

**Preliminary Determination and levy of Provisional Antidumping Duty on imports of
Phthalic Anhydride (“PA”) into Pakistan Originating in and/or Exported from the Republic of India**

The National Tariff Commission (the “Commission”) initiated an antidumping investigation on August 11, 2005 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the “Ordinance”) after establishing that the application lodged by Nimir Chemicals Limited, Lahore (the “Applicant”), a domestic producer of Phthalic Anhydride (“PA”) was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns alleged dumping of PA, originating in and/or exported from the Republic of India (“India”). In accordance with the Ordinance and the 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 thirteen exporters/foreign producers involved in alleged dumping of PA and requested that anti-dumping duty may be imposed on all imports of PA from India. In terms of Section 27 of the Ordinance, the Commission upon initiation forwarded a copy of Notice of Initiation to all known exporters/producers of PA from India. The Commission also forwarded the Notice of Initiation to the High Commission of India in Islamabad with a request to forward the same to all exporters/producers of PA in India in order to respond the Commission. None of the exporters/producers provided the requisite information.

Product Under Investigation: PA exported by the exporters and produced by the producers from India is the product under investigation (the “investigated product”). It is classified under Pakistan Customs Tariff (PCT) No. 2917.3500 (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 based on the best information available in terms of Section 32 Of the Ordinance revealed that the investigated product and PA 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 April 1, 2004 to March 31, 2005
Investigation of injury	From January 1, 2002 to March 31, 2005

Determination of Dumping: The normal value and the export price of the investigated product have been determined on the basis of best information available in terms of Section 32 and Schedule to the Ordinance, as none of the exporters/foreign producers provided the requisite information to the Commission.

Dumping Margin: The dumping margins have been calculated in accordance with Section 12(1) of the Ordinance by comparing the constructed normal value at ex-factory level with the weighted average export price at ex-factory level. The provisional dumping margin expressed as percentage of weighted average adjusted export price and weighted average C&F export price thus works out to be 11.52% and 10.94% respectively.

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 significant increase in dumped imports relative to the domestic production of PA; significant price undercutting; significant loss in market share; decrease in production and capacity utilization. However, injury caused due to other factors is not significant as compared to the injury caused by the dumped imports.

Dumped Imports: Volume of dumped imports of the investigated product increased 188.34 times in the year 2003 over the year 2002, and decreased by 18.26 percent and 1.08 percent in the year 2004 and during the period from January to March 2005 (on annualized basis) over the imports in the year 2003 and 2004 respectively. Production of the domestic like product decreased by 8.77 percent and increased by 12.98 percent in the year 2003 and 2004 respectively. However, it decreased by 24.63 percent (on annualized basis) during the period from January to March 2005 over the production of the year 2004.

Injury Factors other than Dumped Imports: The Commission has also examined factors other than dumped imports, which were causing injury to the domestic industry.

Imposition of Provisional Antidumping Duty: In reaching this preliminary 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 order to prevent material injury in course of this investigation, the Commission, pursuant to the powers conferred upon it under Section 43 of the Ordinance, has decided to impose provisional antidumping duty @ 10.94% of C&F price on import of the investigated product (Phthalic Anhydride) originating in and/or exported from India to Pakistan by all exporters/producers for a period of four months effective from February 13, 2006. However, Any exporter/foreign producer from India, if wants an individual dumping margin in terms of Section 14(1) of the Ordinance, it may voluntarily submit necessary information to the Commission within a period of fifteen days from the date of publication of this notice. The Commission will consider the information, if not unduly burdensome and does not prevent timely completion of this investigation, to determine individual dumping margin for that foreign producer subject to the verification of the information submitted for this purpose, if required.

Imports of PA from sources other than India would not be subject to this provisional antidumping duty.

The provisional antidumping duty shall take the form of security by way of cash deposit in Commission's Non-lapsable PLD Account No. 187 with Federal Treasury Office Islamabad. The provisional antidumping duty would be collected in the same manner as customs duty under the Customs Act, 1969 (IV of 1969).

Disclosure meeting: Pursuant to Rule 11 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.

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. 0092-51-9202839, Fax No.0092-51-9221205.

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. 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.

(Omer Moin Chaudhry)
Director (Admin & Coordination)