

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

**Preliminary Determination and levy of Provisional 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. 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 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 questionnaires 9 exporters sent their replies along with the information regarding domestic sales of ten producers.

**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 provisionally 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/producers from China who provided the requisite information have been determined in accordance with Sections 5(1) and 10 (1) of the Ordinance respectively.

For the exporters/producers 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 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 export price at ex-factory level. The provisional dumping margins expressed as percentage of weighted average C&F export price thus work out as follows:

<u>S. No.</u>	<u>Exporter Producer Name</u>	<u>Dumping margin as percentage of C&amp;F price</u>
1.	China National Machinery & Equipments I/E Co. Ltd.	0%
2.	New Zhongyuan Ceramics Import & Export Co. Ltd.	3.79%
3.	Foshan Lungo Ceramics Co. Ltd.	4.86%
4.	Foshan San De Bo Ceramics Co. Ltd.	7.55%
5.	Foshan Junjing Industrial Co. Ltd.	15.25%
6.	Guangdong Nanhai Light Industrial Products I/E Ltd.	19.34%
7.	J & M Designers Ltd.	19.49%
8.	Foshan Everlasting Enterprise Co. Ltd.	21.02%
9.	All others rate from China	21.02%

**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 52% percent in FY 2004 over the production of FY 2003. It increased 18% percent in FY 2005 over FY 2004, and decreased by 2.2% 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 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 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 preliminary findings reveal that there is no factor other than dumped imports which caused injury to domestic industry.

**Imposition of Provisional Antidumping Duty:** In reaching this affirmative preliminary 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 and provisional measures are necessary to prevent injury being caused during the course of this investigation. Therefore, the Commission, pursuant to the powers conferred upon it under Section 43 of the Ordinance, has decided to impose provisional antidumping duties on Tiles importable from China as given in the following table for a period of four months 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 &amp; F Price</u>
1.	China National Machinery & Equipments I/E Co. Ltd.	0%
2.	New Zhongyuan Ceramics Import & Export Co. Ltd.	3.79%
3.	Foshan Lungo Ceramics Co. Ltd.	4.86%
4.	Foshan San De Bo Ceramics Co. Ltd.	7.55%
5.	Foshan Junjing Industrial Co. Ltd.	15.25%
6.	Guangdong Nanhai Light Industrial Products I/E Ltd.	19.34%
7.	J & M Designers Ltd.	19.49%
8.	Foshan Everlasting Enterprise Co. Ltd.	21.02%
9.	All others rate from China	21.02%

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) and would be in addition to taxes and duties due otherwise under any other law.

**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](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.

**(Imran Zia)**  
Director (Admn)  
November 30, 2006