

Notice of Termination of Anti-Dumping Investigation Against Dumped import of Flat-Rolled Products of Iron or Non-Alloy Steel into Pakistan Originating in and/or Exported from Kingdom of Belgium, Japan, The Russian Federation, Ukraine and the United States of America

The National Tariff Commission (the "Commission") initiated an anti-dumping investigation on September 4, 2009 under Section 23 of the Anti-Dumping Duties Ordinance, 2000 (the "Ordinance") after establishing that the application lodged by Messrs. Pakistan Steel Mills Corporation (Pvt.) Limited (the "Applicant") manufacturer of flat-rolled products of iron or non-alloy steel, of a width 600 mm or more and of a thickness ranging from 2mm to 12 mm, hot rolled, not clad, plated or coated, excluding hot rolled sheet JSH270C ("HR Products") was in accordance with Sections 20 and 24 of the Ordinance. The investigation concerns dumping of HR Products, originating in and/or exported from Kingdom of Belgium ("Belgium"), Japan, The Russian Federation ("Russia"), Ukraine and the United States of America ("America") (hereinafter collectively referred to as the "Exporting Countries") into Pakistan and material injury to the domestic industry manufacturing HR Products. In accordance with the provisions of the Ordinance and the Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission has, after investigation, determined the following:

Exporters and Foreign Producers: The Applicants identified 27 exporters/foreign producers involved in alleged dumping of HR Products from the Exporting Countries and provided the Commission complete addresses of 20 exporters/foreign producers. In terms of Sections 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 the questionnaire to the embassies of the Exporting Countries in Islamabad with a request to forward the same to all exporters/foreign producers of HR products based in their respective countries in order to respond to the Commission.

In response to the questionnaire, following two exporters/foreign producers responded to the Commission and furnished necessary information for the purposes of this investigation.

- (i) Novexco (Cyprus) Limited, Russia (the exporter) and NLMK, Novolipetsk, Russia (the producer) (Novexco/NLMK), and
- (ii) Taco Metalsasia Limited (the exporter) and Illyich Iron and Steel Works, Ukraine (the producer) (TML/Illyich)

Product Under Investigation: Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, of a thickness ranging from 2mm to 12mm, hot-rolled, not clad, plated or coated, except hot rolled sheet JSH270C imported from the Exporting Countries is the product under investigation ("investigated product"). It is classified under Pakistan Customs Tariff ("PCT") Nos. 7208.1010, 7208.1090, 7208.2510, 7208.2590, 7208.2610, 7208.2690, 7208.2710, 7208.2790, 7208.3710, 7208.3790, 7208.3810, 7208.3890, 7208.3910, 7208.3990, 7208.4010, 7208.4090, 7208.5210, 7208.5290, 7208.5310, 7208.5390, 7208.5410, 7208.5490, 7208.9010 and 7208.9090.

Like Product: The Commission's investigation has established that the investigated product and HR Products produced by the domestic industry are produced with similar manufacturing process, and with the same/similar raw materials. Both products have the same physical characteristics, usage, and tariff classification. Thus it is established that the investigated product and HR Products produced by the domestic industry are "like products".

Period of Investigation ("POI"):

For investigation of dumping: From April 01, 2008 to March 31, 2009
For investigation of injury: From April 01, 2006 to March 31, 2009

Determination of Dumping: Normal value and export price of the investigated product for the exporters/foreign producers who cooperated and furnished necessary information have been determined in accordance with Sections 5, 6 and 10 (1) of the Ordinance, 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: 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 dumping margins expressed as percentage of weighted average adjusted export price and weighted average C&F export price thus ranges from 13.90% to 47.21%.

Injury to the Domestic Industry: Injury to the domestic industry has been determined in accordance with Part VI of the Ordinance. The Commission has found that the domestic industry suffered injury on account of: increased volume of dumped imports of the investigated product; price suppression; losses; market share; sales; inventories; production; capacity utilization; employment; wages salaries and productivity during POI. However, the domestic industry suffered injury, during POI, mainly due to factors other than dumped imports of the investigated product, i.e. imports from sources other than the dumped sources, non-expansion of the plant, lack of timely decision on change in prices, contraction in demand and worldwide economic recession. This shows that there is no causal link between dumped imports and injury to the domestic industry.

Termination: In view of the fact that the injury suffered by the domestic industry during the POI was mainly due to other factors and not due to dumping, therefore, the anti-dumping investigation against dumped imports of HR Products into Pakistan originating in and/or exported from Belgium, Japan, Russia, Ukraine and the United States of America is hereby terminated in terms of Section 41 of the Ordinance.

Further Information: A non-confidential version of the report of termination of investigation 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 interested parties, registered with the Commission for the purposes of Rule 7 of Anti-Dumping Duties Rules 2001, 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 42(2) of the Ordinance.

By order of the Commission.

(Imran Zia)
Secretary
February 25, 2011