

A.D.C No. 12/2006/NTC/PSF  
**National Tariff Commission**

**Notice of Preliminary Determination and levy of Provisional Antidumping Duty on imports of Polyester Staple Fibre into Pakistan Originating in and/or Exported from the Republic of Indonesia, the Republic of Korea and the Kingdom of Thailand.**

The National Tariff Commission (the "Commission") initiated an antidumping investigation on August 09, 2006 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") after establishing that the application lodged by Dewan Salman Fibres Limited, Islamabad; Ibrahim Fibres Limited, Lahore; and ICI Pakistan Limited, Lahore (hereinafter collectively referred to as the "Applicants") on behalf of the domestic industry manufacturing Polyester Staple Fibre not exceeding 2 denier ("PSF") was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of PSF, originating in and/or exported from the Republic of Indonesia, the Republic of Korea, and the Kingdom of Thailand (the "Exporting Countries") into Pakistan and material injury to the domestic industry manufacturing PSF. 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 Applicants identified 12 exporters/foreign producers involved in alleged dumping of PSF from Exporting Countries and provided the Commission complete addresses of 10 exporters/foreign producers. In terms of Section 27 and 35 of the Ordinance, the Commission upon initiation of the investigation sent a copy of the notice of initiation of investigation and questionnaire to all exporters/foreign producers whose complete addresses were available with the Commission. The Commission also forwarded notice of initiation and questionnaire to the embassies of the Exporting Countries in Islamabad with a request to forward the same to all exporters/foreign producers of PSF based in Exporting Countries in order to respond to the Commission.

In response to the questionnaires, five exporters/foreign producers (P.T Indorama Synthetics Tbk. and P.T Polysindo Eka Perkasa from Indonesia, Huvis Corporation from Korea, and Thai Polyester Company Limited, and Kangwal Polyester Company Limited from Thailand) responded and supplied necessary information for the purposes of this investigation.

**Product Under Investigation:** PSF not exceeding 2 denier exported by the exporters/foreign producers from the Exporting Countries is the product under investigation (the "investigated product"). It is classified under Pakistan Customs Tariff (PCT) No. 5503.2010 (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 established that the investigated product and PSF 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"):**

For investigation of dumping: From April 01, 2005 to March 31, 2006  
For investigation of injury: From April 01, 2003 to March 31, 2006

**Determination of Dumping:** The normal value and the export price of the investigated product for the exporters/foreign producers who cooperated and supplied necessary information have been determined in accordance with Sections 5 and 10 (1) of the Ordinance respectively on the basis of the information provided by these exporters/foreign producers in response to the Commission's Questionnaire. A dumping margin 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:** 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 export price at ex-factory level. The provisional dumping margins expressed as percentage of weighted average adjusted export price and weighted average C&F export price thus work out as follows:

<u>S. No.</u>	<u>Exporter/Foreign Producer Name</u>	<u>Dumping margin as percentage of</u>	
		<u>Adjusted export price</u>	<u>C&amp;F export price</u>
1	P.T Indorama Synthetics Tbk., Indonesia	0.58%	0.54%
2	P.T Polysindo Eka Perkasa, Indonesia	3.64%	3.36%
3	All Others from Indonesia	3.64%	3.36%
4	Huvis Corporation, Korea	2.30%	2.09%
5	All Others from Korea	2.30%	2.09%
6	Thai Polyester Co. Ltd., Thailand	4.63%	4.35%

7	Kangwal Polyester Co. Ltd., Thailand	8.93%	8.33%
8	All Others from Thailand	8.93%	8.33%

**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 in absolute as well as relative to the domestic production of PSF; significant price undercutting; significant price suppression; loss in market share; significant decrease in sales; decrease in return on investment; decrease in profits and negative effect on productivity.

**Dumped Imports:** Dumped imports of the investigated product increased by 15.60 times in the year 2005-06 (the POI for dumping) over the imports of PSF during the year 2004-05 from the Exporting Countries. While domestic production decreased by 9.19 percent in the same period.

**Injury Factors other than Dumped Imports:** The Commission also examined factors other than dumped imports, which were causing injury to the domestic industry. Analysis showed that the domestic industry also suffered some injury due to non-dumped imports of the investigated product and imports of PSF from sources other than the alleged dumped sources during the POI. However, injury caused by other factors cannot be considered significant as its volume was less than the volume of dumped imports and prices were more than the prices of dumped imports.

**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 duties on PSF not exceeding 2 denier importable from the Exporting Countries as given in the following table for a period of four months effective from February 09, 2007. The antidumping duty rates are determined on C&F value in *ad val.* terms.

Country	Exporter/Foreign Producer Name	Duty rate
Indonesia	P.T Indorama Synthetics Tbk.	0.00%
	P.T Polysindo Eka Perkasa	3.36%
	All others	3.36%
Korea	Huvis Corporation	2.09%
	All others	2.09%
Thailand	Thai Polyester Co. Ltd.	4.35%
	Kangwal Polyester Co. Ltd.	8.33%
	All others	8.33%

The provisional antidumping duties 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 duties 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. +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 between 1100 hrs to 1300 hrs.

By order of the Commission.

(Omer Moin Chaudhry)  
Director  
February 09, 2007