



**Government of Pakistan
National Tariff Commission**

REPORT

ON

**Final Determination and Levy of Definitive Anti-dumping Duties on
Imports of Hydrogen Peroxide Originating in and/or Exported from
People's Republic of Bangladesh**

The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (IV of 2015) (the "Act") and the Anti-Dumping Duties Rules, 2001 (the "Rules") is responsible to conduct investigation for imposition of anti-dumping duties to offset dumping of goods into the Islamic Republic of Pakistan ("Pakistan") after due process and determination of dumping and injury 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 Antidumping").

2. The Commission has conducted this investigation under the Act and the Rules on imports of Hydrogen Peroxide ("HP"), originating in and/or exported from People's Republic of Bangladesh (Bangladesh). The Commission has made final determination in this investigation under Section 39 of the Act. This report on final determination has been issued in accordance with Section 39(5) of the Act and Article 12.2 of the Agreement on Antidumping.

3. In terms of Section 39(1) of the Act, the Commission shall make a final determination of dumping and injury within one hundred and eighty days of publication of a notice of preliminary determination in the official Gazette. Notice of preliminary determination in this investigation was published on October 16, 2015 in official Gazette.

A. PROCEDURE

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

5. Receipt of Application

The Commission received a written application from Sitara Peroxide Limited, Faisalabad and Descon Oxychem Limited, Lahore (the "Applicants"), on behalf of the domestic industry on April 06, 2015. The Applicants alleged that HP, produced in Bangladesh and is exported to Pakistan at dumped prices. The High Commission of Bangladesh in Islamabad was informed through note verbale dated April 10, 2015 of the receipt of application in accordance with the requirements of Section 21 of the Act and Article 5.5 of the Agreement on Anti-dumping.

6. Evaluation and Examination of the Application

The examination of the application showed that it met the requirements of Section 20 of the Act and Article 5.3 of the Agreement on Anti-dumping as it contained sufficient evidence of dumping of HP from Bangladesh and injury to the domestic industry caused therefrom. The requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

7. Earlier Investigation and Antidumping Duties already In-force

7.1 The Commission has already imposed definitive anti-dumping duties on dumped imports of HP originating in and /or exported from the Kingdom of Belgium, People's Republic of China, Republic of Indonesia, Republic of Korea, Republic of China (Taiwan), Kingdom of Thailand and Republic of Turkey vide notice (ADC No.20/2009/NTC/HP) published in the official Gazette and the national press on July 06, 2011 for a period of five years with effect from September 27, 2010 to September 26, 2015.

7.2 The Commission has initiated a review pursuant to Section 58 of the Ordinance on September 02, 2015 to determine whether the expiry of the anti-dumping duties imposed on HP from above-mentioned countries (paragraph 7.1 supra) would likely to lead to continuation or recurrence of dumping and injury. The anti-dumping duty imposed on dumped imports of HP will remain in-force pending the outcome of the review.

8. Domestic Industry

8.1 Domestic industry in terms of Section 2(d) of the Act is defined as follows:

“domestic industry” means the domestic producers as a whole of the 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 dumped investigated product in such a case “domestic industry” shall mean the rest of the domestic producers.”

8.2 The domestic industry manufacturing HP comprises of two units i.e., the Applicants. Its installed production capacity is 60,000 MT per annum on three shifts basis.

9. Standing of the Application

9.1 In order to determine whether the application was made by or on behalf of domestic industry and to assess the standing of the domestic industry on the basis of the degree of support for or opposition to the application expressed by the domestic producers of the like product, relevant provisions of Section 24 of the Act have been considered. In terms of Section 24(1) of the Act, 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 opinion either support for or opposition to the application.

9.2 Furthermore, Section 24(2) of the Act 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 domestic like product produced by the domestic industry.

9.3 The application fulfills the requirements of Section 24 of the Act and Article 5.4 of the Agreement on Anti-dumping, as the Applicants are the only two domestic producer of HP and thereby represents 100 percent of the total domestic production. Therefore, the application is considered to have been made by the domestic industry as it is supported by 100 percent of the total domestic production of the like product produced by that portion of the domestic industry expressing its opinion.

9.4 On the basis of the above information the Commission has determined that the application was made by the domestic industry as the Applicants represents 100 percent of the domestic production of HP.

10. Applicants' Views

10.1 The Applicants, *inter alia*, raised the following issues in its application regarding dumping of HP and material injury to the domestic industry caused therefrom:

- i. HP imported from Bangladesh into Pakistan and HP produced by the domestic industry in Pakistan are like products;
- ii. the exporters/producers from Bangladesh is exporting HP to Pakistan at dumped prices; and
- iii. export of HP by the exporters/producers from Bangladesh to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing HP, mainly through:
 - i. Increase in volume of dumped imports;
 - ii. Decline in market share;
 - iii. Price undercutting;
 - iv. Price depression;
 - v. Price suppression;
 - vi. decline in profits/profitability;
 - vii. negative effect of productivity;
 - viii. negative effect on salaries and wages;
 - ix. negative effect on return on investment;
 - x. negative effect on cash flows; and
 - xi. negative effect on ability to raise capital.

10.2 The Applicants have also claimed that there is threat of material injury to the domestic industry.

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 HP from Bangladesh and consequent injury to the domestic industry, to justify initiation of an investigation in accordance with Section 23 of the Act. Consequently, the Commission decided to initiate an investigation on April 24, 2015. In terms of Section 27 of the Act, the Commission issued a notice of initiation, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu language) on April 28, 2015. Investigation concerning imports of HP into Pakistan (classified under PCT³ No. 2847.0000) contained in the First Schedule of Customs Act, 1969 (IV of 1969) originating in

¹ The official Gazette of Pakistan (Extraordinary) dated April 28, 2015.

² The daily "Dawn" and the "Dunya" of April 28, 2015 issue.

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

and/or exported from Bangladesh was thus initiated on April 28, 2015.

11.2 The Commission notified the High Commission of Bangladesh in Pakistan on April 28, 2015 with a request to forward notice of initiation to all exporters/producers of HP. Copies of notice of initiation were also sent to the exporters/producers of Bangladesh whose complete addresses were available with the Commission, the known Pakistani importers, and the Applicant on April 30, 2015, in accordance with the requirements of Section 27 of the Act.

11.3 In accordance with Section 28 of the Act, the Commission also sent copies of full text of the written application (non-confidential version) to the known exporters/producers in Bangladesh and its High Commission in Pakistan on April 30, 2015.

12. Exporters/Producers Involved in Dumping of HP

12.1 The Applicants identified three exporters/producers involved in alleged dumping of the investigated product from Bangladesh. The Applicants stated that there may be other producers and exporters but the Applicants do not have the names and addresses of these exporters/producers. Therefore, the Applicants requested that anti-dumping duty may be imposed on all imports of HP from Bangladesh.

12.2 Upon initiation of the investigation copy of the notice of initiation was sent to the exporters/ producers on April 30, 2015, whose complete postal addresses were available. For the other exporters/foreign producers from Bangladesh the Commission requested to the High Commission of Bangladesh to forward notice of initiation to all exporters/producers of HP in Bangladesh.

13. Investigated Product and Domestic Like Product

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

i. Investigated Product:

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

ii. Domestic Like Product:

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

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

i. Investigated Product:

The investigated product is HP. It is classified under PCT Heading No. 2847.0000. HP is used as bleaching agent in textile industry, paper & pulp industry, for sterilization of packaging material of milk, fruit juices etc (aseptic packaging) industry and general purpose as oxidizing, detoxifying and deodorizing agent. It is also used for waste water treatment, soil remediation.

ii. **Domestic Like Product**

The domestic like product is HP. It is used as bleaching agent in textile industry, paper & pulp industry, for sterilization of packaging material of milk, fruit juices etc (aseptic packaging) industry and general purpose as oxidizing, detoxifying and deodorizing agent. It is also used for waste water treatment, soil remediation. It is classified under PCT Heading No. 2847.0000.

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

- i. the basic raw materials used in the production of the investigated product and the domestic like product are identical i.e. natural gas, air, water and catalyst;
- ii. the two products (the investigated product and the domestic like product) are produced with a similar manufacturing process;
- iii. both the products have same/similar color and appearance;
- iv. the two products are substitutable in use. They are mainly used in bleaching and sterilization process in textile and paper and pulp industry and general purpose as bleaching, oxidizing, detoxifying and deodorizing agent.
- v. both the products are classified under the same PCT/HS No. 2847.0000.

In light of the above, the Commission has determined that the investigated product and the domestic like are like products.

14. Period of Investigation

14.1 In terms of Section 36 of the Act, period of investigation (hereinafter referred to as the "POI") is:

"a) for the purposes of an 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".

14.2 The POI selected for determination of dumping and injury, are, therefore, respectively, as follows:

For determination of dumping:	from January 1, 2014 to December 31, 2014
For determination of material injury:	from January 1, 2012 to December 31, 2014

15. Information/Data Gathering

15.1 The Commission sent questionnaires on April 30, 2015 to three exporters/producers from Bangladesh and asked to respond within 37 days of the dispatch of the questionnaires i.e. by June 06, 2015. Questionnaire was also provided to the High Commission of Bangladesh in Islamabad with a request to forward it to all exporters/producers of the investigated product in order to submit information to the Commission.

15.2 The Commission has an access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this preliminary determination the Commission has also used import data obtained from PRAL's database in addition to the information provided by the Applicants, importers and exporters/producers from Bangladesh.

15.3 Thus the Commission has sought from all available sources, relevant data and information deemed necessary for the purposes of this final determination. In terms of Rule 12 of the Rules, during the course of this investigation, the Commission satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

16. Questionnaire(s) Response by the Exporters/Producers from Bangladesh

16.1 The Commission sent questionnaire to three exporters/producers from Bangladesh on April 30, 2015 with a request to respond within 37 days. The following exporters/producers requested for extension in time period (beyond 37 days time period) for submission of information on Questionnaire:

- i. M/s Tasnim Chemical Complex Limited and
- ii. M/s Samuda Chemical Complex Limited

16.2 After considering the reasons given in their requests for extension in time period, the Commission granted extension in time period for submission of information.

16.3 The Commission, after expiry of the time period given for submission of information on Questionnaire informed the exporters/producers (who did not respond to Questionnaire) from Bangladesh through a letter dated July 23, 2015 that in case no information is provided in response to the Questionnaire, the Commission would be constrained to make its determination based on the 'Best Information Available' in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping.

16.4 Questionnaire Response from Tasnim Chemical Complex Limited

16.4.1 The Commission sent questionnaire to Tasnim Chemical Complex Limited, Bangladesh (hereinafter referred to as "Tasnim") on April 30, 2015. Its response was received in the Commission on June 02, 2015. According to the information provided in response to the questionnaire, Tasnim is a privately held company incorporated under the Company Law of Bangladesh and engages in production and sale of the investigated product. The production facility of Tasnim is located at Narayanganj, Bangladesh.

16.4.2 The information submitted by Tasnim in response to the questionnaire was analyzed at the Commission and deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated July 10, 2015 and August 18, 2015. Tasnim responded to the deficiency letters vide its letters dated July 22, 2015 and August 30, 2015.

16.5 Questionnaire Response by Samuda Chemical Complex Limited

16.5.1 The Commission sent questionnaire to Samuda Chemical Complex Limited, Bangladesh (hereinafter referred to as "Samuda") on April 30, 2015. Its response was received in the Commission on June 10, 2015. According to the information provided in response to the questionnaire, Samuda is a privately held company incorporated under the Company Law of Bangladesh on January 25, 2006 and engages in production and sale of the investigated product. The production facility of Samuda is located at Chittagong, Bangladesh.

16.5.2 The information submitted by Samuda in response to the questionnaire was analyzed at the Commission and deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated July 10, 2015 and August 24, 2015. Samuda responded to the deficiency letters vide its letters dated July 30, 2015 and September 01, 2015.

17. Verification of the Information

17.1 In terms of Section 35 of the Act, during the course of an investigation, the Commission shall satisfy itself as to the accuracy of the information supplied by the Applicants and other interested parties through on-the-spot-investigation pursuant to Rule 12 of the Rules.

17.2 In order to verify the information provided by the Applicants on-the-spot-investigation was conducted at the offices and plant of the Applicants from May 21-to 22, 2015 and July 03 – 04, 2015.

17.3 In order to verify the information provided by the exporters/producers on-the-spot investigation was conducted at the premises of the M/s Tasnim Chemical Complex Ltd. and M/s Samuda Chemical Complex Ltd. from November 25 – 28, 2015.

18. 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 between 1100 hours to 1300 hours throughout the investigation. This file contains non-confidential versions of the application, response to the questionnaires, submissions, notices, reports, correspondence, and other documents for disclosure to the interested parties.

19. Confidentiality

19.1 In terms of Section 31 of the Act, 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.

19.2 The Applicants has requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. 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 to this, the Applicants and other interested parties also provided certain information on confidential basis, as its disclosure would cause adverse effect upon them.

19.3 Pursuant to requests made by the Applicants and other interested parties to treat certain information as confidential, the Commission has determined the confidentiality in light of Section 31 of the Act 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.

19.4 However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in non-confidential file (public file).

20. Preliminary Determination

20.1 The commission made a preliminary determination in this investigation on October 16, 2015 and in terms of Section 37 of the Act. The Commission issued a notice of preliminary determination, which was published on October 16, 2015 in official gazette of Pakistan and in two widely circulated national newspapers (one English "The News" and one Urdu Language ("Nawa-e-Waqat") notifying preliminary determination and imposition of provisional anti-dumping duty @ 19.32 percent on the dumped imports of the investigated product importable from Bangladesh for a period of four months effective from October 16, 2015. The provisional antidumping duty rate is determined on C&F value in *ad val.* terms.

20.2 The Commission also sent copy of notice of preliminary determination and imposition of provisional antidumping duties to the High Commission of Bangladesh in Islamabad, the exporters/producers, the importers and the Applicants 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 was filed by the domestic industry as the Applicants represent 100 percent of the production of the like product;
- ii. the investigated product and the domestic like product are like products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/producers from Bangladesh at prices below its normal value;

- iv. the volume of dumped imports of the investigated product and the dumping margin established for all the exporters/producers of the investigated product from Bangladesh were above the negligible and *de minimis* levels respectively.
- v. The domestic industry suffered material injury during the POI on account of significant increase in volume of dumped imports, price undercutting, price suppression, decline in market share, production sales, negative effect on capacity utilization, profitability, productivity and salaries and wages in terms of Section 15 and 17 of the Act; and
- vi. There was a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.

21. Disclosure Meetings after Preliminary Determination

21.1 In terms of Rules 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 disclosure meeting with the producer or exporter to explain dumping calculation methodology applied for that producer/exporter. The Commission shall also provide an opportunity to producer or exporter or their legal representatives to examine and receive copies of the dumping calculation done by the Commission for their exports.

21.2 Samuda Chemicals Complex Limited requested the Commission for disclosure meetings/documents. Disclosure meeting was held at the offices of the Commission and disclosure documents were provided to it, in which methodology applied for dumping calculations was explained and copies of the detailed calculations for normal value, export price and dumping margin were also provided to the representative of Samuda.

22. Hearing

22.1 In terms of Rule 14 of the Rules, the Commission shall, upon request by an interested party made not later than thirty days after publication of notice of preliminary determination, hold a hearing at which all interested parties may present information and arguments.

22.2 Hearing in this investigation was held on December 15, 2015 upon the request of ASM Chemical Complex Limited. The Applicants and other interested parties attended the hearing. Record of hearing is placed in the public file.

23. Views/Comments of the Interested Parties on the Preliminary Determination

23.1 The Commission has received written submissions/comments from following interested parties on preliminary determination of the Commission in this investigation:

- i. All Pakistan Textile Processing Mill Association
- ii. Pakistan Chemicals & Dyes Merchants Association
- iii. Kay Chemicals (Private) Limited

23.2 The comments received are placed in the public file for review and copying by other interested parties. These comments were taken into account by the commission, while making its final determination. Comments received and germane to this investigation under the Act are placed at Annexure-I.

24. Disclosure of Essential Facts

24.1 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 January 15, 2016 to all interested parties including the known exporters/producers, the Applicants, the known Pakistani importers, and to the High Commission of Bangladesh in Pakistan.

24.2 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 following interested parties:

- i. ASM Chemicals Limited
- ii. Pakistan Chemicals & Dyes Merchants Association

24.3 The comments received on essential facts have been considered in this final determination and Commission's views/determinations thereto are annexed to this report in annotated form (Annexure-II).

25. Consultations with Government of Bangladesh

25.1 In terms of Article 11(a) of the Agreement on South Asian Free Trade Area ("SAFTA"), the Commission invited the Government of the People's Republic of Bangladesh through its High Commission in Islamabad for consultation on January 27, 2016.

25.2. Article 11(a) of SAFTA states that:

"The Contracting States shall give special regard to the situation of the Least Developed Contracting States when considering the application of anti-dumping and/or countervailing measures. In this regard, the Contracting States shall provide an opportunity to Least Developed Contracting States for consultations".

25.3 A consultation meeting with Bangladeshi delegation was held on February 18, 2016 in the Commission. Record note of the consultation meeting is placed in the public file.

B. DETERMINATION OF DUMPING

26. Dumping

In terms of Section 4 of the Act 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”.

27. Normal Value

27.1 In terms of Section 5 of the Act “normal value” is defined as follows:

“a 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”.

27.2 However, Section 6 of the Act states:

“(1) when there are no sales of 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.”.

27.3 Ordinary course of trade is defined in Section 7 of the Act 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 –

- “(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.*”

28. **Export Price**

The “export price” is defined in Section 10 of the Act as follows:

“a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan”.

29. **Dumping Determination**

29.1 As stated earlier the Applicants identified three exporters/producers from Bangladesh involved in alleged dumping of the investigated product. The Commission sent questionnaires to those exporters/ producers whose complete addresses were available with the Commission. A copy of the questionnaire was also provided to the High Commission of Bangladesh in Islamabad with a request to forward it to all exporters/producers of the investigated product to submit information to the Commission.

29.2 In response to the questionnaire the following exporters/producers of HP provided information:

- i. M/s Tasnim Chemical Complex Limited and
- ii. M/s Samuda Chemical Complex Limited

Individual dumping margins in this investigation are determined for the above-mentioned exporters/foreign producers on the basis of the information provided by them. However, residual dumping margins/duty rates have been determined, as the highest dumping margin of the above mentioned exporter.

30. **Determination of Export Price**

The Commission received information on export sales of the investigated product from above mentioned exporters/producers in response to the questionnaire. Export price of investigated product for these exporters/ producers in this final determination has been determined on the basis of the information provided by them.

30.1 **Determination of Export Price for Tasnim Chemical Complex Limited**

30.1.1 Tasnim produced and sold HP to it unrelated customers in Pakistan. Tasnim negotiates the sale contract with the customers in Pakistan. Once purchase order is confirmed, L/C is established. The investigated product is sent to the customer and commercial invoice is issued by Tasnim to the customer in Pakistan and delivery terms are FOB and CFR Karachi.

30.1.2 Tasnim exported ***MT of HP having gross value of US\$ *** (Taka ***) to its customers in Pakistan during the POI. All export sales transactions were based on L/C at sight. The weighted average CFR price for HP 50 percent was US\$ ***/MT during the POI. To arrive at ex-factory export price verified adjustments on account of inland freight, ocean freight, credit cost, bank charges and duty drawback have been made. Following table shows the amount of adjustments:

Adjustments	Value US\$/MT
Inland freight	***
Ocean freight	***
Bank charges	***
Credit Cost	***
Duty drawback	***

Note: In order to maintain confidentiality actual figures have been omitted.

After making adjustments for inland freight, ocean freight, bank charges, credit cost and duty drawback, the ex-factory export price works out to US\$ ***/MT.

30.2 Determination of Export Price for Samuda Chemical Complex Limited

30.2.1 Samuda produced and sold HP to it unrelated customers in Pakistan. Samuda negotiates the sale contract with the customers in Pakistan. Once purchase order is confirmed, L/C is established. The investigated product is sent to the customer and commercial invoice is issued by Samuda to the customer in Pakistan and delivery terms are FOB and CFR Karachi.

30.2.2 Samuda exported ***MT of HP having gross value of US\$ ***to its customers in Pakistan during the POI. All export sales transactions were based on L/C at sight. The weighted average CFR price for HP 50 percent was US\$ ***/MT during the POI. To arrive at ex-factory export price verified adjustments on account of inland freight, ocean freight, handling cost, credit cost, bank charges, misc. expense and duty drawback have been made. Following table shows the amount of adjustments:

Adjustments	Value US\$/MT
Inland freight	***
Ocean freight	***
Handling cost	***
Bank charges	***
Credit Cost	***
Misc. expense	***
Duty drawback	***

Note: In order to maintain confidentiality actual figures have been omitted.

After making adjustments for inland freight, ocean freight, handling cost, bank charges, credit cost, misc. expense and duty drawback, the ex-factory export price works out to US\$ ***/MT.

31. Determination of Normal Value

31.1 The Commission received information on domestic sales and cost of production etc. of the like product from M/s Tasnim Chemical Complex Limited and M/s Samuda Chemical Complex Limited in response to the questionnaire and during the on-the-spot investigation. Therefore, normal value for above-mentioned exporters/producers have been determined, on the basis of information submitted by the exporters/producers and obtained during the on-the-spot investigation.

31.2 Determination of Normal Value for Tasnim Chemical Complex Limited

31.2.1 M/s Tasnim produces and sells the investigated product in the domestic and export markets. According to the information submitted by Tasnim in the Exporter's Questionnaire, it sold *** MT HP 50 percent in Bangladesh during the POI.

31.2.2 Tasnim failed to provide information of all domestic sales transaction-by transaction, audited reports for the year 2012, 2013 and 2014, and vital requisite information required at Section F (cost of production) of the Exporter's Questionnaire. The Commission communicated these deficiencies vide Commission's letter dated July 10, 2015 and August 18, 2015. Tasnim responded to the deficiency letters vide its letters dated July 22, 2015 and August 30, 2015. However, the information supplied by Tasnim was still deficient and the required information asked for was not provided.

31.2.3 During on the spot investigation, the Commission obtained information of domestic sales (the sales ledger) and revised cost to make and sell. Tasnim sold only *** MT (three transactions in the months of January, May and October) of the investigated product to Pakistan.

31.2.4 In order to determine the normal value for Tasnim, the Commission has used comparable transactions of the same date as of the export sales. The weighted average CFR price for HP 50 percent of comparable transactions of the same date as of the export sales was US\$ ***/MT.

31.2.5 To arrive at the ex-factory level, Tasnim has claimed adjustment on account of inland freight. The Commission has accepted this adjustment and the normal value at ex-factory level is worked out by deducting values reported for this adjustment from the gross value of sales transactions, which comes to be US\$ ***/MT.

31.3 Determination of Normal Value for Samuda Chemical Complex Limited

31.3.1 M/s Samuda produces and sells the investigated product in the domestic market. Normal value for Samuda has been determined on the basis of the information provided by it on its verified domestic sales made during the POI. According to the information submitted by Samuda in the Exporter's Questionnaire, it sold *** MT HP 50 percent in Bangladesh during the POI.

31.3.2 These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI.

31.3.3 Analysis of the information provided by Samuda revealed that some sales of the investigated product were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the investigated product, which were not in ordinary course of trade were 54.62 percent of total sales of the investigated product. For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act.

31.3.4 To arrive at the ex-factory level Samuda has reported adjustment on account of inland freight and credit cost. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting values reported for these adjustment from the gross value of sales transactions, which comes to be US\$ ***/MT.

32. Dumping Margin

32.1 The Act defines “dumping margin” in relation to a product as “*the amount by which its normal value exceeds its export price*”.

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

32.3 The Commission has also complied with the requirements of Section 11 of the Act which states that the Commission shall, where possible, compare export price and normal value at the same level i.e. ex-factory level.

32.4 The Commission has investigated two exporters from Bangladesh who cooperated and responded to the Commission’s questionnaire. Individual dumping margins for them have been determined and the antidumping duty rate for those exporters is determined on the basis of individual dumping margins calculated for each exporter.

32.5 Dumping margin and antidumping duty rate for all other exporters from Bangladesh, who did not cooperate, has been determined, as the highest dumping margin of the above mentioned exporter.

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

Table-I
Dumping Margins

Exporter/Producer	Dumping Margin as %age of Export Price	Dumping Margin as %age of C&F Price
Tasnim Chemical Complex Limited	13.55	12.14
Samuda Chemical Complex Limited	11.88	10.67
All others	13.55	12.14

33. De minimis Dumping Margins and Negligible Volume of Dumped Imports

33.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins, set out in paragraph 31.6 supra, are above the *de minimis* level.

33.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such 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 like product. The data obtained from PRAL of volume of dumped imports of HP from all sources during the POI (January 01, 2014 to December 31, 2014) is given in the table below:

Table-II
Volume of Imports of HP during POI

Country	Percentage
Bangladesh	28.17
Other sources	71.83
Total	100.00

Source: PRAL

33.3 It appears from the above table that the volume of dumped imports of HP from Bangladesh during the POI was above the negligible threshold set-out in Section 41(3) of the Act.

C. INJURY TO DOMESTIC INDUSTRY**34. Determination of Injury**

34.1 Section 15 of the Act sets out the principles for determination of material injury to the domestic industry and provides as follows:

“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...”*

34.2 Material injury to the domestic industry is summarized in the following paragraphs.

35. Domestic Industry

35.1 In terms of Section 2(d) of the Act, domestic industry is defined as follows:

“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 of the allegedly dumped investigated product in such case “domestic industry” shall mean the rest of the domestic producers.”

35.2 The domestic HP manufacturing industry consists of the two units i.e. Applicants with an installed production capacity of 60,000 MT per annum.

35.3 The injury analysis carried out in following paragraphs is based on the information gathered by the Commission for this investigation of the Applicants.

36. Volume of Dumped Imports

Facts

36.1 In order to ascertain the volume of dumped imports of the investigated product, the Commission obtained import data from PRAL.

36.2 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act, the Commission considered whether there has been a significant increase in volume of dumped imports in absolute terms. The following table shows imports of the investigated product during the POI:

Table – III
Volume of Dumped Imports

Period*	Dumped Imports of IP	%age Increase/ (Decrease)
2012	100.00	--
2013	54.56	(45.44)
2014	70.37	28.97

Source: PRAL * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of dumped import for the year 2012.

Analysis

36.3 The above table shows that the volume of dumped imports decreased from *** MT in 2012 to *** MT in 2013, whereas, it increased to *** MT in 2014. Volume of dumped imports increased during 2014 by 22% as compared to the previous year (2013) reflecting significant increase in volume of dumped imports in absolute terms.

Conclusion

36.4 On the basis of the above analysis, the Commission has concluded that the dumped imports increased in absolute terms during the POI for dumping and the domestic industry suffered material injury on account of volume of dumped imports.

37. Price Effects

37.1 The effect of dumped imports on the sales price of domestic like product in Pakistan has been examined to establish whether there has been significant price undercutting (the extent to which the price of the imported product is lower than the price of the domestic producers), price depression (the extent to which the domestic producers experienced a decrease in its selling prices over time), and price suppression (the extent to which increases in the cost of production could not be recovered in selling price by the domestic producers).

37.2 Price Undercutting

Facts

37.2.1 Comparison of weighted average ex-factory price of the domestic like product with weighted average landed cost of the investigated product during the POI is given in the following table:

Table – IV
Price Undercutting

Period*	Average ex-factory price of domestic like product	Average landed cost of investigated product	Price undercutting %age
2012	100.00	91.32	8.68
2013	114.93	99.04	13.83
2014	110.63	100.08	9.54

Source: PRAL, Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of Average ex-factory price of domestic like product for the year 2012.

Analysis

37.2.2 It appears from the above table that the weighted average landed cost of the investigated product was lower than the weighted average ex-factory price of the domestic like product during the POI. The price undercutting was in the range of Rs. ***/MT to Rs. ***/MT, which is 8.68 percent to 13.83 percent during the POI.

Conclusion

37.2.3 On the basis of the above, the Commission has concluded that the prices of the investigated product undercut the prices of domestic like product during the POI. The domestic industry suffered material injury on account of price undercutting due to dumped imports.

37.3 Price Depression**Facts**

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

Table - V
Price Depression

Period*	Weighted Average ex-factory price of domestic like product	Price Depression Percentage
2012	100.00	---
2013	114.93	---
2014	110.63	3.74

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of Average ex-factory price of domestic like product for the year 2012.

Analysis

37.3.2 The above table shows that the weighted average ex-factory price of domestic like product increased in 2013, however, it decreased by Rs. ***/MT in 2014 due to dumped imports.

Conclusion

37.3.3 On the basis of the above analysis, the Commission has concluded that the domestic industry has experienced price depression during POI for dumping, therefore, the industry suffered material injury on account of price depression.

37.4 Price Suppression**Facts**

37.4.1 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 – VI
Price Suppression

Period*	Weighted Average cost to make & sell of domestic like product	Weighted Average ex-factory price of domestic like product	Price Suppression	
			Increase/ (decrease) in COP	Increase/ (decrease) in price
2012	100.00	100.00	---	---
2013	95.62	114.93	(4.38)	14.93
2014	96.25	110.63	0.63	(4.30)

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figures of Weighted Average cost to make & sell of domestic like product and Average ex-factory price of domestic like product and for the year 2012 for their respective columns.

Analysis

37.4.2 The above table shows that the weighted average cost to make and sell of domestic like product decreased by Rs. ***/MT in 2013 and then increased by Rs. ***/ MT in 2014. Weighted average ex-factory price of the domestic like product increased by Rs. ***/MT in 2013 and then decreased by Rs. ***/ MT in 2014. The domestic industry suffered price suppression of Rs. ***/MT during 2014.

Conclusion

37.4.3 On the basis of the above analysis, the Commission has concluded that the domestic industry suffered material injury on account of price suppression during the POI for dumping.

38. Effects on Sales

Facts

38.1 The Applicants' sales of domestic like product made during the POI are given in table below:

Table – VII
Effect on Domestic Sales

Period*	Domestic Sales
2012	100.00
2013	104.49
2014	114.76

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of domestic sales for the year 2012.

Analysis

38.2 The above table shows that the domestic industry's sales of domestic like product increased from *** MT in 2012 to *** MT in 2013, which further increased to *** MT in 2014.

Conclusion

38.3 On the basis of above analysis, the Commission has concluded that the domestic industry did not suffer material injury on account of sales.

39. Effects on Profits**Facts**

39.1 The table below shows the profit and loss figures of the Applicants during the POI:

Table – VIII
Profit/ (Loss)

Period	Net Profit/(Loss)
2012	(100.00)
2013	25.11
2014	(8.17)

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of net profit/loss for the year 2012.

Analysis

39.2 The Applicants faced net loss on domestic sales of Rs.*** million in 2012 which turned into profits of Rs.*** million in 2013. The profit of the Applicants again converted into loss of Rs. *** million in 2014.

Conclusion:

39.3 On the basis of available facts, the Commission has concluded that the domestic industry suffered material injury on account of loss due to price undercutting and increase in volume of dumped imports during the POI for dumping.

40. Effects on Production and Capacity Utilization**Facts**

40.1 Details of production and the capacity utilized of the domestic industry during the POI are given in the table below:

Table – IX
Production and Capacity Utilization

(%)

Period*	Capacity Utilization
2012	82
2013	87
2014	95

Source: Applicants * Calendar Year

Analysis

40.2 It may be noted from the table above that the installed capacity of the Applicants remained constant throughout the POI. The production of the Applicants increased over the 3 years and the level of capacity utilization increased from 82 percent in 2012 to 87 percent in 2013 which further increased to 95 percent in 2014.

Conclusion

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

41. Effects on Market Share**Facts**

41.1 The total domestic demand for HP in Pakistan is met through local production and imports. To establish the size of Pakistan market, the production of domestic like product in Pakistan, imports of the investigated product and imports from other countries have been used which are as follows:

Table – X
Market Share

(%)

Period*	Sales by domestic producers	Imports from		Total Domestic Market
		Dumped Source	Other Sources	
2012	81.48	5.29	13.23	100.00
2013	79.38	2.69	17.93	100.00
2014	87.61	3.49	8.90	100.00

Source: PRAL, Applicants

* Calendar Year

Analysis

41.2 The above table shows that the market share of the domestic industry was 81.48 percent in 2012 which decreased to 79.38 percent in 2013 and then increased to 87.61 percent in 2014. Whereas, the market share of dumped imports decreased from 5.29 percent in 2012 to 2.69 percent in 2013 and then increased to 3.49 percent in 2014. Market share of imports from other sources decreased from 17.93 percent in 2013 to 8.90 percent in 2014.

Conclusion

41.3 On the basis of the above analysis, the Commission has concluded that the domestic industry did not lose market share during the POI due to increased imports of investigated product from Bangladesh. It is therefore, concluded that the domestic industry did not suffered material injury due to imports from dumped sources.

42. Effects on Return on Investment**Facts**

42.1 The following is the information regarding the return on investment of the Applicants:

Table – XI
Return on Investment

(%)

Period*	Return on Investment
2012	1.45
2013	9.01
2014	4.03

Source: Applicants

* Calendar Year

Analysis

42.2 The above table shows that the return on investment of the domestic industry increased from 1.45 percent in 2012 to in 9.01 percent in 2013 and then decreased to 4.03 percent in 2014.

Conclusion

42.3 On the basis of the above, the Commission has concluded that the domestic industry suffered material injury on account of the reduction in return on investment, which affected its ability to invest.

43. Effects on Cash Flow**Facts**

43.1 The following is the information regarding the cash flow positions of the domestic industry during POI:

Table – XII
Cash Flow

Period*	Cash Inflow/ (Outflow)
2012	100.00
2013	697.49
2014	350.34

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of cash flow for the year 2012.

Analysis

43.2 The above table shows that cash generated by the domestic industry was Rs.*** million in 2012, the cash flow position of the Applicants improved to Rs.*** million in 2013 which deteriorated to Rs. *** million in 2014.

Conclusion

43.3 On the basis of the above, the Commission has concluded that the Applicant suffered material injury on account of cash flow during the POI for dumping.

44. Effects on Inventories

Facts

44.1 The data relating to accumulation of inventories of the domestic like product during the POI is given in the table below:

Table – XIII
Effect on Inventories

Period*	Opening Inventory	Production	Sales			Closing Inventory
			Domestic Sales	Export Sales	Total Sales	
2012	4.81	100.00	85.57	18.65	104.22	0.59
2013	0.59	107.30	89.41	16.80	106.21	1.68
2014	1.68	115.94	98.20	18.33	116.53	1.09

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of production for the year 2012.

Analysis

44.2 The production of the domestic industry increased over the POI whereas, the sales also show a positive trend. The inventory level of the domestic like product increased by *** MT in 2013 and then decreased by *** MT in 2014.

Conclusion

44.3 On the basis of the analysis above, the Commission has concluded that the domestic industry did not suffer material injury on account of changes in inventories level during the POI.

45. Effects on Employment, Productivity and Wages**Facts**

45.1 Following is the information regarding employment, productivity and wages of the domestic industry producing HP are given below in the table:

Table – XIV
Employment, Productivity and Wages

Period*	No. of Employees	Salaries & Wages in	Production	Productivity per worker	Salaries and Wages Rs./ MT
2012	100	100.00	100.00	100.00	100.00
2013	102	113.36	107.30	104.76	105.65
2014	113	133.44	115.94	102.72	115.11

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of year 2012 of each respective column.

Analysis

45.2 The above table shows that the number of employees increased from *** in 2012 to *** in 2013 which further increased to *** in 2014. During the same period salaries & wages increased from Rs. ***/MT in 2012 to Rs. ***/MT in 2013 and Rs. ***/MT in 2014. Whereas, the productivity per worker increased from ***/MT in 2012 to ***/MT in 2013, however, it decreased to ***/MT in 2014.

Conclusion

45.3 On the basis of the facts mentioned above, it is concluded that the domestic industry suffered injury on account of productivity and salaries and wages during the POI.

46. Effect on Growth**Facts**

46.1 At present total installed production capacity of the domestic industry is 60,000 MT which is more than the domestic demand i.e. around 55,000 MT, however, the increase in the domestic demand of HP is increased by 7 percent from 2012 to 2014. If the growth in domestic demand increase by 7 percent in coming years then the domestic industry needs to investment to increase the production capacity in the coming years.

Conclusion

46.2 Based on above facts and analysis the Commission has concluded that the domestic industry suffered material injury on account of growth and investment.

47. Effect on Ability to Raise Capital

According to the Applicants, the domestic industry is facing deterioration in its profitability due to adverse effect of dumped imports, this has affected the confidence of investors and financial institutions. Both the units of domestic industry are listed on stock exchange. Due to heavy losses, trend of share price of both the units is not encouraging. Hence the domestic industry's ability of the to raise capital for increasing production capacity to cater 7 percent annual growth in the domestic demand has been adversely affected due to dumped imports.

48. Magnitude of Dumping Margins**Facts/Analysis**

48.1 Dumping margin calculated ranges from 10.67 percent to 12.14 percent which can be considered as enough to damage the domestic industry. Further, injury factors discussed above show that domestic industry has suffered materially due to dumping of exporters/producers from Bangladesh.

Conclusion

48.2 On the basis of facts and analysis above, the Commission has concluded that the domestic industry has suffered material injury on account of magnitude of dumping.

49. Summing up of Material Injury

49.1 Facts and analysis in the preceding paragraphs shows that the domestic industry has suffered material injury due to dumped imports of the investigated product during POI on account of:

- a) Increased volume of dumped imports;
- b) Price undercutting;
- c) Price depression;
- d) Price suppression;
- e) Decline in profits;

- f) Negative effect on cash flows;
- g) Decline in productivity;
- h) Negative effect on salaries and wages;
- i) Negative effect on growth;
- j) Decline in return on investment;
- k) Negative effect on ability to raise capital; and
- l) Magnitude of dumping margins.

49.2 Since the Applicants in its application also mentioned of threat of material injury from dumped imports of the investigated product from Bangladesh, however, the injury analysis carried out in the forgoing paragraphs shows that the domestic industry has suffered material injury during the POI. Therefore, there is no requirement to examine and analyze threat of material injury in accordance with Section 19 of the Act.

50. Other Factors

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

50.2 The investigation of the Commission revealed that the domestic industry did not suffer material injury due to imports of HP from sources other than dumped source during the POI. Following table shows the volume and prices of imports from other than dumped source:

Table-XV
Volume and Prices of imports from other than Dumped Source

Period*	Volume of imports from other than dumped source (MT)	Weighted Average landed cost of HP from other than dumped source	Weighted Average price of domestic like product
2012	100.00	100.00	100.00
2013	145.39	88.61	114.35
2014	71.82	87.17	110.01

Source: PRAL, Applicant * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of year 2012 of each respective column.

50.3 The above table shows that the volume of imports from sources other than dumped source has decreased from *** MT in 2013 to *** MT in 2014 whereas, the weighted average landed cost of HP from sources other than dumped source was higher than the weighted average price of domestic like product throughout the POI. Hence it is concluded that the domestic industry did not suffer material injury due to imports of HP from sources other than dumped source during the POI.

50.4 In terms of Section 18(3) of the Act, the Commission analysed that whether there is contraction in demand of HP or there are changes in the patterns of consumption of HP in Pakistan. Following table shows the total domestic market of HP in Pakistan.

Table-XVI
Total Domestic Market of HP

Period*	Sales by domestic industry	Imports from		Total Domestic Market
		Dumped Source	Other Sources	
2012	81.48	5.29	13.23	100.00
2013	85.13	2.89	19.23	107.25
2014	93.50	3.73	9.50	106.73

Source: PRAL, Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of total domestic market for the year 2012.

50.5 The above table shows that there is no contraction in demand of HP during the POI rather the total demand of HP increased from *** MT in 2012 to *** MT in 2014. Based on the above facts, the Commission has concluded that there is no contraction in demand of HP and there are no changes in the pattern of consumption of HP in Pakistan, hence, the domestic industry did not suffer material injury due to contraction in demand and changes in the pattern of consumption of HP during the POI.

50.6 The Commission has also analysed the export performance of the domestic industry in terms of Section 18(3) of the Act. Following table shows the export performance of the domestic industry during the POI;

Table-XVII
Exports Sales of the Domestic Industry

Period	Exports Sales
2012	100.00
2013	90.07
2014	98.27

Source: Applicants * Calendar Year

Note: In order to maintain confidentiality actual figures have been indexed with respect to the figure of export sales for the year 2012

50.7 The above table shows that the exports sales of the domestic industry remained stagnant i.e. around 9,000 MT during the POI, hence, the domestic industry did not suffer material injury due to the export performance of the domestic industry during the POI.

50.8 The factors mentioned in Section 18(3) of the Act were also analyzed and it was found that:

- i. There was no change in trade restrictive practices and competition between foreign producers other than producers from the Bangladesh and domestic producers; and
- ii. There was no considerable change in technology;

D. CAUSATION

51. Effect of Dumped Imports

51.1 From the foregoing analysis it appears that the volume of the dumped imports significantly increased during 2014 which caused significant price undercutting, price depression, price suppression, decline in profits, productivity. This also resulted in negative effect on cash flows and return on investment.

51.2 It appears from analysis that there was a perfect time correlation between increase in dumped imports and injury to domestic industry. Therefore it is concluded that following happened simultaneously during POI:

- i. Volume of dumped imports of the investigated product increased significantly in absolute as well as relative to production and consumption of the domestic like product;
- ii. Domestic industry experienced price undercutting, price depression and price suppression due to dumped imports of the investigated product;
- iii. Domestic industry experienced decline in profits, productivity and was unable to raise capital due to dumped imports;
- iv. Domestic industry faced negative effect on return on investment and cash flows;
- v. Domestic industry has not only suffered material injury during the POI because of increased dumped imports but at the same time it is facing threat of material injury which is imminent in future.

E. CONCLUSIONS

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

- i. the application was filed by the domestic industry as the Applicants represent 100 percent of the production of domestic like product;
- ii. the investigated product and the domestic like product are alike products;

- iii. during POI, the investigated product was exported to Pakistan by the exporters/producers from Bangladesh at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/ producers of the investigated product from Bangladesh are above the negligible and *de minimis* levels respectively;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 11.88 percent to 13.55 percent for exporters/producers from Bangladesh;
- vi. the domestic industry suffered material injury on account of volume of dumped imports, price undercutting, price depression, price suppression, decline in profits, decline in productivity, negative effect on cash flow, negative effect on return on investment, negative effect on salaries & wages and negative effect on ability to raise capital in terms of Section 15 and 17 of the Act; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

F. IMPOSITION OF DEFINITIVE ANTIDUMPING DUTY

54. In view of the analysis and conclusions with regard to dumping, material injury, and causation, imposition of definitive antidumping duties on dumped imports of the investigated product is needed to prevent injury being caused to the domestic industry during the course of this investigation in accordance with Section 43 of the Act.

55. Individual dumping margins have been determined for two exporters/producers of the investigated product who supplied partial information for this investigation and the definitive rate of antidumping duties for these exporters/producers is determined.

56. However, for the purpose of imposition of lesser duty in terms of Section 43 (1) of the Act the Commission has calculated injury margin to ascertain whether a lower duty would be adequate to remove injury being suffered by the domestic industry due to dumped imports of investigated product from Bangladesh. The calculation of injury margin for April 2014 to March 2015 is given below:

Table-XVIII
Calculation of Injury Margin

Cost to make & Sell of Domestic industry	100.00
Estimated Profits (5% of cost to make & sell)	5.00
Estimated non-injurious price	105.00
C & F price of investigated product	81.39
Landed cost of investigated product	89.53
Injury Margin (Non-injurious price-landed cost)/C & F Price *100	19.32%

Note: In order to maintain confidentiality actual figures have been indexed with respect to cost to make & sell of Domestic industry.

57. It may be observed from the above that injury margin works out 19.32 percent which is higher than the dumping margins ranging between 10.67 percent to 12.14 percent as determined in paragraph 32 supra. Therefore, in terms of Section 43 (1) of the Act, lesser duty would not be applied in this case.

58. In terms of Section 39 of the Act, following definitive antidumping duties are hereby imposed on the dumped imports of the investigated product importable from Bangladesh for a period of five years effective from October 16, 2015. The definitive antidumping duty rates are determined on C&F value in *ad val.* terms. Hydrogen Peroxide is classified under PCT heading No. 2847.0000.

Table-XIX
Definitive Anti-dumping Duty Rates

Exporter/Producer	Definitive Anti-dumping Duty Rate (%)
Tasnim Chemical Complex Limited	12.14
Samuda Chemical Complex Limited	10.67
All others	12.14

59. Save as provided for in the earlier imposition of antidumping duty orders, HP imported from sources, other than Bangladesh shall not be subject to these definitive antidumping duties.

60. In accordance with Section 51 of the Act, the definitive antidumping duties shall take the form of *ad valorm* duty and be held in a non-lapsable personal ledger account established and maintained by the Commission for the purpose. Release of the investigated product for free circulation in Pakistan shall be subject to imposition of such antidumping duties.

61. Definitive antidumping duties levied would be in addition to other taxes and duties leviable on import of the investigated product under any other law.

62. Definitive antidumping duties would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in Commission's Non-lapsable PLD account No. 187 with Federal Treasury Office, Islamabad.

63. The Commission had imposed provisional antidumping duties on the investigated product vide official gazette (extra ordinary) dated October 16, 2015 for a period of four months effective from October 16, 2015. In terms of Section 55(2) of the Ordinance, if the definitive antidumping duty is lower than the amount of provisionally determined antidumping duty, the difference shall be refunded by the Commission within forty-five days of the final determination.

64. In cases where the definitive anti-dumping duties imposed on the exporters/producers of Bangladesh are lower than the amount of provisionally determined anti-dumping duties, the difference shall be refunded. The importers of HP are directed to send their requests for refund of antidumping duty (if any) that may have been paid (under the Commission's Provisional Determination) on imports of the investigated product from Bangladesh to the extent of the difference between the rate of definitive anti-dumping duty and the rate of provisional anti-dumping duty, to the Secretary, National Tariff Commission, State Life Building No. 5, Blue Area, Islamabad within a period of *thirty* days of the publication of notice of this final determination.

(Niamatullah Khan)
Member
March 11, 2016

(M Abbas Raza)
Chairman
March 11, 2016