

C.V.D No. 01/2016/NTC/CY
National Tariff Commission
Government of Pakistan

Notice of Initiation of Investigation against Alleged Subsidized Imports of Fine Cotton Yarn into Pakistan Originating in and / or Exported from the Republic of India

The National Tariff Commission (the "Commission") has received an application under Section 11 of the Countervailing Duties Act, 2015 (the "Act") on February 22, 2016 from the All Pakistan Textile Mills Association ("APTMA") on behalf of seven producers of fine (55.5 and above counts) cotton yarn (the "Applicants").

The Applicants have alleged that the fine cotton yarn is being exported to Pakistan at subsidized price from the Republic of India ("India"), which has caused and is causing material injury to the Pakistan's domestic industry producing fine cotton yarn in terms of Section 9 of the Act.

Upon initial examination and assessing accuracy of the evidence and information in accordance with Section 11(3) of the Act, the Commission is satisfied that the evidence and information provided in application are sufficient to justify an investigation into the matter.

Product under Investigation: The product allegedly being subsidized is fine cotton yarn carded or combed of 55.5 and above counts, originating in and/or exported from India to Pakistan. It is classified under Pakistan Customs Tariff ("PCT") Heading Nos. 5205.1500, 5205.2700, 5205.2800, 5205.3500, 5205.4700 and 5205.4800. It is used by weaving mills for production of cotton fabrics.

Allegation of subsidization

It is alleged that the producers and exporters of the investigated product in India have benefited from a number of subsidies granted by the central government of India and various provincial governments. The subsidies consist of various schemes have allegedly conferred benefits to different industries including cotton yarn manufacturing industry. The subsidies schemes include, inter alia, Technology Up gradation Fund Scheme, Integrated Processing/Skills Development Scheme, Focus Product Scheme, Pre-Shipment and Post-Shipment Export Financing, Duty Drawback (DDB), Duty Free Import Authorization Scheme, Exemption from Income tax, Market Development Assistance, Export Market Support Scheme, Government of India Loan Guarantees, Exemption from Payment of Central Excise Duty on Goods Manufactured in India and Produced from a Domestic Tariff Area and Duty Incentives Under the Export Promotion Capital Goods (EPCG) Program etc.

Initiation of the Investigation: The Commission hereby initiates an investigation pursuant to Section 11 of the Act. The investigation will determine the existence, degree, amount and effect of alleged subsidies within the meaning of the Act.

Period of Investigation (POI): For determination of subsidization and injury, the POI is fixed as follows:

For determination of subsidization	From July 01, 2014 to June 30, 2015
For determination of Injury	From July 01, 2012 to June 30, 2015

Investigation Schedule

Initiation date:	Date of publication of this notice in the press
Provisional determination:	Not earlier than 60 days and not later than 9 months from initiation.
Final determination:	Within 12 months of initiation of investigation.

Interested Parties: Interested parties, as defined in Section 2(l) of the Act, are requested to identify themselves not later than 10 days after publication of this notice. An interested party applying for registration with the Commission should submit; the name of the company, its line of business, name of authorized person, address, telephone number and fax number. All interested parties are invited to make

their views/comments and to submit information and documents (if any) to the Commission not later than 45 days of the date of publication of this notice.

Hearing: Any interested party, if it so wishes, request a hearing within 30 days of the publication of this notice by contacting Secretary, National Tariff Commission, State Life Building No.5, Blue Area, Islamabad. Fax No.+92-51-9221205.

Public File: A public file has been established and maintained at office of the Commission in this case, which shall be available to interested parties for review and copying from Monday to Thursday between 1100 hours to 1300 hours (except public holidays) throughout the investigation.

Further Information: For further information please contact, Director (Incharge Investigation-III), Tel: +92519218961 or visit www.ntc.gov.pk.

By order of the Commission.

(Muhammad Shahid)
Secretary
April 20, 2016