

A.D.C No.03/2003/NTC/GAA  
**National Tariff Commission**

**Notice of Preliminary Determination and Levy of Provisional Antidumping Duty on Glacial Acetic Acid Originating in and 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 matter and this investigation concerns dumping of GAA, being Glacial Acetic Acid minimum concentration 99% originating in and exported from Chinese Taipei ("Taiwan") to 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:

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

**Product Under Investigation** GAA with minimum purity of 99% produced and exported 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 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 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; the inland freight was also deducted from the sales price to yield ex-factory normal value. The preliminary weighted average adjusted normal value of the investigated product imported during the POI thus works out to be US\$ 503.70/MT.

**Determination of Export Price** Export price has been calculated in accordance with Section 10(1) of the Ordinance. The preliminary weighted average export price during POI of the investigated product works out to be US\$ 498.18/MT at C&F level.

To ensure a fair comparison between export price and normal value i.e., at ex-factory level, adjustments in C&F export price were 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. The preliminary weighted average adjusted ex-factory export price of the investigated product thus works out to be US\$ 435.11/MT.

**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 provisional 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 on preliminary basis established that the domestic industry was and is being materially injured 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, and a 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 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 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 a provisional antidumping duty @ 13.77% ad val of C&F price on import of GAA, importable from the Exporter, for a period of four months effective from February 25, 2004. 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 is collected under the Customs Act, 1969 (IV of 1969).

**Disclosure meeting** Pursuant to Rule 11 of the Rules, the Exporter may request for 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 Mrs. Batool Qureshi, 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.

**(Batool Qureshi)**  
Secretary