Part IV of the Ordinance respectively.

For the exporters who did not either respond to the Commission Notice of Initiation or did not provide the requisite information, normal value and export price have been determined on the basis of best available information pursuant to Section 32 of the Ordinance.

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 in accordance with Part VI of the Ordinance. The Commission has established that the domestic industry suffered material injury 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 Definitive Antidumping Duty: In reaching this affirmative final 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 the POI. Therefore, the Commission, pursuant to the powers conferred upon it under Section 50 of the Ordinance, has decided to impose definitive antidumping duties on Tiles importable from China as given in the following table for a period of five years effective from November 30, 2006. The antidumping duty rates are determined 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%

The definitive 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 would be collected in the same manner as customs duty under the Customs Act, 1969 (IV of 1969) and would be in addition to taxes and duties due otherwise under any other law.

Refund: In terms of Section 55(2) of the Ordinance, if the definitive antidumping duty is lower than the amount of provisionally determined dumping margin, the difference shall be refunded by the Commission. The Commission, informs all importers of investigated product to send their request for the refund of deferential, if any, to the Secretary, National Tariff Commission, State Life Building No. 5, Blue Area, Islamabad within thirty days of publication of this notice.

Disclosure meeting: Pursuant to Rule 16 of the Rules, the exporters/foreign producers of the investigated product 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 final determination shall be placed on public file established and maintained by the Commission. It shall also be 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

(Omer Moin Chaudhry)

Director

March 30, 2007