



**Government of Pakistan  
National Tariff Commission**

**Report**

**on**

**Final Determination in Anti-Dumping investigation Against Dumping of  
Polyester Staple Fibre from the People's Republic of China**

**ADC No. 27/2012/NTC/PSF  
July 29, 2013**

## **A. INTRODUCTION**

The National Tariff Commission (hereinafter referred to as the “Commission”) having regard to the Anti-Dumping Duties Ordinance, 2000 (LXV of 2000) (hereinafter referred to as the “Ordinance”) and the Anti-Dumping Duties Rules, 2001 (hereinafter referred to as the “Rules”) relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (hereinafter referred to as “Pakistan”), material injury to the domestic industry caused by such imports, and imposition of anti-dumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof and to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the “Agreement on Anti-dumping”).

2. The Commission has conducted this investigation under the Ordinance and the Rules on imports of Polyester Staple Fibre, not exceeding 2 denier, (hereinafter referred to as “PSF”) originating in and/or exported from the People’s Republic of China (hereinafter referred to as “China”). The Commission has made preliminary determination in this investigation on December 21, 2012, under Section 37 of the Ordinance. This report of final determination has been issued in accordance with Section 39 of the Ordinance.

3. In terms of Section 39 of the Ordinance, the Commission shall make a final determination of dumping and injury, if any, within one hundred and eighty days of the date of publication of a notice of preliminary determination in the official Gazette. However, Section 29 of the Ordinance provides that the Commission shall in special circumstances conclude an investigation within eighteen months, after initiation. The timeline for final determination in this investigation has been extended due to the fact that the composition of the Commission remained incomplete during the period from May 24, to July 8, 2013 (due to transfer/posting of one of its Member) and the Commission was dysfunctional during this period in the light of decision of Honorable Supreme Court of Pakistan dated Oct. 29, 2009 in Civil Petitions Nos. 1608, 1654, 1686-1687, 1706-1708/2009.

## **A. PROCEDURE**

4. The procedure set out below has been followed with regard to this investigation.

### **5. Receipt of Application**

5.1 The Commission received a written application under Section 20 of the Ordinance from M/s Ibrahim Fibres Limited, Ibrahim Centre 1-A, Ahmed Block, New Garden Town, Lahore and M/s ICI Pakistan Limited, ICI House, 63 Mozang Road, Lahore (hereinafter referred to as the “Applicants”) on May 15, 2012. The Applicants have alleged that PSF originating in and/or exported from the China is being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing PSF.

5.2 The Commission informed the Embassy of China in Islamabad through a note verbale dated May 16, 2012, of the receipt of application in accordance with the requirements of Section 21 of the Ordinance.

## 6. Evaluation and Examination of the Application

The Commission examined the application filed by the Applicants. The Commission's analysis showed that the application met requirements of Section 20 of the Ordinance as it contained sufficient evidence of dumping of PSF into Pakistan from China and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

## 7. The Domestic Industry

7.1 Section 2(d) of the Ordinance defines domestic industry as:

*“domestic industry” means the domestic producers as a whole of a domestic like product or those of them whose collective output of that product constitutes a major proportion of the total domestic production of that product, except that when any such domestic producers are related to the exporters or importers, or are themselves importers of the allegedly dumped investigated product in such a case “domestic industry” shall mean the rest of the domestic producers”.*

7.2 As per information obtained by the Commission from the Applicants and other sources, the domestic industry manufacturing PSF comprises of the following four operational units: with an installed production capacity (on three shift basis) during the period from April 01, 2011 to March 31, 2012:

**Table-I**  
**Installed Capacity of the Domestic Industry**

S.No.	Unit Name	Capacity
1.	Ibrahim Fibres Ltd, Faisalabad	55
2.	ICI Pakistan Ltd, Lahore	32
3.	Pakistan Synthetics Ltd, Karachi	7
4.	Rupali Polyester Ltd, Lahore	6
	<b>Total</b>	100

Note: Actual figures have been indexed with reference to the figure of total capacity by taking it equal to 100.

7.3 DewanSalman Fibre Limited having production biggest capacity has ceased its operation after 2008. Therefore, it has not been considered as part of domestic industry.

7.4 The Commission's investigation also revealed that neither the Applicants were themselves importer of the investigated product nor were related to the exporters/producers from China involved in alleged dumping of the investigated product into Pakistan during the Period of Investigation as setout in para 13 infra.

## 8. Standing of the Application

8.1 In terms of Section 24(1) of the Ordinance,

*“... an application shall be considered to have been made by or on behalf of the domestic*

*industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing either support for or opposition to the application.”*

8.2 Furthermore, Section 24(2) of the Ordinance provides that:

*“.....no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty five percent of the total production of the domestic like product produced by the domestic industry.”*

8.3 The Applicants are two out of four domestic producers of PSF in Pakistan and collectively constitute 85.64 percent of the total installed capacity of the domestic PSF manufacturing industry.

8.4 As per the information supplied in the application and obtained from other sources, the Applicants produced 85.64 percent of total domestic production of PSF during the period from April 01, 2011 to March 31, 2012. Details of the production of PSF by the domestic industry are as follows:

**Table-II**  
**Unit-wise Production during the year 2011-12**

<b>Name of the Unit</b>	<b>Status</b>	<b>Share in total production</b>
Ibrahim Fibres Limited	<b>Applicant</b>	55.68%
ICI Pakistan Limited	<b>Applicant</b>	29.96%
Rupali Polyester Limited	Indifferent	6.63%
Pakistan Synthetics Limited	Indifferent	7.74%
<b>Total</b>		<b>100.00%</b>

Source: Applicants

8.5 The above table shows that the Applicants represent 85.64 percent of total domestic production of PSF and other two units in the domestic industry namely M/s Rupali Polyester Limited, Lahore and M/s Pakistan Synthetics Limited, Karachi, who represent 14.37% of total domestic production, have not expressed their opinion for this application; therefore, they may be considered “indifferent” for the purposes of Section 24 of the Ordinance. On the basis of the above information, it is concluded that the Application has been made on behalf of domestic industry, as it fulfils the requirements of Section 24 of the Ordinance.

## 9. Applicants’ Views

The Applicants, *inter alia*, raised the following issues in the application regarding dumping of PSF by Chinese exporters/producers and material injury to the domestic industry caused therefrom:

- i. PSF imported from China into Pakistan and PSF produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from China are exporting PSF to Pakistan at dumped prices; and

- iii. Exports of PSF by the Chinese exporters/producers to Pakistan at dumped prices have caused and are causing material injury to the domestic industry producing PSF mainly through:
- a. Increase in the volume of dumped imports of PSF;
  - b. Price undercutting;
  - c. Price suppression;
  - d. Loss in market share;
  - e. Negative effects on capacity utilization;
  - f. Negative effects on cash flow;
  - g. Decline in employment;
  - h. Decrease in return on investment; and
  - i. Loss/decline in profits.

## **10. Exporters/Producers of PSF from China**

The Applicants have identified 92 exporters/producers engaged in alleged dumping of PSF from China. The Applicants have stated that there may be other exporters/producers from China but they do not have the names and addresses of such other Chinese exporters/producers. Therefore, the Applicants requested for imposition of anti-dumping duty on all imports of PSF originating in and/or exported from China in addition to the identified Chinese exporters/producers.

## **11. Initiation of Investigation**

11.1 The Commission, upon examining the accuracy and adequacy of the evidence provided in the application, established that there is sufficient evidence of alleged dumping of PSF from China to Pakistan and consequent material injury to the domestic industry to justify initiation of an investigation. Consequently, the Commission issued a notice of initiation in terms of Section 27 of the Ordinance, which was published in the Official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one each in the English and Urdu languages) on June 26, 2012. The investigation concerning alleged dumped imports of PSF into Pakistan {classified under PCT<sup>3</sup> No. 5503.2010 contained in the First Schedule of Customs Act, 1969 (IV of 1969)} originating in and/or exported from China was thus initiated on June 26, 2012.

11.2 The Commission notified the Embassy of China in Pakistan of the initiation of investigation by sending a copy of the notice of initiation on June 26, 2012 with a request to forward it to all Chinese exporters/producers engaged in production, sales and export of PSF from China to Pakistan. Copies of the notice of initiation were also sent to the Applicants and known Pakistani importers on June 26, 2012, in accordance with the requirements of Section 27 of the Ordinance.

11.3 Upon initiation of investigation, copies of the notice of initiation were sent to eight major exporters/producers of PSF in China on July 06, 2012, directly. For the

<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated June 26, 2012.

<sup>2</sup> 'Dawn' and 'Ausaf' of June 26, 2012.

<sup>3</sup> "PCT" is the abbreviation for Pakistan Customs Tariff. PCT heading in Pakistan is equivalent to the Harmonized Commodity Description and Coding System up to six-digit level.

exporters/producers whose addresses were not available with the Commission, a copy of the notice of initiation was sent to the Embassy of China in Islamabad, requesting the esteemed Embassy to forward the same to all exporters/producers engaged in exports of PSF from China to Pakistan.

11.3 In accordance with Section 28 of the Ordinance, the Commission sent copies of full text of the written application (non-confidential version) to eight major Chinese exporters/producers of PSF on July 06, 2012.

## **12. Investigated Product and Domestic Like Product**

12.1 Section 2 of the Ordinance defines the “investigated product”, and the “domestic like product” as follows:

### **Investigated Product:**

“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.

### **Domestic Like Product:**

“the domestically produced product, which is a like product to an investigated product”.

12.2 For the purposes of this investigation and given the definitions set out above, the investigated product and domestic like product are identified as follows:

#### **12.2.1 Investigated Product**

The investigated product is PSF not exceeding 2 denier, originating in and/or exported from China to Pakistan. It is classified under PCT No. 5503.2010. It is generally used in woven and knit applications to produce textile and apparel products.

#### **12.2.2 Domestic Like Product**

The domestic like product is PSF not exceeding 2 denier, produced by the domestic industry in Pakistan. The domestic like product is also classified under PCT No. 5503.2010. The domestic like product is used in woven and knit applications to produce textile and apparel products. Major uses of the domestic like product are, therefore, identical to those of the investigated product.

#### **12.2.3 Like Product**

In order to establish whether the investigated product, the domestic like product and the like product are alike products, as contended by the Applicants, the Commission reviewed all the relevant information received/obtained from various sources including the Applicants, and the exporters/producers in the following terms:

- i. Basic raw materials used in the production of the investigated product, the domestic like product, and the like product are the same namely Purified

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Terephthalic Acid (“PTA”) and Mono-Ethylene Glycol (“MEG”). However, some Chinese producers are also producing PSF from re-cycled/waste PET material;

- ii. All the three products (the investigated product, the domestic like product and the like product) are produced with a similar manufacturing process;
- iv. All the three products have similar appearance;
- v. All the three products are substitutable in use. They are mainly used in woven and knit applications to produce textile and apparel products; and
- vi. All the three products are classified under the same PCT/HS No. 5503.2010.

### **13. Period of Investigation**

13.1 In terms of Section 36 of the Ordinance, the Period of Investigation (hereinafter referred to as the “POI”) is:

(a) “for the purposes of investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of the investigation for which data is available and in no case the investigation period shall be shorter than six months.

(b) for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:

Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of available information regarding domestic industry and an investigated product.”

13.2 The POI selected for determination of dumping and injury in this investigation are, therefore, as follows:

Investigation of Dumping:	From April 01, 2011 to March 31, 2012
Investigation of Injury:	From April 01, 2009 to March 31, 2012

### **14. Information/Data Gathering**

14.1 The Commission sent the Exporter’s Questionnaire on July 06, 2012 to the following eight exporters/producers of PSF from China (whose complete addresses were available with the Commission) for submission of data and information, who were asked to respond within 37 days of the dispatch of the Questionnaires:

- i. JiangyinHuahong Chemical Fibre Co., Huahong Industrial Zone, Zhouzhuang Town, Jiangyin City, Jiangsu Province, 214423, China;
- ii. ZhangjiagangChengxin Chemical Fibre Co. Ltd., Houcheng Industrial Zone, Jingang Town, Zhangjiagang City, Jiangsu, China;
- iii. JiangyinHailun Chemical Fiber Co Limited, Zhouzhuang Town, Jiangyin, China;

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- iv. Shanghai Hengyi Polyester, No. 333 MuHuaBeiRoad, Shanghai, Shanghai, China;
- v. Jiangsu Huaxicun Co. Limited, Special Chemical Fibre Plant, Huaxi Industrial Distrial, Jiangyin, Jiangsu, China;
- vi. Unisky Shanghai (HK) Limited, Unit 3A, 5/F, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong;
- vii. Jiangsu Xinsu Chemical Fibre Co. Ltd., Huangdai Town, Suzhou City, Jiangsu, China; and
- viii. Yizheng Winning Chemical Fiber Co. Ltd., No. 6 Dalian Road, Yizheng Chemical Industry Park, Jiangsu Province, 211400, China.

14.2 On July 06, 2012, copies of the questionnaires were also sent to the Embassy of China in Islamabad with a request to forward it to all exporters/producers of PSF in China engaged in exports of PSF to Pakistan.

14.3 The following ten Chinese exporters/producers of PSF requested for extension in time period (beyond 37 days) for submission of information:

- i) JiangyinHuahong Chemical Fibre Co. Ltd., Huahong Industrial Zone, Zhouzhang Town, Jiangyin City, Jiangsu Province, China;
- ii) ZhangjiagangChengxin Chemical Fibre Co. Ltd., Houcheng Industrial Zone, Jingang Town, Zhangjiagang City, Jiangsu, China;
- iii) JiangyinHailunChemcialFibre Co. Ltd., Zhouzhang Town, Jiangyin City, Jiangsu Province, China;
- iv) Shanghai Hengyi Polyester Fibre Co. Ltd., No.333 MuHuaBei Road, Shanghai, China;
- v) Jiangsu Huaxicun Co. Ltd., Huaxi Industrial District, Jiangyin, Jiangsu, China;
- vi) Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd., Room No. C101, Building 12, No. 105 A, Shanghai Road, Taicang City, Jiangsu, China;
- vii) JiangyinHuafang Technological Synthetic Fibre Co. Ltd., No. 11, Xinhang Road, Changzhou Town, Jiangyin, Jiangsu, China;
- viii) Nanyang Textile Co. Ltd., MazhenXuxiake Town, Jiangyin City, Jiangsu, China;
- ix) ZhangjiagangZhengfang Textile Co. Ltd., Dongshan Village, Jingang Town, Zhangjiagang City, China; and
- x) Yizheng Winning Chemical Fibre Co. Ltd., No. 6, Dalian Road, Yizheng Chemical Industrial Park, Jiangsu Province, China.

14.4 After taking into account the due causes shown by these Chinese exporters/producers in their requests, the Commission accepted their requests and granted extension in time period for submission of information on Exporter's Questionnaire till August 26, 2012. Filled-in



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Exporter's Questionnaires from the exporters/producers were received at the Commission on August 02, 2012, August 16, 2012 and August 27, 2012. Upon examination of the information received from these exporters/producers, certain deficiencies were found in the information supplied. These deficiencies were communicated to the Chinese exporters/producers, who were requested to supply the deficient information.

14.5 The following twelve Chinese exporters/producers of PSF responded to the Commission's request for supplying information on the prescribed Exporter's Questionnaire:

- i. JiangyinHuahong Chemical Fibre Co., Huahong Industrial Zone, Zhouzhuang Town, Jiangyin City, Jiangsu Province, 214423, China;
- ii. ZhangjiagangChengxin Chemical Fibre Co. Ltd., Houcheng Industrial Zone, Jingang Town, Zhangjiagang City, Jiangsu, China;
- iii. JiangyinHailun Chemical Fiber Co Limited, Zhouzhuang Town, Jiangyin, China;
- iv. Shanghai Hengyi Polyester Fiber Co. Ltd., No. 333 MuHuaBei Road, Shanghai, Shanghai, China;
- v. Jiangsu Huaxicun Co. Limited, Special Chemical Fibre Plant, Huaxi Industrial Distrial, Jiangyin, Jiangsu, China;
- vi. Unisky Shanghai (HK) Limited, Unit 3A, 5/F, Far East Consortium Building, 121 DesVoeux Road, Central, Hong Kong;
- vii. Jiangsu Xinsu Chemical Fibre Co. Ltd., Huangdai Town, Suzhou City, Jiangsu, China;
- viii. Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd., Room No. C101, Building 12, No. 105 A, Shanghai Road, Taicang City, Jiangsu, China;
- ix. JiangyinHuafang Technological Synthetic Fibre Co. Ltd., No. 11, Xinhang Road, Changzhou Town, Jiangyin, Jiangsu, China;
- x. Nanyang Textile Co. Ltd., MazhenXuxiake Town, Jiangyin City, Jiangsu, China;
- xi. ZhangjiagangZhengfang Textile Co. Ltd., Dongshan Village, Jingang Town, Zhangjiagang City, China; and
- xii. Suzhou Rizhongtian Chemical Fibre Co. Ltd., 299 Maopeng Road, Xukou Town, Wuzhong District, Suzhou, China.

14.6 The Commission also sent questionnaires on June 27, 2012 to the domestic producers of PSF other than the Applicants, requesting them to provide information within 37 days of the issuance of the questionnaire. No domestic producer of the domestic like product other than the Applicants provided the requisite information to the Commission.

14.7 Similarly, in order to gather information from importers, the Commission sent the Importer's Questionnaire to 34 Pakistani importers of the investigated product known to the

Commission on July 05, 2012, July 06, 2012 and July 13, 2012. These importers were asked to respond within 37 days of dispatch of the questionnaires.

14.8 The Commission has access to the database of import statistics of Pakistan Revenue Automation Limited (“PRAL”), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purposes of this investigation, the Commission has used import data obtained from PRAL in addition to the information provided by the Applicants and the Chinese exporters/producers.

14.9 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation to determine dumping of the investigated product and injury to the domestic industry caused therefrom. In terms of Sections 32(4) and 35 of the Ordinance and Rule 12 of the Rules, the Commission has satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible for the purposes of this investigation.

## **15. Questionnaire(s) Response by Chinese Producers/Exporters**

### **15.1 Questionnaire Response by Jiangsu Xinsu Chemical Fiber Co. Ltd., China**

15.1.1 The Commission sent the Exporter’s Questionnaire to Jiangsu Xinsu Chemical Fiber Co. Ltd., China (hereinafter referred to as “Xinsu”) on July 06, 2012. Its response was received in the Commission on August 13, 2012.

15.1.2 According to the information provided in response to the questionnaire, Xinsu is a limited liability company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

15.1.3 The Commission accepted the information supplied by Xinsu for the purposes of this investigation and the dumping margin for Xinsu is determined on the basis of that information.

### **15.2 Questionnaire Response by UniskyShanghi (HK) Limited, Hong Kong, China**

15.2.1 The Commission sent the Exporter’s Questionnaire to Unisky Shanghai (HK) Limited, Hong Kong, China (hereinafter referred to as “Unisky”) on July 06, 2012. Its response was received in the Commission on August 13, 2012.

15.2.2 According to the information provided by Unisky, it is a limited liability company incorporated under the Chinese company laws. Unisky is a trading company that is only engaged in export of the investigated product and does not sell it in the domestic market. Unisky purchases the investigated product from the following three Chinese manufacturers:

- i) Jiangsu Xinsu Chemical Fiber Co. Ltd., Huangdai Town, Suzhou City, Jiangsu, China;
- ii) JiangyinHailunChemcial Fibre Co. Ltd., Zhouzhang Town, Jiangyin City, Jiangsu Province, China; and

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- iii) Shanghai Hengyi Polyester Fibre Co. Ltd., No. 333 MuHuaBei Road, Shanghai, China.

15.2.3 The Commission considered the information supplied by Unisky for the purposes of this investigation.

### 15.3 **Questionnaire Response by Jiangsu Huaxicun Co. Ltd., China**

15.3.1 The Commission sent the Exporter's Questionnaire to Jiangsu Huaxicun Co., Ltd (hereinafter referred to as "Huaxicun") on July 06, 2012. Huaxicun applied to the Commission in its letter dated August 07, 2012 for extension in time period for submission of response to questionnaire till August 26, 2012, which the Commission granted vide its letter dated August 15, 2012, after considering the reasons given in the request for extension. Its response was received in the Commission on August 27, 2012.

15.3.2 According to the information provided in response to the questionnaire, Huaxicun is a joint stock company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

15.3.3 The information submitted by Huaxicun in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to it vide the Commission's letter dated September 06, 2012.

15.3.4 Huaxicun was asked to provide the deficient information/data no later than September 17, 2012, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Huaxicun responded to the deficiencies vide its letter dated September 17, 2012.

15.3.5 The Commission accepted the information supplied by Huaxicun for the purposes of this investigation and the dumping margin for Huaxicun is determined on the basis of that information.

### 15.4 **Questionnaire Response by Zhangjiagang Chengxin Chemical Fibre Co. Ltd., China**

15.4.1 The Commission sent the Exporter's Questionnaire to Zhangjiagang Chengxin Chemical Fiber Co. Ltd. (hereinafter referred to as "Chengxin") on July 06, 2012. Chengxin applied to the Commission in its letter dated August 07, 2012 for extension of time period for submission of response to questionnaire till August 26, 2012, which the Commission granted vide its letter dated August 15, 2012 after considering the reasons given in the request for extension. Its response was received at the Commission on August 27, 2012.

15.4.2 According to the information provided, Chengxin is a private foreign owned limited company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to other countries during the POI. According to the information provided by Chengxin, it did not have domestic sales during the POI.

15.4.3 The information submitted by Chengxin was analyzed at the Commission and certain deficiencies were identified, which were communicated to Chengxin vide the Commission's

letter dated September 06, 2012.

15.4.4 Chengxin was asked to provide the deficient information/data no later than September 17, 2012. Chengxin responded to the deficiencies vide its letter dated September 17, 2012.

15.4.5 The Commission accepted the information supplied by Chengxin for the purposes of this investigation and the dumping margin for Chengxin is determined on the basis of that information.

#### **15.5 Questionnaire Response by JiangyinHuahong Chemical Fibre Co. Ltd., China**

15.5.1 The Commission sent the Exporter's Questionnaire to JiangyinHuahong Chemical Fibre Co. Ltd (hereinafter referred to as "Huahong") on July 06, 2012. Huahong applied to the Commission in its letter dated August 09, 2012 for extension of time period for submission of response to questionnaire till August 26, 2012, which the Commission granted vide its letter dated August 15, 2012 after considering the reasons given in the request for extension. Its response was received in the Commission on August 27, 2012.

15.5.2 According to the information provided in response to the questionnaire, Huahong is a private limited company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

15.5.3 The information submitted by Huahong in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated September 06, 2012.

15.5.4 Huahong was asked to provide the deficient information/data no later than September 17, 2012, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Huahong responded to the deficiencies vide its letter dated September 17, 2012.

15.5.5 The Commission accepted the information supplied by Huahong for the purposes of this investigation and the dumping margin for Huahong is determined on the basis of that information

#### **15.6 Questionnaire Response by JiangyinHailun Chemical Fiber Co Limited, China**

15.6.1 The Commission sent Exporter's Questionnaire to JiangyinHailun Chemical Fiber Co Limited, (hereinafter referred to as "Hailun") on July 06, 2012. Hailun applied to the Commission in its letter dated August 07, 2012 for extension in time period for submission of response to questionnaire till August 26, 2012 which the Commission granted vide its letter dated August 15, 2012, after considering the reasons given in the request for extension. Its response was received in the Commission on August 27, 2012.

15.6.2 According to the information provided in response to the questionnaire, Hailun is a Sino-Foreign joint venture private limited company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to

other countries and in its domestic market during the POI.

15.6.3 The information submitted by Hailun in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated September 06, 2012.

15.6.4 Hailun was asked to provide the deficient information/data no later than September 17, 2012, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Hailun responded to the deficiencies vide its letter dated September 17, 2012.

15.6.5 The Commission accepted the information supplied by Hailun for the purposes of this investigation and the dumping margin for Hailun is determined on the basis of that information.

#### 15.7 **Questionnaire Response by Shanghai Hengyi Polyester Fiber Co. Ltd., Shanghai, China**

15.7.1 The Commission sent Exporter's Questionnaire to Shanghai Hengyi Polyester Fiber Co. Ltd. (hereinafter referred to as "Hengyi") on July 06, 2012. Hengyi applied to the Commission in its letter dated August 07, 2012 for extension in time period for submission of response to questionnaire till August 26, 2012, which the Commission granted vide its letter dated August 15, 2012 after considering the reasons given in the request for extension. Its response was received in the Commission on August 27, 2012.

15.7.2 According to the information provided in response to the questionnaire, Hengyi is a limited liability company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

15.7.3 The information submitted by Hengyi in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated September 06, 2012.

15.7.4 Hengyi was asked to provide the deficient information/data no later than September 17, 2012, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Hengyi responded to the deficiencies vide its letter dated September 17, 2012.

15.7.5 The Commission accepted the information supplied by Hengyi for the purposes of this investigation and the dumping margin for Hengyi is determined on the basis of that information.

#### 15.8 **Questionnaire Response by Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd., Jiangsu, China**

15.8.1 The Commission sent the Exporter's Questionnaire to the Embassy of China on July 06, 2012, requesting it to forward it to all the Chinese producers/exporters of PSF to Pakistan. Accordingly, Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd. (hereinafter referred to as "Suzhou Guoxin") applied to the Commission in its letter dated July 19, 2012 for extension of time period for submission of response to questionnaire till August 16, 2012,

which the Commission granted vide its letter dated July 31, 2012, after considering the reasons given in the request for extension. Suzhou Guoxin responded by submitting information/data on the prescribed questionnaire dated July 28, 2012.

15.8.2 According to the information provided by Suzhou Guoxin, it is a limited liability company incorporated under the Chinese company laws. It is a trading company engaged in the buying of PSF from the domestic market and exporting the same to other countries, including Pakistan. According to the information provided by Suzhou Guoxin, it exported PSF to Pakistan but did not have domestic sales during the POI.

15.8.3 The information submitted by Suzhou Guoxin in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to it vide the Commission's letter dated August 27, 2012.

15.8.4 Suzhou Guoxin was asked to provide the deficient information/data no later than September 7, 2012 so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Suzhou Guoxin, in its letter dated August 31, 2012, requested for an extension of two weeks in submitting the deficiencies response. The Commission granted an extension up to September 20, 2012 vide its letter dated September 05, 2012. Suzhou Guoxin responded to the deficiencies vide its letter dated September 05, 2012.

15.8.5 The Commission accepted the information supplied by Suzhou Guoxin for the purposes of this investigation and the dumping margin for Suzhou Guoxin is determined on the basis of that information.

#### 15.9 **Questionnaire Response by JiangyinHuafang Technological Synthetic Fibre Co. Ltd., Jiangsu, China**

15.9.1 The Commission sent exporter's questionnaire to the Embassy of China on July 06, 2012, requesting it to forward the questionnaire to all the Chinese producers/exporters of PSF to Pakistan. Accordingly, JiangyinHuafang Technological Synthetic Fibre Co. Ltd. (hereinafter referred to as "Huafang") applied to the Commission in its letter dated July 19, 2012 for extension of time period for submission of response to questionnaire till August 16, 2012, which the Commission granted vide its letter dated July 31, 2012, after considering the reasons given in the request for extension. Huafang responded by submitting information/data on the prescribed questionnaire dated July 28, 2012.

15.9.2 According to the information provided by Huafang, it is a limited liability company incorporated under the Chinese company laws. It has been involved in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

15.9.3 The information submitted by Huafang in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to it vide the Commission's letter dated August 27, 2012.

15.9.4 Huafang was asked to provide the deficient information/data no later than September 07, 2012 so as to enable the Commission to consider and analyze the same for the

purposes of this investigation. Huafang, in its letter dated August 31, 2012, requested for an extension of two weeks in submitting the deficiencies response. The Commission granted an extension up to September 20, 2012 vide its letter dated September 05, 2012. Huafeng responded to the deficiencies vide its letter dated September 05, 2012.

15.9.5 The Commission accepted the information supplied by Huafang for the purposes of this investigation and the dumping margin for Huafang is determined on the basis of that information.

**15.10 Questionnaire Response by Nanyang Textile Co. Ltd., MazhenXuxiake Town, Jiangyin City, Jiangsu, China**

15.10.1 The Commission sent exporter's questionnaire to the Embassy of China on July 06, 2012, requesting it to forward the questionnaire to all the Chinese producers/exporters of PSF to Pakistan. Accordingly, Nanyang Textile Co. Ltd. (hereinafter referred to as "Nanyang") applied to the Commission in its letter dated July 19, 2012 for extension of time period for submission of response to questionnaire till August 16, 2012, which the Commission granted vide its letter dated July 31, 2012, after considering the reasons given in the request for extension. Nanyang responded by submitting information/data on the prescribed questionnaire dated July 28, 2012.

15.10.2 According to the information provided by Nanyang, it is a limited liability company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

15.10.3 The information submitted by Nanyangin response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to it vide the Commission's letter dated August 30, 2012.

15.10.4 Nanyangwas asked to provide the deficient information/data no later than September 10, 2012 so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Nanyang, in its letter dated August 31, 2012, requested for an extension of two weeks in submitting the deficiencies response. The Commission granted an extension up to September 20, 2012 vide its letter dated September 05, 2012. Nanyang responded to the deficiencies vide its letter dated September 05, 2012.

15.10.5 The Commission accepted the information supplied by Nanyangfor the purposes of this investigation and the dumping margin for Nanyangis determined on the basis of that information.

**15.11 Questionnaire Response by ZhangjiagangZhengfang Textile Co. Ltd., Zhangjiagang City, China**

15.11.1 The Commission sent exporter's questionnaire to the Embassy of China on July 06, 2012, requesting it to forward the questionnaire to all the Chinese producers/exporters of PSF to Pakistan. Accordingly, ZhangjiagangZhengfang Textile Co. Ltd. (hereinafter referred to as

“Zhengfang”) applied to the Commission in its letter dated July 19, 2012 for extension in time period for submission of response to questionnaire till August 16, 2012, which the Commission granted vide its letter dated July 31, 2012, after considering the reasons given in the request for extension. Zhengfang responded by submitting information/data on the prescribed questionnaire dated July 28, 2012.

15.11.2 According to the information provided by Zhengfang, it is a limited liability company incorporated under the Chinese company laws. It has been engaged in the manufacture and domestic sales of PSF in China and has been a supplier of Suzhou Guoxin during the POI, and not an exporter to Pakistan.

15.11.3 The Commission has not calculated dumping margin for Zhengfang, as it did not export the investigated product to Pakistan during the POI and had only domestic sales of PSF.

#### **15.12 Questionnaire Response by Suzhou Rizhongtian Chemical Fibre Co. Ltd., Suzhou, China**

15.12.1 The Commission sent the Exporter’s Questionnaire to the Embassy of China on July 06, 2012, requesting it to forward the questionnaire to all the Chinese producers/exporters of PSF to Pakistan. Accordingly, response to the questionnaire from Suzhou Rizhongtian Chemical Fibre Co. Ltd (hereinafter referred to as “Suzhou Rizhongtian”) was received in the Commission on August 17, 2012.

15.12.2 According to the information provided by Suzhou Rizhongtian, it is a private limited company incorporated under the Chinese company laws. It has been involved in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

15.12.3 The information submitted by Suzhou Rizhongtian in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to it vide the Commission’s letter dated August 30, 2012.

15.12.4 Suzhou Rizhongtian was asked to provide the deficient information/data no later than September 10, 2012 so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Suzhou Rizhongtian responded to the deficiencies vide its letter dated September 07, 2012.

15.12.5 The Commission accepted the information supplied by Suzhou Rizhongtian for the purposes of this investigation and the dumping margin for Suzhou Rizhongtian is determined on the basis of that information.

#### **16. Verification of the Information**

16.1 In terms of Sections 23 and 35 of the Ordinance and Rule 12 of the Rules, during the course of an investigation, the Commission shall satisfy itself as to the accuracy of the information and verify/examine the accuracy of the information supplied by the interested parties.



16.2 In order to verify the information/data provided by the Applicants and to obtain further information (if any), on-the-spot investigations were conducted at the offices and plants of the Applicants from July 9 to 12, 2012.

16.3 Similarly, on-the-spot investigation/verifications at the premises of four major Chinese exporters/producers, i.e. M/s Jiangyin Huahong Chemical Fibre Co., M/s Zhangjiagang Chengxin Chemical Fibre Co. Ltd., M/s Jiangsu Xinsu Chemical Fibre Co. Ltd. and M/s Shanghai Hengyi Polyester Fiber Co. Ltd., were conducted from April 13 to 18, 2013, in order to verify the information provided by them and to obtain further information.

## **17. Public File**

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file at its office. This file remains available to the interested parties for review and copying from Monday to Thursday from 1100 to 1300 Hours throughout the investigation. This file contains non-confidential versions of the application, submissions, notices, reports, correspondence, and other documents for disclosure to the interested parties.

## **18. Confidentiality**

18.1 In terms of Section 31 of the Ordinance, the Commission shall keep confidential any information submitted to it, which is by nature confidential, or determined by the Commission to be of confidential nature for any other reason, or provided as confidential by parties to an investigation, upon good cause shown to be kept confidential.

18.2 The Applicants and exporters/foreign producers requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Ordinance. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, growth, investment, salaries & wages, number of employees and capacity. In addition, the Applicants, exporters/foreign producers and other interested parties also provided certain information on confidential basis, as its disclosure would cause adverse effect upon them.

18.3 Pursuant to requests made by the Applicants, exporters/producers and other interested parties to treat certain information as confidential, the Commission has determined confidentiality in light of Section 31 of the Ordinance and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information.

18.4 However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance submitted in confidence, were placed in public file.

## **19. Preliminary Determination**

19.1 The Commission made its preliminary determination in this investigation on December 18, 2012 and in terms of Section 37 of the Ordinance, the Commission issued the notice of

preliminary determination which was published on December 21, 2012 in the official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one each in the English and Urdu languages) notifying the imposition of provisional anti-dumping duty on the following Chinese exporters/producers at the following rates for a period of four months effective from December 21, 2012:

Table-III

S. No.	Exporter Name	Provisional Anti-Dumping Duty Rate
1.	Unisky Shanghai (HK) Limited	2.95 %
2.	ZhangjiagangChengxin Chemical Fibre Co. Ltd.	4.49 %
3.	JiangyinHuahong Chemical Fibre Co. Ltd.	5.14 %
4.	Nanyang Textile Co. Ltd.	2.09 %
5.	Suzhou Rizhongtian Chemical Fibre Co. Ltd.	7.37 %
6.	Others	8.82 %

19.2 The Commission did not impose provisional anti-dumping duty on the following Chinese exporters/producers as they were found either not to have dumped or their dumping margin was found to be *de minimis* (less than 2%) in terms of Section 41 of the Ordinance during the POI:

Table-IV

S. No.	Exporter Name
1.	Jiangsu Xinsu Chemical Fibre Co. Ltd;
2.	Jiangsu Huaxicun Co. Ltd.;
3.	Shanghai Hengyi Polyester Fibre Co. Ltd.
4.	JiangyinHailun Chemical Fibre Co. Ltd.;
5.	JiangyinHuafang Technological Synthetic Fibre Co. Ltd.
6	Suzhou Guoxin Group Tai Cang Sun-Rising IMP & EXP Co. Ltd.

19.3 The Commission sent copies of the notice of preliminary determination to the concerned Chinese exporters/producers, the importers, the Applicants and the Embassy of China in Islamabad in accordance with the requirements of Section 37(4) of the Ordinance. The findings of the Commission in the preliminary determination were as follows:

- (i) The application is lodged by the domestic industry;
- (ii) The investigated product and the domestic like product are like products;
- (iii) The investigated product was exported to Pakistan by certain exporters/producers from China at prices below its normal value during the POI;
- (iv) The volume of dumped imports from China and dumping margin established on the basis of analysis above range from *de-minimis* level to 8.82%;
- (v) The domestic industry suffered material injury during the POI and a significant part of material injury to domestic industry is caused by dumped imports; and
- (vi) Imposition of provisional anti-dumping duty on the investigated product is needed to prevent further injury to the domestic industry by dumped imports.

<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated December 21, 2012.

<sup>2</sup> The Express Tribune Karachi and Jang Lahore of December 21, 2012.

## **20. Disclosure Meeting after Preliminary Determination**

20.1 In terms of Rule 11 of the Rules, the Commission, upon request made by exporters/producers within fifteen days of the publication of notice of preliminary determination, shall hold separate disclosure meetings with the exporters/producers to explain dumping calculation methodology applied for such exporters/producers. The Commission shall also provide an opportunity to the exporters/producers or their legal representatives to examine and receive copies of the dumping calculation done by the Commission for their exports.

20.2 The following exporters/producers requested the Commission for disclosure meetings, which were held on January 31, 2013 and February 12, 2013:

- i. JiangyinHuahong Chemical Fibre Co. Ltd.;
- ii. ZhangjiagangChengxin Chemical Fibre Co. Ltd.;
- iii. Shanghai Hengyi Polyester Fibre Co. Ltd.;
- iv. JiangyinHailun Chemical Fibre Co. Ltd.;
- v. Jiangsu Huaxicun Co. Ltd.;
- vi. Unisky Shanghai (HK) Limited; and
- vii. Jiangsu Xinsu Chemical Fibre Co. Ltd.

20.3 The following exporters/producers of PSF from China made a request to the Commission to send their disclosure documents to them in China, which the Commission accepted:

- i. Suzhou Guoxin Group Tai Cang Sun-Rising IMP & EXP Co. Ltd.;
- ii. Nanyang Textile Co. Ltd.; and
- iii. JiangyinHuafang Technological Synthetic Fibre Co. Ltd.

## **21. Written Submissions by Interested Parties on the Preliminary Determination**

The Commission received written submissions/comments from interested parties after preliminary determination, which are placed in the public file for review and copying by other interested parties. The comments germane to this investigation have been taken into account by the Commission in this final determination. Comments received from interested parties and Commission reply thereof in annotated form are Annexed.

## **22. Hearing**

Upon the request of interested parties, hearings were held on February 13 and 28, 2013 under Rule 14 of the Rules. The information submitted by the participants during the hearing, whether orally (oral statements were subsequently confirmed in writing as per Rule 14 of the Rules) or in writing, is available in the public file maintained by the Commission.

## **23. Disclosure of Essential Facts**

23.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of Agreement on Antidumping, the Commission disclosed essential facts, and in this context dispatched Statement of Essential Facts (hereinafter referred to as the "SEF") on May 8, 2013 to all interested parties including

the known exporters/foreign producers, the Applicants, the known Pakistani importers, and to the Embassy of China in Pakistan.

23.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Commission received comments from interested parties on the SEF, which were taken into consideration while making this final determination.

#### **D. DETERMINATION OF DUMPING**

##### **24. Dumping**

In terms of Section 4 of the Ordinance, "dumping" is defined as follows:

"an investigated product shall be considered to be dumped if it is introduced into the commerce of Pakistan at a price which is less than its normal value".

##### **25. Normal Value**

25.1 In terms of Section 5 of the Ordinance, "normal value" is defined as follows:

"comparable price paid or payable, in the ordinary course of trade, for sales of a like product when destined for consumption in an exporting country".

25.2 However, Section 6 of the Ordinance states:

"(1) When there are no sales of a like product in the ordinary course of trade in domestic market of an exporting country, or when such sales do not permit a proper comparison because of any particular market situation or low volume of the sales in the domestic market of the exporting country, the Commission shall establish normal value of an investigated product on the basis of either -

- "a) the comparable price of the like product when exported to an appropriate third country provided that this price is representative; or
- "b) the cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and for profits.

"(2) Sales of a like product destined for consumption in domestic market of an exporting country or sales to an appropriate third country may be considered to be a sufficient quantity for the determination of normal value if such sales constitute five per cent or more of the sales of an investigated product to Pakistan:".

25.3 Ordinary course of trade is described in Section 7 of the Ordinance as follows:

"(1) The Commission may treat sales of a like product in domestic market of an exporting country or sales to a third country at prices below per unit, fixed and variable, cost of production plus administrative, selling and other costs as not being in the ordinary course of trade by reason of price and may disregard such sales in determining normal value only if the Commission determines that such sales were made -

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- “(a) within an extended period of time which shall normally be a period of one year and in no case less than a period of six months;
- “(b) in substantial quantities; and
- “(c) at prices which do not provide for the recovery of all costs within a reasonable period of time.

“(2) For the purposes of sub-clause (b) of sub-section (1), sales below per unit cost shall be deemed to be in substantial quantities if the Commission establishes that

- “(a) a weighted average selling price of transactions under consideration for the determination of normal value is below a weighted average cost; or
- “(b) the volume of sales below per unit cost represents twenty per cent or more of the volume sold in transactions under consideration for the determination of normal value.

“(3) If prices which are below per unit cost at the time of sale are above the weighted average cost for the period of investigation, the Commission shall consider such prices as providing for recovery of costs within a reasonable period of time.”

## 26. Export Price

The “export price” is described in Section 10 of the Ordinance as “a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan.”

## 27. Dumping Determination

27.1 As stated earlier the Applicants identified 92 exporters/producers from China involved in the dumping of the investigated product. The Commission sent the Exporter’s Questionnaire to eight major Chinese exporters/producers in order to gather requisite information. The questionnaire was also provided to the Embassy of China in Islamabad with a request to forward it to all exporters/producers of the investigated product based in China to submit information to the Commission.

27.2 The following eleven Chinese exporters/producers provided information in response to the questionnaires, and dumping margin for these exporters/producers has been determined on the basis of information provided by them:

- i. JiangyinHuahong Chemical Fibre Co., Huahong Industrial Zone, Zhouzhuang Town, Jiangyin City, Jiangsu Province, 214423, China;
- ii. ZhangjiagangChengxin Chemical Fibre Co. Ltd., Houcheng Industrial Zone, Jingang Town, Zhianjiagang City, Jiangsu, China;
- iii. JiangyinHailun Chemical Fiber Co Limited, Zhouzhuang Town, Jiangyin, China;
- iv. Shanghai Hengyi Polyester Fiber Co. Ltd., No. 333 MuHuaBei Road, Shanghai, Shanghai, China;

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- v. Jiangsu Huaxicun Co. Limited, Special Chemical Fibre Plant, Huaxi Industrial Distrial, Jiangyin, Jiangsu, China;
- vi. Unisky Shanghai (HK) Limited, Unit 3A, 5/F, Far East Consortium Building, 121 DesVoeux Road, Central, Hong Kong;
- vii. Jiangsu Xinsu Chemical Fibre Co. Ltd., Huangdai Town, Suzhou City, Jiangsu, China;
- viii. Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd., Room No. C101, Building 12, No. 105 A, Shanghai Road, Taicang City, Jiangsu, China;
- ix. JiangyinHuafang Technological Synthetic Fibre Co. Ltd., No. 11, Xinhang Road, Changzhou Town, Jiangyin, Jiangsu, China;
- x. Nanyang Textile Co. Ltd., MazhenXuxiake Town,Jiangyin City, Jiangsu, China; and
- xi. Suzhou Rizhongtian Chemical Fibre Co. Ltd., 299 Maopeng Road, Xukou Town, Wuzhong District, Suzhou, China.

## 28. Normal Value

28.1 The Commission received information on domestic sales and cost of production etc. of the like product from the Chinese exporters/producers in response to the questionnaire.

### 28.2 Determination of Normal Value for Jiangsu Xinsu Chemical Fibre Co. Ltd. (“Xinsu”)

28.2.1 Normal value for Xinsu has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during the POI.

28.2.2 During the POI,Xinsu sold the investigated product to end-users in its domestic market. Xinsu received inquiries from customers through telephone, fax or e-mail. Once price is finalized after negotiation with the local Chinese buyer, proforma invoice is issued to Chinese buyer. The contract contains the product specification, price, place and time of delivery and specifies payment terms. Payment is made 100 percent in advance. Production commences after payment is received. When production is completed, Xinsu dispatches fibre to the local customer.

28.2.3 Xinsu sold the like product in its domestic market during the POI. Out of which some were sold to related party (at arms length) and remaining were sold to unrelated party. Section 7 of the Ordinance requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation of the Commission has revealed that 53.12 percent of domestic sales were above costs in terms of Section 7(2) of the Ordinance. Thus, in determination of normal of the investigated product, the Commission has taken into account all reported domestic sales of Jiangsu Xinsu during the POI, being in ordinary course of trade madebyXinsu during the POI.

28.2.4 To ascertain whether these sales are in sufficient quantities, in order to determine normal value in terms of Section 6(2) of the Ordinance, the Commission has ascertained that these sales were more than 5 percent of its export sales of the investigated product to Pakistan during the POI. It sold the like product to its related representative in its domestic market. Therefore, the Commission has considered all sales made in the ordinary course of trade of like product (related and un-related) in determination of normal value for Xinsu.

28.2.5 To arrive at the ex-factory price, Jiangsu Xinsu claimed adjustments on account of handling cost, and bank charges. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting values reported for these adjustments from the gross domestic sales price.

### **28.3 Determination of Normal Value for Unisky Shanghai (HK) Ltd. (“Unisky”)**

28.3.1 Unisky is a trading company registered in Hong Kong. It is engaged only in exporting the investigated product and does not supply it locally i.e. it does not have any local/domestic sales. Unisky Shanghai (HK) Limited is not a producer of the investigated product, instead is a trader, dealing in exports only.

28.3.2 Unisky purchases PSF directly from three main manufacturers listed below:

- 1) Jiangsu Xinsu Chemical Fibre Co. Ltd;
- 2) JiangyinHailun Chemical Fibre Co. Ltd; and
- 3) Shanghai Hengyi Polyester Fibre Co. Ltd.

28.3.3 Unisky purchase investigated product from the above three manufacturers of PSF and directly exports to its end user i.e importer in Pakistan. All investigated product exported to Pakistan from Unisky, is from China. The shipment is on the basis of CNF Karachi.

28.3.4 Since Unisky does not have domestic sales during the POI, therefore, normal value for Unisky has been determined on the basis of weighted average ex-factory normal values of the above three producers (from whom Unisky purchased the investigated product during the POI).

### **28.4 Determination of Normal Value for Zhangjiagang Chengxin Chemical Fibre Co. Ltd. (“Chengxin”)**

28.4.1 Normal value for Chengxin is determined on the basis of its cost to make and sell during the POI, as Chengxin did not sell the like product in the domestic market during the POI. According to Section 6 of the Ordinance, if there are no sales of the like product in the domestic market of the exporting country, the Commission can establish normal value on the basis of cost of production in the exporting country, plus reasonable amount of administrative, selling, and general costs and profits.

28.4.2 Accordingly, normal value for Chengxin has been determined on the basis of its cost of production plus administrative, selling and general costs and profits, as provided by it in Appendix No. 2 of the Exporter’s Questionnaire.

**28.5 Determination of Normal Value for JiangyinHailun Chemical Fibre Co. Ltd. (“Hailun”)**

28.5.1 Normal value for Hailun is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.5.2 According to the information, Hailun sold different types and deniers of PSF in its domestic market including the types, which were alike to the types of the investigated product during the POI. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.5.3 Hailun exported two types of investigated product to Pakistan during the POI. Normal value for these types of PSF has been determined on the basis of Hailun's domestic sales made during the POI. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. In determination of normal value for the above-mentioned types, the Commission has disregarded domestic sales, which were not in the ordinary course of trade in terms of Section 7 of the Ordinance (as 39.73 percent of sales were below costs).

28.5.4 Hailun sold PSF of different grades in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as these sales are more than 5 percent of the export sales of the investigated product exported by it to Pakistan during the POI.

28.5.5 To arrive at the ex-factory domestic sales price, Hailun has reported adjustment on account of freight and customs duty on raw material. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting value reported for these adjustments from the gross value of domestic sales.

**28.6 Determination of Normal Value for Jiangsu Huaxicun Co. Ltd. (“Huaxicun”)**

28.6.1 Normal value for Huaxicun has been determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.6.2 According to the information, Huaxicun sold different types and deniers of PSF in its domestic market including the types, which were alike to the types of the investigated product during the POI. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.6.3 Huaxicun exported four types of the investigated product to Pakistan during the POI. Normal value for these four types of PSF has been determined on the basis of the information of domestic sales. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. In determination of normal value for the above-mentioned types, the Commission has



disregarded domestic sales, which were not in the ordinary course of trade in terms of Section 7 of the Ordinance (as more than twenty percent of sales were below costs).

28.6.4 Huaxicun sold PSF of different grades in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as those are more than 5 percent of the export sales of the investigated product exported by it to Pakistan during the POI.

28.6.5 To arrive at the ex-factory domestic sales price, Huaxicun has reported adjustments on account of customs duty on raw material and freight. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting value reported for these adjustments from the gross value of sales transactions.

## **28.7 Determination of Normal Value for Shanghai Hengyi Polyester Fibre Co. Ltd. (“Hengyi”)**

28.7.1 Normal value for Hengyi has been determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.7.2 According to the information, Hengyi sold different types and deniers of PSF in its domestic market during the POI, including the types that were alike to the types of the investigated product. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.7.3 Hengyi exported different types of the investigated product to Pakistan during the POI. Normal value for these types has been determined on the basis of the domestic sales. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. In determination of normal value for the above-mentioned types, the Commission has disregarded domestic sales which were not in the ordinary course of trade, in terms of Section 7 of the Ordinance (as more than twenty percent of sales were below costs).

28.7.4 Hengyi sold different types of PSF in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as those are more than 5 percent of the export sales of the investigated product to Pakistan during the POI.

28.7.5 To arrive at the ex-factory domestic sales price, Hengyi has reported adjustments on account of customs duty on raw material and inland freight. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions.

**28.8 Determination of Normal Value for JiangyinHuafang Technological Synthetic Fibre Co. Ltd. (“Huafang”)**

28.8.1 Normal value for Huafang has been determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.8.2 According to the information, during the POI, Huafang sold different types and deniers of PSF in its domestic market including the types, which were alike to the types of the investigated product. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.8.3 Huafang sold different types of PSF in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as those are more than 5 percent of the export sales of the investigated product to Pakistan during the POI.

28.8.4 Huafang exported different types of the investigated product to Pakistan during the POI. Normal value for these types has been determined on the basis of the domestic sales. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. In determination of normal value for the above-mentioned types, the Commission has disregarded domestic sales which were not in the ordinary course of trade, in terms of Section 7 of the Ordinance (as more than twenty percent of sales were below costs).

**28.9 Determination of Normal Value for JiangyinHuahong Chemical Fibre Co. Ltd. (“Huahong”)**

28.9.1 Normal value for Huahong has been determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.9.2 According to the information, during the POI, Huahong sold different types and deniers of PSF in its domestic market including the types, which were alike to the types of the investigated product. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.9.3 Huahong sold different types of PSF in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as those are more than 5 percent of the export sales of the investigated product exported by it to Pakistan during the POI.

28.9.4 Huahong exported different types of the investigated product to Pakistan during the POI. Normal value for these has been determined on the basis of the domestic sales and cost of production. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. In

determination of normal value for the above-mentioned types, the Commission has determined that all domestic sales were in the ordinary course of trade in terms of Section 7 of the Ordinance. For those types of PSF, which were not sold in the domestic market of China, their normal value has been determined on the basis of Huahong's cost of production plus administrative and selling costs plus profits.

28.9.5 To arrive at the ex-factory price of domestic sales, Huahong has reported adjustments on account of credit cost, custom duty on raw material and inland freight. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions.

#### **28.10 Determination of Normal Value for Nanyang Textile Co. Ltd. ("Nanyang")**

28.10.1 Normal value for Nanyang has been determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.10.2 According to the information, during the POI, Nanyang sold different types and deniers of PSF in its domestic market including the types which were alike to the types of the investigated product. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.10.3 Nanyang sold different types of PSF in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as those are more than 5 percent of the export sales of the investigated product to Pakistan during the POI.

28.10.4 Nanyang exported one type of the investigated product to Pakistan during the POI. Normal value for it has been determined on the basis of the domestic sales. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. All sales of Nanyang were in the ordinary course of trade.

#### **28.11 Determination of Normal Value for Suzhou Guoxin Group Tai Cang Sun-Rising IMP& EXP Co. Ltd. ("Guoxin")**

28.11.1 Normal value for Guoxin has been determined on the basis of the information provided by its supplier Zhangjiagang Zhengfang Textile Co. Ltd. ("Zhengfang") on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.11.2 According to the information, during the POI, Zhengfang sold different types and deniers of PSF in its domestic market including the types, which were alike to the types of the investigated product. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.11.3 Zhengfang sold different types of PSF in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as those are more than 5 percent of the export sales of the investigated product to Pakistan during the POI.

28.11.4 Guoxin exported different types of the investigated product to Pakistan during the POI. Normal value for these types of PSF has been determined on the basis of the domestic sales. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. All domestic sales of Zhengfang were in the ordinary course of trade.

### **28.12 Determination of Normal Value for Suzhou Rizhongtian Chemical Fibre Co. Ltd. (“Rizhongtian”)**

28.12.1 Normal value for Rizhongtian has been determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.12.2 According to the information, during the POI, Rizhongtian sold different types and deniers of PSF in its domestic market including the types, which were alike to the types of the investigated product. For the purposes of like to like comparison, normal value is determined separately for each type and denier to compare with the respective type of the investigated product.

28.12.3 Rizhongtian sold different types of PSF in its domestic market during the POI. These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Ordinance, as those are more than 5 percent of the export sales of the investigated product to Pakistan during the POI.

28.12.4 Rizhongtian exported different types of the investigated product to Pakistan during the POI. Normal value for these types of PSF has been determined on the basis of the domestic sales. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in the domestic market of the exporting country. All domestic sales were in the ordinary course of trade.

### **28.13 Determination of Normal Value for Non-Cooperating Exporters**

28.13.1 Normal value for the Chinese exporters/producers that did not cooperate with the Commission (“other exporters/producers”) in providing information is determined on the basis of best information available in accordance with Section 32 of the Ordinance.

28.13.2 For the purposes of determination of normal value for the other exporters/producers, the information provided by Huahong in response to the questionnaire is used. The Commission is of the view that it is the best available information for this purpose on the following grounds:

- i. Huahong is a major producer of PSF in China; and
- ii. Huahong is the largest exporter of the investigated product to Pakistan during POI.

**29. Determination of Export Price**

29.1 The Commission received information on export sales of the investigated product from eleven Chinese exporters of PSF, in response to the questionnaires sent to various exporters/producers from China. Export price of the investigated product for these eleven exporters in this investigation has been determined on the basis of the information provided by them. Export price for the other exporters/producers that did not cooperate with the Commission is determined on the basis of the information obtained from PRAL.

**29.2 Determination of Export Price for Xinsu**

29.2.1 Export price for Xinsu is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI.

29.2.2 According to the information, Xinsu exported the investigated product to Pakistan during the POI. All export sales of investigated product to Pakistan, during the POI, were made to un-related customers through its agent in Pakistan.

29.2.3 Xinsu's foreign orders are booked through email through its agents. Once the order is placed, Xinsu issues Proforma Invoice and starts production. Once production is finished Xinsu exports PSF to Pakistan. Payment is received when Pakistani importer accepts documents. Agreed commission is paid to the relevant agent.

29.2.4 During the POI, Jiangsu Xinsu exported investigated product on C&F basis. To arrive at the ex-factory level, it has reported adjustments on account of ocean freight, inland freight, bank charges and packing cost. The Commission has accepted these adjustments.

**29.3 Determination of Export Price for Unisky**

29.3.1 Export price for Unisky is determined on the basis of the information provided by it on its export sales of the investigated product to Pakistan made during POI.

29.3.2 According to the information provided by Unisky's all export sales to Pakistan, during POI, were made to un-related customers. However, it exported investigated product through its agent in Pakistan.

29.3.3 During the POI, Unisky exported investigated product on C&F basis. To arrive at the ex-factory level, Chengxin has reported adjustments on account of bank charges and ocean freight. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions.

**29.4 Determination of Export Price for Chengxin**

29.4.1 Export price for Chengxin has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.4.2 According to the information, Chengxin exported PSF to Pakistan during the POI. All export sales to Pakistan, during the POI, were to un-related parties.

29.4.3 To arrive at the ex-factory level, Chengxin has reported adjustments on account of bank charges, inland freight in China, and ocean freight. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions.

## **29.5 Determination of Export Price for Hailun**

29.5.1 Export price for Hailun has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.5.2 According to the information, Hailun exported PSF to Pakistan during the POI. Its all export sales to Pakistan, during the POI, were to un-related parties.

29.5.3 During the POI, Hailun exported the investigated product on C&F basis. To arrive at the ex-factory level, Hailun has reported adjustments on account of commission, bank charges, handling cost, inland freight and ocean freight. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions.

## **29.6 Determination of Export Price for Huaxicun**

29.6.1 Export price for Huaxicun has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.6.2 According to the information, Huaxicun exported different types of PSF to Pakistan during the POI. Its all export sales to Pakistan, during the POI, were to un-related parties.

29.6.3 During the POI, Huaxicun exported investigated product on C&F basis. To arrive at the ex-factory level, Huaxicun has reported adjustments on account of bank charges, inland freight in China, and ocean freight. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions.

## **29.7 Determination of Export Price Hengyi**

29.7.1 Export price for Hengyi has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.7.2 According to the information, Hengyi exported different types of PSF to Pakistan during the POI. All its export sales to Pakistan, during the POI, were to un-related parties. Its all export sales to Pakistan, during the POI, were to un-related parties.

29.7.3 During the POI, Hengyi exported investigated product on C&F basis. To arrive at the ex-factory level, Hengyi has reported adjustments on account of credit cost, commission, bank charges, inland freight in China, and ocean freight. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for these adjustments from the gross value of sales transactions.

### **29.8 Determination of Export Price for Huafang**

29.8.1 Export price for Huafang has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.8.2 According to the information, Huafang exported different types of PSF to Pakistan during the POI. Its all export sales to Pakistan, during the POI, were to un-related parties.

29.8.3 During the POI, Huafang exported investigated product on C&F basis. To arrive at the ex-factory level, Huafang has reported adjustments on account of bank charges and handling cost. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for these adjustments from the gross value of sales transactions.

### **29.9 Determination of Export Price for Huahong**

29.9.1 Export price for Huahong has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.9.2 According to the information, Huahang exported different types of PSF to Pakistan during the POI. Its all export sales to Pakistan, during the POI, were to un-related parties.

29.9.3 Huahang exported investigated product on C&F basis during the POI. To arrive at the ex-factory level, Huahang has reported adjustments on account of commission, bank charges and transportation and handling cost. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for these adjustments from the gross value of sales transactions.

### **29.10 Determination of Export Price for Nanyang**

29.10.1 Export price for Nanyang is determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.10.2 According to the information, Nanyang exported PSF type to Pakistan during the POI. Its all export sales to Pakistan, during the POI, were to un-related parties.

29.10.3 During the POI, Nanyang exported investigated product on C&F basis. To arrive at the ex-factory level, Nanyang has reported adjustments on account of bank charge, inland freight, ocean freight and handling cost. The Commission has accepted these adjustments and

the export price at ex-factory level has been worked out by deducting values reported for these adjustments from the gross value of sales transactions.

### **29.11 Determination of Export Price for Guoxin**

29.11.1 Export price for Guoxin is determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.11.2 According to the information, Guoxin exported different types of PSF to Pakistan during the POI. Its all export sales to Pakistan, during the POI, were to un-related parties.

29.11.3 During the POI, Guoxin exported investigated product on C&F basis. To arrive at the ex-factory level, Guoxin has reported adjustments on account of bank charges ocean freight and handling cost. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for these adjustments from the gross value of sales transactions.

### **29.12 Determination of Export Price for Rizhongtian**

29.12.1 Export price for Rizhongtian is determined on the basis of the information provided by it on its export sales to Pakistan made during the POI (provided in Attachment C-3 of the questionnaire response).

29.12.2 As per the information provided by Rizhongtian, its total exports of the investigated product to Pakistan were to un-related parties.

29.12.3 Rizhongtian exported investigated product on C&F basis during the POI. To arrive at the ex-factory level, Rizhongtian has reported adjustments on account of bank charges, ocean freight and inland freight. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for these adjustments from the gross value of sales transactions.

### **29.13 Determination of Export Price for Other Exporters/Producers**

29.13.1 Export price for the other exporters/producers (who did not cooperate with the Commission in providing information) has been determined on the basis of best information available in accordance with Section 32 of the Ordinance. Information obtained from PRAL is used for the purposes of determination of export price for the other exporters/producers (non-cooperating exporters from China). This is the only information available with the Commission on export sales of the investigated product by the other exporters/producers.

29.13.2 Values of export price in PRAL's information are reported at C&F level. The C&F export price has been adjusted for ocean freight, inland freight and handling charges to arrive at the ex-factory export price.



### 30. Dumping Margin

30.1 The Ordinance defines “dumping margin” in relation to a product to mean “*the amount by which its normal value exceeds its export price*”. In terms of Section 14(1) of the Ordinance the Commission shall determine an individual dumping margin for each known exporter or producer of an investigated product. In this investigation, the Commission has determined individual dumping margin for eleven exporters who cooperated with the Commission and supplied necessary information and definitive antidumping duty rate for these exporters is established on the basis of individual dumping margin determined for each exporter. However, residual dumping margins/antidumping duty rate has been determined for non-cooperating exporters/foreign producers of the China.

30.2 Section 12 of the Ordinance provides three methods for fair comparison of normal value and export price in order to establish dumping margin. The Commission has established dumping margin by comparing weighted average normal value with weighted average export price at ex-factory level.

30.3 The Commission has also complied with requirements of Section 11 of the Ordinance, which states that “*the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade, time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place*”.

30.4 Taking into account all requirements set out above, the dumping margins have been determined as follows:

**Table-V**  
**Dumping Margin**

S No.	Exporter Name	Dumping margin as % of	
		Export price	C&F price
1.	Jiangsu Xinsu Chemical Fiber Co. Limited	-6.38	-6.05
2.	Unisky Shanghai (HK) Limited*	5.96	5.79
3.	Jiangsu Huaxicun Co. Ltd.	0.09	0.09
4.	ZhangjiangChengxin Chemical Fibre Co. Ltd.	-0.76	-0.73
5.	JiangyinHuahong Chemical Fibre Co. Ltd.	-3.03	-2.88
6.	Shanghai Hengyi Polyester Fibre Co. Ltd.	0.73	0.70
7.	JiangyinHailun Chemical Fibre Co. Ltd.	-8.70	-7.52
8.	JiangyinHuafang Chemical Fibre Co. Ltd.	-7.78	-7.39
9.	Nanyang Textile Co. Ltd.	2.14	2.04
10.	SuzhanGuoxin Group Tai Sun Rising Import & Export Co. Ltd.	-18.15	-17.14
11.	SuzhanRizhongtian Chemical Fibre Co. Ltd.	7.95	7.71
12.	All Others		9.40

### 31. Negligible Volume of Dumped Imports

31.1 In terms of Section 41(3) (b) of the Ordinance, volume of dumped imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of the like product unless imports of the investigated product from all countries under investigation which individually account

for less than three percent of the total imports of a like product collectively account for more than seven percent of imports of a like product.

31.2 In this regard, data and information available with the Commission on volume of dumped imports of the investigated product from China and like product from other sources during the POI (from April 01 2011 to March 31, 2012) is given in the following table:

**Table-VI**  
**Volume of Imports during 2011-12**

Imports from:	% of total imports
China dumped	4.77%
China non-dumped	80.44%
Other Sources	14.79%
<b>Total</b>	<b>100%</b>

Source: PRAL and Cooperating Exporters

31.3 The above table shows that the volume of dumped imports of the investigated product from China was above the negligible threshold (i.e. less than three percent of volume of total imports of the like product) during the POI for dumping.

### C. INJURY TO DOMESTIC INDUSTRY

#### 32. Determination of Injury

32.1 Section 15 of the Ordinance sets out the principles for determination of material injury to the domestic industry in the following words:

*“A determination of injury shall be based on an objective examination of all relevant factors by the Commission which may include but shall not be limited to:*

- “a. volume of dumped imports;*
- “b. effect of dumped imports on prices in domestic market for like products; and*
- “c. consequent impact of dumped imports on domestic producers of such products...”*

32.2 Section 15 of the Ordinance further provides that:

*“ No one or several of the factors identified ..... shall be deemed to necessarily give decisive guidance and the Commission may take into account such other factors as it considers relevant for the determination of injury”.*

32.3 The Commission has taken into account all injury factors mentioned in Section 15 and 17 of the Ordinance in order to determine whether the domestic industry manufacturing PSF has suffered material injury during the POI. Material injury to the domestic industry has been analyzed in the following paragraphs in accordance with Part VI of the Ordinance.

### 33. Domestic Industry

33.1 For the purposes of this investigation, the Commission has determined domestic industry manufacturing domestic like product that consists of the following four units with an installed production capacity of:

**Table-VII**  
**Installed Capacity of the Domestic Industry**

S.No.	Unit Name	Capacity
1.	Ibrahim Fibre Ltd, Faisalabad	55
2.	ICI Pakistan Ltd, Lahore	32
3.	Pakistan Synthetics Ltd, Karachi	7
4.	Rupali Polyester Ltd, Lahore	6
	<b>Total</b>	<b>100</b>

Note: Actual figures have been indexed with reference to the figure of total capacity by taking it equal to 100.

33.2. Two of these four units (mentioned at S. Nos. 1, and 2, above) constitute the “Applicants”. The two other units namely Rupali Polyester Limited, Lahore and Pakistan Synthetics Limited, Karachi are indifferent in this investigation, in that these two units have not responded in any manner including the notice of initiation or to the questionnaires sent subsequently. The information in case of these two units has been submitted by the Applicants. One of the Applicant, Ibrahim Fibres Limited has enhanced its capacity in January 2013.

33.3 Details of production of the domestic industry during April 1, 2011 to March 31, 2012 is as follows:

**Table-VIII**  
**Production of Domestic Like Product During POI**

Name of the Unit	Status	Share in total production
Ibrahim Fibre Limited	<b>Applicant</b>	55.68%
ICI Pakistan Limited	<b>Applicant</b>	29.96%
Rupali Polyester Limited	Indifferent	6.63%
Pakistan Synthetics Limited	Indifferent	7.74%
<b>Total</b>		<b>100.00%</b>

33.4 According to the above information, the Applicants produced 85.64 percent of total domestic production of the domestic like product during the POI for dumping. The Commission’s investigation also revealed that neither the Applicants were themselves importers of the investigated product nor were related to the Chinese exporters/producers involved in dumping of the investigated product into Pakistan.

33.5 On the basis of the above information and analysis, for the purposes of this investigation, the Applicants are considered as the “domestic industry” in terms of Section 2(d) of the Ordinance as they constitute a major proportion of the total domestic production of the domestic like product.

33.6 The other two indifferent units in the domestic industry (Rupali Polyester Limited and Pakistan Synthetics Limited) representing about 14.36 percent of the total domestic production

of the domestic like product, were asked to provide information on injury factors for the POI, but neither of them provided the requisite information despite reminders. The Applicants have furnished some information (production capacity, quantity produced and sales) of these two units.

33.7 Analysis of injury factors analysed in this final determination in the following paragraphs are, therefore, based on the information submitted by Applicants. Any inference derived in this regard from the data of the Applicants would apply to the entire domestic industry.

#### **34. Volume of Dumped Imports**

##### **Facts**

34.1 With regard to the volume of dumped imports, in terms of Section 15(2) of the Ordinance, the Commission considered whether there has been a significant increase in the volume of dumped imports, either in absolute terms or relative to the production of the domestic like product by the domestic industry during the POI.

34.2 In order to ascertain increase in the volume of dumped imports of the investigated product in absolute terms and relative to domestic production of domestic like product, information submitted by the Applicants, and obtained from PRAL has been used. The following table shows the volume of alleged dumped imports from China and imports from other sources during the years 2009-10, 2010-11 and 2011-12 (POI for injury):

**Table- IX**

Year*	Imports from China		Imports from other Countries	Total Imports
	Dumped imports	Non-dumped imports		
<b>2009-10</b>	1.43	66.60	31.97	100.00
<b>2010-11</b>	4.06	142.70	19.54	166.30
<b>2011-12</b>	4.82	81.28	14.95	101.06

Note: Actual figures have been indexed with reference to the figure of total imports of year 2009-10 by taking it equal to 100.

Source: PRAL \* From 1<sup>st</sup> April to 31<sup>st</sup> March

34.3 The above table shows that dumped imports of PSF from China increased by 183.42 percent in the year 2010-11 over imports of the year 2009-10 and increased by 18.81 percent in the year 2011-12 over imports of the year 2010-11. Although share of dumped imports in total imports increased from 1.43 percent to 4.77 percent during the POI, however it is important to note that the volume of dumped imports of investigated product is quite low as compared to the volume of non-dumped imports from China. The above table further indicates that non-dumped imports from China have substantially increased during 2011-12 and share of non-dumped imports in total imports increased from 66.61 percent to 80.44 percent during the POI, which would be the main cause of injury to the domestic industry. Imports of PSF from other sources decreased during the POI.

### Conclusion

34.4 On the basis of the above information and analysis, the Commission has concluded that the volume of dumped imports of the investigated product increased in absolute terms during the POI. However, the share of dumped imports in total imports remained quite low (in the range of 1.43% to 4.77%) during the POI.

### 35. Price Effects

35.1 Effect of dumped imports on sales price of domestic like product has been examined to establish whether there was significant price undercutting (the extent to which the price of the investigated product was lower than the price of the domestic like product), price depression (the extent to which the domestic industry experienced a decrease in its selling prices of domestic like product over time), and price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product). Price effects have been determined on Applicant's information as information on prices of the other producers is not available with the Commission.

### 35.2 Price undercutting

#### Facts

35.2.1 Weighted average ex-factory price of the domestic like product has been calculated from the information submitted by the Applicants on quantity and value of sales during the POI. Landed cost of the investigated product has been calculated from the information obtained from Chinese exporters/producers and PRAL. Comparison of weighted average ex-factory price of the domestic like product with the weighted average landed cost of the investigated product during the POI is given in following table:

**Table-XI**  
**Calculation of Price Undercutting**

Year*	Applicant's price	Landed cost of dumped	Price undercutting	
			Absolute	Percentage
2009-10	100	89	11	10.51
2010-11	132	117	15	10.93
2011-12	146	129	17	11.34

Note: Actual figures have been indexed with reference to the figure of Applicant's price of year 2009-10 by taking it equal to 100

\* Year: April 01 to March 31 Source: the Applicants and PRAL

#### Analysis

35.2.2 The above table shows that the landed cost of the investigated product increased during the POI. Prices of the domestic like product also increased during the POI. The landed cost of PSF was lower than the ex-factory prices of domestic like product during the POI. Resultantly, dumped imports undercut prices of domestic like product during the POI.

#### Conclusion

35.2.3 On the basis of the above facts and analysis, the Commission has concluded that the domestic industry has suffered material injury on account of price undercutting during the POI.

### 35.3 Price Depression

#### Facts

35.3.1 The weighted average ex-factory price of the domestic like product during the POI is given in the table below:

**Table-XII**  
**Ex-factory Price of domestic like product**

Year*	Applicants' price	Increase/(decrease) in price
2009-10	100	--
2010-11	132	32
2011-12	146	14

Note: Actual figures have been indexed with reference to the figure of Applicants' price of year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March

#### Analysis

35.3.2 Analysis of the above facts shows that domestic industry has increased weighted average ex-factory price of domestic like product in 2010-11 and further increased in 2011-12.

#### Conclusion

35.3.4 The Commission has concluded on the basis of the above information and analysis that the domestic industry did not suffer material injury on account of price depression.

### 35.4 Price Suppression

#### Facts

35.4.1 Weighted average cost to make and sell of the domestic like product has been calculated from the information submitted by the Applicants on cost to make and sell during the POI. The following table shows the weighted average cost to make and sell and the weighted average ex-factory sales price of the domestic like product during the POI:

**Table-XIII**  
**Cost to make and sell and ex-factory price of the domestic like product**

Year*	Average Cost to make & sell	Average Domestic Price	Price suppression	
			Increase in average cost	Increase in average domestic price
2009-10	98	100	--	--
2010-11	120	132	22	32
2011-12	138	146	18	14

Note: Actual figures have been indexed with reference to the figure of Applicant' price of year 2009-10 by taking it equal to 100

\* Year: April 01 to March 31

Source: the Applicants

#### Analysis

35.4.2 The above table shows that the weighted average cost to make and sell of the domestic like product increased by 22.90 percent and 14.64 percent during 2010-11 and 2011-12 respectively. Weighted average ex-factory price of the domestic like product increased by

31.85 percent and 10.64 percent in 2010-11 and 2011-12, respectively. Thus, the domestic industry recovered increased cost of production in 2010-11 by way of an increase in selling price. However, in the year 2011-12, domestic industry could not recover increased cost of sales through increased price because increase in price was lower than the increase in cost to make and sell. The domestic industry experienced significant price suppression in 2011-12 as, it was not able to recover increased cost by way of an increase in its selling price due to lower landed cost of the investigated product.

### Conclusion

35.4.3 On the basis of the above information and analysis, the Commission has concluded that the domestic industry suffered material injury on account of price suppression during the year 2011-12 (POI for dumping), as it was not able to recover increase in cost to make and sell by way of an increase in selling price of domestic like product.

### 36. Effects on Market Share

#### Facts

36.1 Domestic demand for PSF in Pakistan was met through sales by the domestic industry and by imports during the POI. The domestic consumption of PSF is ascertained by combining the domestic industry's sales and total imports, and this is referred as the total domestic market. The Applicant supplied information on total sales of the domestic like product in domestic market. Information on imports of PSF is ascertained from the information obtained from PRAL and submitted by the cooperating exporters/foreign producers from China. The total domestic market for PSF during the POI is given in following table:

**Table -XIV**  
**Market Share**

Year*	Sales by domestic industry**	Imports from China		Imports from other Countries	Total Domestic Market
		Dumped imports	Non-dumped imports		
2009-10	78.37	0.31	14.40	6.91	100.00
2010-11	86.82	0.88	30.86	4.22	122.79
2011-12	78.82	1.04	17.58	3.23	100.68

Note: Actual figures have been indexed with reference to the total domestic market of year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March

#### Analysis

36.2 The above table shows that the domestic market of PSF increased by 22.79 percent in 2010-11 and decreased by 18 percent in 2011-12. Market share of domestic industry, which was 78.38 percent in 2009-10, decreased to 70.71 percent in 2010-11 and increased to 78.29 percent in 2011-12. The domestic market of PSF was more than the production capacity of the domestic industry during the POI, however, domestic industry's sales during 2011-12 were 93 percent of its capacity. Market share of the dumped imports from China, which was 0.31 percent in 2009-10 increased to 0.72 percent in 2010-11 and to 1.04 percent in 2011-12. However, market share of non-dumped imports from China, which was 14.40 percent in 2009-10 increased to 25.13 percent in 2010-11 and was 17.46 percent in 2011-12. The domestic

industry was not been able to increase its market share beyond 78.28 percent mainly because of increase in the volume of non-dumped imports from China during the POI and not by the dumped imports. Market share of imports from other sources, which was 6.91 percent in 2009-10 decreased to 3.44 percent and to 3.21 percent in 2011-12.

36.3 In shrinking domestic market the share of domestic industry did not decrease (as much it would have decreased on prorata basis) rather the share of domestic industry increased from 70.51 percent in 2010-11 to 78.29 percent as compared to 2011-12.

### **Conclusion**

36.4 On the basis of above information and analysis, the Commission has concluded that the domestic industry maintained its market share except for 2010-11 during which its sales were more than its production capacity and it was not able achieve market share higher than 70 percent due to capacity constraints.

### **37. Effects on Sales**

#### **Facts**

37.1 As per information obtained from Applicants, total sales of the domestic industry of domestic like product in domestic market during the POI was as follows:

**Table -XV**  
**Sales of the Domestic Like Product**

Year*	Sales	Increase/(decrease)
2009-10	100	--
2010-11	111	11
2011-12	101	(10)

Note: Actual figures have been indexed with reference to sales of year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March

#### **Analysis**

37.2 The above table shows that the sales of domestic industry increased by 10.77 percent in the year 2010-11 and decreased by 9.21 percent during 2011-12. However, it goes without saying that the total domestic market of PSF is significantly reduced by 18 percent in the year 2011-12. Hence, the sales of the domestic industry decreased in 2011-12 mainly because of reduction in total domestic market and not due to increase in volume of dumped imports. Therefore, the reduced sales of the domestic industry cannot be attributed to the dumped imports as the dumped imports of the PSF were only 1.04 percent of the domestic market. Significant increase in sales in the year 2010-11 was due to increased demand for PSF. The domestic industry sold its increased production by keeping prices lower than landed cost of the investigated product.

### **Conclusion**

37.3 On the basis of above information and analysis, the Commission has concluded that sales of the domestic like product increased during 2010-11, however, sales decreased in 2011-12. The domestic industry suffered material injury on account of decline in sales in 2011-12. The sales of the domestic industry decreased in 2011-12 mainly because of reduction in total domestic market and not due to increase in volume of dumped imports. Therefore, the reduced sales of the domestic industry cannot be attributed to the dumped imports.



### 38. Effects on Production and Capacity Utilization

#### Facts

38.1 Quantity produced and the capacity utilized by the domestic industry during the POI were as follows:

**Table-XVI  
Production and Capacity Utilization**

<b>Year *</b>	<b>Capacity Utilization (%)</b>
2009-10	92
2010-11	104**
2011-12	94

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March Source: the Applicant

\*\* As per Applicants, ICI Pakistan has been able to achieve a higher effective capacity than its nameplate capacity, resulting in higher production. Capacity and Production of RPL and PSL are included.

#### Analysis

38.2 The above table shows that domestic industry's production of domestic like product increased through out the POI. In 2010-11 the production was higher than capacity because ICI Pakistan has been able to achieve a higher effective capacity than its nameplate capacity, resulting in higher production. The capacity utilization of the domestic industry increased from 92 percent to 94 percent during the POI.

#### Conclusion

38.3 On the basis of the above information and analysis, the Commission has concluded that the domestic industry did not suffer material injury on account of production and capacity utilization during the POI.

### 39. Effects on Inventories

#### Facts

39.1 The Applicants provided data relating to their inventories of the domestic like product during the POI. Data for opening and closing inventories of the Applicants during POI is given in the following table:

**Table-XVII  
Inventories of Domestic Like Product**

<b>Year*</b>	<b>Opening Inventory</b>	<b>Closing Inventory</b>
<b>2009-10</b>	100	71
<b>2010-11</b>	71	123
<b>2011-12</b>	123	181

Note: Actual figures have been indexed with reference to figure of opening inventory of year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March

**Analysis**

39.2 The data given in the above table shows that the closing inventory of the domestic like product of the Applicants increased in 2011-12. However, the increase in inventories of the domestic industry in 2011-12 was mainly due to reduction of the total domestic market.

**Conclusion**

39.3 On the basis of the above facts and analysis, the Commission has concluded that the domestic industry suffered material injury on account of increase in inventories of the domestic like product during the POI. However, the increase in inventories of the domestic industry in 2011-12 was mainly due to reduction of the total domestic market.

**40. Effects on Profits/Loss****Facts**

40.1 Profit and loss position for the Applicants has been taken from information their Profit and Loss Account Statements. Information on profit or loss of the other two units is not available with the Commission. Table below shows the gross profit and loss position (before taxes) of the Applicants during the POI:

**Table -XVIII**  
**Profit/(Loss) of the Applicants**

Year *	Gross Profit/(Loss)
2009-10	100
2010-11	584
2011-12	362

Note: Actual figures have been indexed with reference to figure of profit of year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March

**Analysis**

40.2 The above table shows that the Applicants earned gross profits during the POI. The gross profit increased by 584% in 2010-11, however, it decreased by 61% in 2011-12. However, decline in profits of the domestic industry in 2011-12 cannot be attributed to the dumped imports as the volume of dumped imports is insignificant as compared to total domestic production and total domestic market of PSF. Partially the reduction in profits was because of price suppression, as the Applicants were not able to recover increased cost of production through an increase in selling price.

**Conclusion:**

40.3 On the basis of the above facts, the Commission has concluded that the Applicants profits decreased during 2011-12 and has suffered material injury on account of decline in profits during 2011-12.

**41. Effects on Cash Flow****Facts**

41.1 The cash flow position through operating activities of the Applicants was determined on the basis of the information provided by the Applicants. Total net cash flow position of the Applicants during the POI is given in the following table:

**Table -XIX  
Cash FlowPosition**

Year*	Net cash flow
2009-10	100
2010-11	6316
2011-12	(7556)

Note: Actual figures have been indexed with reference to figure of cash flow of year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March

**Analysis**

41.2 The above table shows that the net cash flow of the Applicants, which increased during 2010-11, became negative in 2011-12. However, small share of dumped imports of 1.04 percent in the total domestic market cannot cause such an adverse effect on the cash flows of the domestic industry.

**Conclusion**

41.3 On the basis of the above, the Commission has concluded that the domestic industry has suffered material injury on account of negative effects on cash flows, but there could be other reasons for negative cash flow (like investment in new plant by Ibrahim Fibres) along with dumped imports.

**42. Effects on Employment, Productivity and Salaries & Wages****Facts**

42.1 Employment in domestic industry increased during the POI as its installed production capacity and quantity produced has increased during the year 2008-09. Effects on employment, productivity and salaries & wages are ascertained on the basis of the Applicant's information. Applicant's employment, productivity, salaries and wages for production of the domestic like product were as follows during POI:

**Table -XX  
Employment, Productivity and Salaries & Wages**

Year *	Number of Employees	Total salaries and wages	Productivity
2009-10	100	100	100
2010-11	103	116	112
2011-12	107	146	97

Note: Actual figures have been indexed with reference to figures of year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March Source: Applicant

**Analysis**

42.2 The above table shows that the employment in the domestic industry increased employees in the year 201-11 and in 2011-12. Productivity per worker increased in 2010-11 and decreased in 2011-12.

42.3 Salaries and wages of the domestic like product increased in the year 2010-11 and further increased in 2011-12.

**Conclusion**

42.4 Based on the above information and analysis, the Commission has concluded that the domestic industry suffered injury on account of wages and salaries per MT, and productivity mainly due to contraction in the demand/market size of PSF in 2011-12.

43. **Effects on Return on Investment****Facts**

43.1 Return on investment realized by the domestic industry during POI is determined on Applicant's information. Following table shows the investment and return on investment of the Applicant during the POI:

**Table -XXI**  
**Investment and Return on Investment**

Year*	Total Investment	Return on Investment
2009-10	100	100
2010-11	106	424
2011-12	120	244

Note: Actual figures have been indexed with reference to figures of the year 2009-10 by taking it equal to 100

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March Source: Applicant

**Analysis**

43.2 The above table shows that the investment in the domestic industry increased and returns on investment increased to 13.27% in 2010-11 and then decreased to 7.64% in 2011-12.

**Conclusion**

43.3 On the basis of the above, the Commission has concluded that the domestic industry suffered material injury on account of return on investment.

44. **Effects on Growth and Investment****Facts/analysis**

44.1 During POI, Ibrahim Fiber Limited has made new investment to install a new plant. Resultantly, total installed production capacities of the domestic industry for production of the domestic like product has increased.

**Conclusion**

44.2 On the basis of the above, the Commission has concluded that the domestic industry did not suffer material injury on account of growth and investment during POI.

#### 45. Ability to Raise Capital

##### Facts/analysis

45.1 The domestic industry did not face problems in raising capital as M/s Ibrahim Fibre has increased its production capacity through additional investment, keeping in view the growing demand for PSF.

#### 46. Summing up of Material Injury

46.1 The facts and analysis in the preceding paragraphs (paragraphs 34 to 45 supra) shows that the domestic industry has suffered material injury during the POI on account of:

- i) Volume of dumped imports;
- ii) price undercutting;
- iii) price suppression;
- iv) decline in profits;
- v) decline in return on investment,
- vi) negative effects on inventories;
- vii) negative effect on cash flow; and
- viii) negative effect on productivity.

46.2 The IFL made investment and installed a new plant to increase production capacity of domestic like product during the POI.

#### 47. Other Factors

47.1 In accordance with Section 18(2) of the Ordinance, the Commission also examined factors, other than dumped imports of the investigated product, which could at the same time cause injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports.

47.2 The Commission's investigation showed that the domestic industry also suffered injury due to non-dumped imports of the like product from China and imports from sources other than the China during the POI. Following table shows the volume of dumped as well as non-dumped imports of investigated product from China and from other sources during the POI (from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012):

**Table -XXII**  
**Volume of Imports during 2011-12**

Imports from:	% of total imports	C&F Price
China dumped	4.77%	100.00
China non-dumped	80.44%	99.56
Other Sources	14.79%	--
<b>Total</b>	<b>100%</b>	

Note: Actual figures of C & F Price have been indexed with reference to figures of the year 2009-10 by taking it equal to 100

Source: PRAL and Cooperating Exporters

47.4 The factors mentioned in Section 18(3) of the Ordinance were also examined and it was determined that:

- i. The volumes of non-dumped imports increased significantly (85.81 percent of total imports of PSF) during 2010-11 and were 80.44 percent of total imports during 2011-12. The comparison of C&F prices of imports of PSF from China shows that the landed cost of non-dumped imports also undercut the prices of domestic like product during 2011-12.
- ii. There was no change in competition between exporters/producers of PSF from China, exporters/foreign producers from other sources and domestic producers of PSF;
- iii. There was contraction in demand for PSF during 2011-12 (the POI for dumping), as its total domestic market substantially in 2011-12 (a reduction of 18 percent); and
- iii. There was no considerable change in technology to produce PSF.

#### **D. CAUSATION**

##### **48. Effect of Dumped Imports**

On the basis of the analysis and conclusions, the Commission has concluded that there was no causal link between dumped imports of the investigated product and material injury suffered by the domestic industry, as the volume of dumped imports was 4.77 percent of total imports and 1.04 percent of domestic market during the POI for dumping. The investigation revealed that the following happened simultaneously during the POI:

- i. Domestic industry experienced price undercutting during the POI and price suppression in 2011-12, however, the landed cost of non-dumped imports from China also undercut the prices of domestic like product during the POI;
- ii. Domestic industry suffered decline in profits on production of the domestic like product partly because of dumped imports of the investigated product, however, the main reason was non-dumped imports and contraction in demand for PSF during the POI for dumping;

## E. CONCLUSIONS

49. The conclusions, after taking into account all considerations for this final determination, are as follows:

- i. the application was filed on behalf of domestic industry as the Applicants represent major proportion of the production of domestic like product;
- ii. the investigated product and the domestic like product are alike products;
- iii. during the POI, the investigated product was exported to Pakistan by three exporters/producers from the China at prices below its normal value;
- iv. the volume of dumped imports of the investigated product from the China are above the negligible level and the dumping margins established for the three exporters/producers of the investigated product from the China are above the *de minimis* levels;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between zero percent to 9.40 percent for exporters/producers from China;
- vi. the domestic industry suffered material injury during the POI on account of price undercutting, price suppression, decline in profits, negative effect on cash flow, negative effect on productivity and negative effect on return on investment in terms of Section 15 and 17 of the Ordinance; and
- vii. however, there is a weak causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.

50. In reaching this final determination, the Commission has reached the conclusion that although the investigated product has been exported by three exporters/producers from China at dumped prices, however, the volume of dumped imports was quite low as compared to domestic market and volume of non-dumped imports from China. Thus material injury suffered by to domestic industry during the POI was not mainly due to dumped imports of investigated product from China.

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**FINAL DETERMINATION WITHOUT IMPOSITION OF DEFINITIVE  
ANTIDUMPING DUTIES**

51. In view of the analysis and conclusions with regard to dumping, material injury, and causation, it is concluded that there is no need of imposition of definitive antidumping duties on three Chinese exporters/producers (whose dumping margins are above *de minimis* levels) as there is a weak causal link between dumped imports and injury to the domestic industry.

(Dr. Allah Bakhsh Malik)  
Member  
July 29, 2013

(Niamatullah Khan)  
Member  
July 29, 2013

(Prince Abbas Khan)  
Chairman  
July 29, 2013



**Views/Comments of Interested Parties on the Preliminary Determination**

<b>Views/Comments Submitted by Mr. Sayed A.S. Shah on behalf of APTMA and other importers</b>	<b>Views of the Commission</b>
<p>“it was pointed out that <u>the Commission had erred in comparing the volume of dumped imports with non-dumped imports that took place during the dumping-free period and had thereby arrived at the erroneous finding that there had been an increase in dumped imports.</u> Section 15(2) of the Ordinance concerns increase in imports after the alleged onset of dumping which as per the Applicants began in the third quarter of 2010.”</p>	<p>Volume of dumped imports had been analyzed, in accordance with Section 15(2) of the Ordinance, in paragraph 34 of the report of final determination increase in the volume of dumped imports during the POI has been analyzed in absolute terms.</p>
<p>“It was pointed out that the criteria of price undercutting was no guiding indicator as the price of Pakistani PSF was one of the highest in the world and that the industry was internationally uncompetitive which was evidenced by the absence of worthwhile PSF exports from Pakistan”.</p>	<p>Section 15(3)(a) of the Ordinance requires to analyze price undercutting which is to see how much price of the investigated product was lower than price of the domestic like product during the POI. The same analysis has been carried out in paragraph 35.2 of the report of final determination.</p>
<p>“The Commission had found price suppression in 2011-12 and had mechanically attributed it to dumped imports. Considering that price undercutting in 2011-12 had declined, the inability of the PSF industry to recover increased cost to make and sell was due to reasons other than dumped imports”</p>	<p>It is incorrect to state that the Commission has attributed price suppression mechanically to dumped imports. Section 15(3)(b) of the Ordinance requires to analyze whether the domestic industry was able to recover the increase in cost to make and sell through increase in price or not during the POI. In paragraph 35.4 of the report of final determination the Commission has carried out in accordance Section 15(3)(b).</p>
<p>“The Commission has concluded that the domestic industry suffered material injury on account of decline in sales during 2011-12. The attention of the Commission was drawn to the material facts and evidence in para 19.2 of the Preliminary Written Arguments that were brought to its notice for decline in the sales of the domestic industry as stated by the Applicants in their company Reports and to the quantified losses to the domestic industry on account of ‘other’ factors stated by the Applicants.”</p>	<p>Sales were analyzed in paragraph 37 of the report of final determination as per requirement of Section 17(1)(a) of the Ordinance and were found declining in the year 2011-12.</p>
<p>“With respect to capacity utilisation the Commission has in para 38 of its Report on Preliminary Determination analysed that the domestic industry <u>did not suffer material injury</u> on account of production and capacity utilisation during POI. However, in para 49 of its Report,</p>	<p>The error in paragraph 49 of the Report on Preliminary Determination with regard to capacity utilization has been corrected.</p>

<p>the Commission has given its conclusion that the domestic industry <u>suffered</u> material injury on account of capacity utilisation and in a mechanical way causal relationship with dumped imports has also been asserted and duty imposed on the basis thereof.”</p>	
<p>“The Commission found that the Applicants’ profits decreased by 38% during 2011-12 and has concluded that the Applicants suffered material injury on account of decline in profits during 2011-12. The Commission has mechanically attributed this decline in profits to dumped imports of the investigated product.”</p>	<p>It was found during the investigation that there was price undercutting and price suppression due to dumped imports. When the Applicants’ are not able to recover their increase in costs through increase in prices there would be decline in their profits. However, the Commission has concluded in paragraph 40 of report of final determination that one of the reasons of decline in profits was contraction in demand for PSF.</p>
<p>“It was pointed out to the Commission that its analysis of cash flow defied any rational basis as the Applicants had conceded the impossibility of including the cash flow of one of the two Applicants, (whose identity had been kept confidential), in the cash flow analysis as “cash flows have only been maintained for the entire company and not the PSF business” (Application page 55, NTC public file page 73). For the foregoing reason, it was asserted to the Commission that cash flow could not be a performance indicator for the domestic industry and therefore, the Commission should omit its consideration.”</p>	<p>In terms of Section 17(1)d of the Ordinance the Commission is required to analyze the actual and potential negative effects on cash flow among other factors. Therefore, these factors cannot be omitted.</p>
<p>“It was pointed out to the Commission that it had concluded material injury on account of Return on Investment even though Return on Investment during 2010-11 and 2011-12 remained above the injury threshold when compared with the benchmark injury-free performance of the domestic industry during 2009-10. With respect to the Commission’s analysis (para 43.2, Report of Preliminary Determination) that “investment in the domestic industry increased and returns on investment decreased throughout the POI” it was pointed out that as per the Commission’s Table –XIX there was an increase in Return on Investment in 2010-11 vis-à-vis 2009-10 and also in 2010-11 and 2011-12 vis-à-vis the benchmark injury-free performance of the domestic industry during 2009-10. A decrease in the Return on Investment took place only in 2011-12 vis-à-vis 2010-11.”</p>	<p>Paragraph 43 of the report of final determination shows that return on investment increased in year 2010-11 while decreased in year 2011-12 as compared to the last year. There was a typo error in Paragraph 43.2, which has been corrected.</p>
<p>“The Finding of the Commission (para 45.1, Preliminary Determination Report) that the industry’s ability to raise capital is materially weakened is erroneous as the Applicant as well as</p>	<p>Please see the Commission’s analysis in paragraph 45 of the report of final determination.</p>

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<p>the Commission's record (Table –XIX, Preliminary Determination Report) indicates increasing investment.</p> <p>For this erroneous conclusion regarding the industry's materially weakened ability to raise capital, the Commission has advanced the reason that there was increase in dumping of imports and resultant reduction in sales. The record of the Commission (Table-XII Preliminary Determination Report), however, indicates that increase in the sales of the domestic PSF industry was co-extensive with increase in imports and decrease in the sales of the domestic PSF industry was co-extensive with decrease in imports.</p> <p>Thus the reading of the evidence is wrong, the finding is erroneous and the grounds are not supported by the figures on the record of the Commission.”</p>	
<p><b>Views/Comments Submitted by Mr. Shahzad A. Elahi on behalf of the Applicants</b></p>	<p><b>Views of the Commission</b></p>
<p>“In addition to verifying physical data of exporters, NTC needs to obtain legal verification of DTRE scheme, duty-drawback scheme and VAT in China. This is particularly important as there is no consistent claim for duty-drawback and VAT adjustment by all exporters, which makes the claims which have been made highly suspect.”</p>	<p>The officers of the Commission have conducted on-the-spot investigation at the premises of four major Chinese exporters/producers (having largest share in the exports to Pakistan) and satisfied itself as to the accuracy and adequacy of the information provided in response to questionnaire. Refer paragraph 16 of the report of final determination.</p>
<p>“As per section 5 of the Ordinance, only such sales which are in the ordinary course of trade when destined for consumption in the exporting country should be considered. Therefore, sales to exporting trading companies (such as Unisky Shanghai (HK) Limited) and sales below costs should be excluded from calculation of normal value.”</p>	<p>The requirement of Section 5 has been met while calculating normal values.</p>
<p><b>Views/Comments Submitted by M/s. Ebrahim Hosain Advocates on behalf of Unisky Shanghai (HK) Ltd. and Jiangsu Xinsu Chemical Fiber Co. Ltd.</b></p>	<p><b>Views of the Commission</b></p>
<p>“It is noteworthy that the percentage of Dumping Margin for all the above mentioned producers is less than 2% as per the Preliminary Determination and no duty has been levied on any of the above mentioned producers. Unisky buys the investigated product from the above mentioned local manufacturers and then adds profit and sell it in Pakistan market. It is incomprehensible that if no duty has been levied</p>	<p>Dumping margins have been calculated in accordance with the requirements of the Ordinance.</p>

<p>on any of the above producers/manufacturers then how come a provisional duty of 2.95% is being levied on Unisky. If the Commission is considering the weighted average ex-factory normal values of the above three producers to determine the normal value, then automatically Unisky should be exempted as no duty has been levied on any of the above stated three producers.”</p>	
<p>“It is of prime importance to highlight that the Commission has not provided the Normal Value of Unisky in the Disclosure Meeting held on 12-02-2013. During the Disclosure Meeting where the Commission was under an obligation to share the methodology used in Dumping Calculations, Normal Value used for the calculation of Dumping Margin of Unisky was not disclosed on the pretext of confidentiality. Unisky requested the Commission to share the Normal Value but the same was turned down.”</p>	<p>Unisky is the exporter of the investigated product (IP) and has not sold IP in its domestic market. Therefore, the Commission has calculated normal value for Unisky on the basis of best information available in terms of Section 32 of the Ordinance using confidential information of exporters/producers of IP. The producers from whom Unisky has purchased IP and exported it to Pakistan during the POI have provided information on their domestic sales on confidential basis which cannot be shared.</p>

**Views/Comments of Interested Parties on the Statement of Essential Facts**

<p><b>Views/Comments Submitted by Mr. Sayed A.S. Shah on behalf of APTMA and other importers</b></p>	<p><b>Views of the Commission</b></p>
<p>“The <i>Statement of Essential Facts</i> (the ‘Statement’) is ironically anything but a statement of essential facts. Essential facts have all been concealed behind indexed figures and the like. Access to evidence and information has been denied.”</p>	<p>The Commission has issued the Statement of Essential Facts (the “SEF”) in accordance with the Rule 14(8) of the Anti-Dumping Duties Rules, 2001 (the “Rules”), which requires the Commission to adhere to the requirements of confidentiality as contained in Section 31 of the Anti-Dumping Duties Ordinance, 2000 (the “Ordinance”).</p>
<p>“The Statement reveals that the investigated product has not been properly identified as yet by the Commission ... The Commission is requested once again “before the investigation is finalized” to correctly identify the product under investigation.”</p>	<p>The investigated product has been clearly defined as per requirement of the Ordinance, please refer to paragraph 12.2.1 of the report of final determination.</p>
<p>“The Commission has merged the quantities of PSF that were imported under the Duty and Tax Remission for Export Scheme (DTRE) with the quantities imported under general imports and has thus arrived at the “volume of imports” of the investigated product made from China during the Period of Investigation. As the matter of admissibility of DTRE imports for considerations of dumping is <i>sub judice</i> before the honourable Lahore High Court in which there is an injunctive order of the Court disallowing collection of anti-</p>	<p>The issue of imports under DTRE Scheme is <i>sub judice</i> before Lahore High Court, therefore, no further comments could be offered on this issue.</p>

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<p>dumping duty on DTRE imports, any conclusions in respect of injury to the domestic industry, across different performance indicators, on the basis of the merged volume of imports would be necessarily flawed.”</p>	
<p>“The Statement reveals that the ‘landed cost of import’ for the POI Year 2011-12 has been inexplicably altered (Table-VIII).”</p>	<p>Landed cost of dumped imports has changed due to the fact that the C&amp;F prices of those exporters found not dumping investigated product have been excluded from the calculation of landed cost and resultantly landed cost for 2011-12 has changed.</p>
<p>“The indexation base has been changed in the Statement from ‘Average Domestic Price’ to ‘Average Cost to Make and Sell’ for 2009-10. Uniformity and transparency in the Commission’s analyses and conclusions would be compromised on account thereof.”</p>	<p>A perusal of the figures of price suppression in the preliminary determination and the SEF will reveal that the indexation base is the same. Hence, the assertion of change in indexation base is incorrect.</p>
<p>“Table-XII of the Statement has omitted the figures for production altogether. The figures for capacity utilization are incorrect. The correct figures for capacity utilization as per the production data furnished in the Application are 100%, 116% and 105% for the POI years 2009-10, 2010-11 and 2011-12 respectively.”</p>	<p>The SEF shows the correct figures of production and capacity utilization, which are consistent with the figures shown in the preliminary determination.</p>
<p>“The Commission has come up with three different sets of inventory figures ... As there is uncertainty with regard to inventory figures the Commission is urged to disregard ‘inventory’ as a performance indicator of the domestic industry.”</p>	<p>The calculation/indexation errors in the initiation memo and the preliminary determination report have been corrected in the SEF and the report of final determination, which now show the correct figures, (refer paragraph 39).</p>
<p>“Indexed figures for employment, productivity and wages, that conceal actual numbers, have been altered again and again, during the course of the investigation and there are three different sets of figures for this performance indicator ... Further the Applicants have conceded inability to analyse productivity per worker for ICI, in which case the Commission’s analysis of this indicator for the Applicants as a whole is unreliable and not credit worthy. As there is uncertainty with regard to the figures, the Commission is urged to disregard ‘Employment, Productivity and Wages’ as a performance indicator of the domestic industry.”</p>	<p>The error in the figures for ‘Total Salaries and Wages’ in the report of preliminary determination have been corrected in the SEF. Other figures relating to ‘Number of Employees’ and ‘Productivity per Worker’ were correct in the preliminary determination and the same have been shown in the SEF as well as the report of final determination.</p>
<p><b>Views/Comments Submitted by Mr. Shahzad A. Elahi on behalf of the Applicants</b></p>	<p><b>Views of the Commission</b></p>
<p>“In addition to verifying physical data of exporters, Commission needs to obtain legal verification of DTRE scheme, duty-drawback</p>	<p>As stated above The officers of the Commission have conducted on-the-spot investigation at the premises of four major Chinese</p>

Final Determination against Dumped Imports of Polyester Staple Fibre into Pakistan Originating in and /or Exported from China

<p>scheme and VAT in China. This is particularly important as there is no consistent claim for duty draw-back and VAT adjustment by all exporters, which makes the claims which have been made highly suspect.”</p>	<p>exporters/producers (having largest share in the exports to Pakistan) and satisfied itself as to the accuracy and adequacy of the information provided in response to questionnaire. Refer paragraph 16 of the report of final determination.</p>
<p>“Time and again DSFL has tried to re-enter the market, but has been unsuccessful, as a consequence of dumping. As and when the economic environment for PSF improves, DSFL is likely to recommence production (either under existing or new management). Thus, the existing idle capacity of 260,000 tons of DSFL should be considered part of the total domestic PSF capacity.”</p>	<p>DSFL is out of production since 2008, therefore it has not been considered part of the domestic industry in this investigation.</p>
<p><b>Views/Comments Submitted by M/s. Ebrahim Hosain Advocates on behalf of Unisky Shanghai (HK) Ltd. and Jiangsu Xinsu Chemical Fiber Co. Ltd.</b></p>	<p><b>Views of the Commission</b></p>
<p>“Commission has not disclosed the Normal Value of Unisky calculated at the stage of Preliminary Determination till date. During the Disclosure Meeting the Commission was under an obligation to share the methodology used in Dumping Calculations but Normal Value used for the calculation of Dumping Margin of Unisky was not disclosed on the pretext of confidentiality. Unisky requested the Commission to share the Normal Value but the same was turned down.”</p>	<p>Unisky is not a producer of PSF nor does it sell PSF in the domestic market. It is only an exporter of PSF and purchases PSF from three suppliers/producers in China. Therefore, normal value for Unisky has been calculated on the basis of best information available under Section 32 of the Ordinance by taking the weighted average normal value of its three suppliers. Since sharing the normal value of Unisky would reveal the normal values of the three suppliers, who have submitted information to the Commission on a confidential basis in terms of the Ordinance, the Commission cannot share this information. With regard to the methodology used in dumping margin calculation, it was duly shared in the disclosure meeting as per the provisions of Rule 11 of the Rules.</p>
<p>“Unisky questioned the correctness of the calculations made by the Commission in the hearing after Preliminary Determination. Unisky was constrained from verifying the correctness of the calculations made by the Commission as Normal Value of Unisky was not provided.”</p>	<p>The same point has been repeated, which has been responded to above.</p>
<p>“Normal Value was not shared in the Disclosure meeting and the same has not been disclosed yet. Unisky was penalized by imposition of a provisional duty without sharing or disclosing the information that forms the basis of such penalty.”</p>	<p>The same point has been repeated, which has been responded to above.</p>