

(NON - CONFIDENTIAL)



**Government of Pakistan
National Tariff
Commission**

Report

On

Preliminary Determination and Levy of Provisional Anti-Dumping Duties on Dumped Imports of Cold Rolled Coils/Sheets into Pakistan Originating in and/or Exported from the People's Republic of China and Ukraine.

ADC NO 35/2015/NTC/CRC

January 12, 2016

Preliminary Determination and Levy of Provisional Anti-Dumping Duties on Dumped Imports of Cold Rolled Coils/Sheets into Pakistan Originating in and/ or Exported from the People's Republic of China and Ukraine

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.

2. The Commission is conducting this investigation against imports of Cold Rolled Coils/Sheets into Pakistan Originating in and/or exported from People's Republic of China and Ukraine (the "Exporting Countries"), under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with the Rule 10 of the Rules.

3. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on July 16, 2015. The preliminary determination is based on the information available to the Commission at this time.

A. PROCEDURE

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

5. Receipt of Application

5.1 On June 11, 2015, the Commission received a written application under Section 20 and 24 of the Antidumping Duties Ordinance, 2015 (now the Anti-Dumping Duties Act, 2015) from M/s Aisha Steel Mills Limited Karachi, (the "Applicant"). The Applicant has alleged that Cold Rolled ("CR") Coils/Sheets originating in and/or exported from the Exporting Countries are being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing CR Coils/Sheets.

5.2 The Commission informed the Government of the Exporting Countries through their respective embassies in Islamabad through note verbales dated June 22, 2015, of the receipt of application in accordance with the requirements of Section 21 of the Ordinance (now the Act).

6. Evaluation and Examination of the Application

The examination of the application showed that it met the requirements of Section 20 of the Ordinance (now the Act) as it contained sufficient evidence of dumping of CR Coils/Sheets into Pakistan from the Exporting Countries 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 Act 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”.

Explanation- For the purposes of this clause, producers shall be deemed to be related to exporters or importers only if;

- (i) one of them directly or indirectly controls the other;*
- (ii) both of them are directly or indirectly controlled by the same third person;*
or
- (iii) together they directly or indirectly control a third person;*

Provided that there are grounds for believing or suspecting that the effect of the relationship is such as to cause the producer concerned to behave differently from non-related producers and for that purpose one shall be deemed to control another when the former is legally or operationally in a position to exercise restraint or direction over the latter”.

7.2 The domestic industry producing CR Coils/ Sheets consists of following four units and its total capacity of CR Coils/Sheets during the period from April 2014 to March 2015 was 600,000 MT:

- i) Aisha Steel Mills Limited
- ii) International Steel Industries Limited
- iii) Pakistan Steel Mills Limited
- iv) AHN Steel Pvt. Limited

8. Standing of the Application

8.1 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 either support for or opposition to the application.”

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

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"..... 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 application has been filed by the Applicant, which is one of the major producers of CR Coils/Sheets in Pakistan. According to the information provided in application, the Applicant produced 126,831MT of CR Coils/Sheets out of total production of 228,418MT which is 55.28 percent of the total domestic production of CR Coils/Sheets from April 1, 2014 to March 31, 2015. In response to Commission's letter dated July 01, 2015, the other three domestic producers of CR Coils/Sheets have informed that they are in support of the application filed by the Applicant. The following table shows standing of the antidumping application as per Section 24 of the Act:

**Table – I
Standing of the Application**

S. No.	Name	Share in Total Domestic Production (%)	Supporting/ Opposing/ Indifferent
1.	Aisha Steel Mills Limited	55.28	Applicant
2.	International Steel Industries Limited	36.25	Supporting
3.	Pakistan Steel Mills Limited	2.43	Supporting
4.	AHN Steel Pvt. Limited	6.04	Supporting
	Total	100.00	

Source: Applicant

8.4 None of the domestic producers have opposed the application and hence the application is supported by the domestic producers who represent 100 percent production of like product. Furthermore, the above table shows that the Applicant represents 55.28 percent of the total domestic production of like product (which is more than 25 percent required under Section 24 (2) of the Act) during the period April 1, 2014 to March 31, 2015. Therefore, the application fulfills both the requirements of Section 24 of the Ordinance (now the Act) and it is determined that the application is made by or on behalf of the domestic industry.

9. **Applicant' Views**

9.1 The Applicant, *inter alia*, raised the following issues in application regarding alleged dumping of CR Coils/Sheets and material injury to the domestic industry caused therefrom:

- i. CR Coils/Sheets imported from the Exporting Countries into Pakistan and CR Coils/Sheets produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from the Exporting Countries are exporting CR

Coils/ Sheets to Pakistan at dumped prices; and

- iii. Exports of CR Coils/ Sheets by the exporters/producers from the Exporting Countries to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing CR Coils/ Sheets mainly through:-
- a. Increase in the volume of dumped imports
 - b. Price undercutting;
 - c. Price depression;
 - d. Decline in profits;
 - e. Decline in market share;
 - f. Decline in return on investment;
 - g. Decline in capacity utilization;
 - h. Negative effect on cash flow;
 - i. Negative effect on Inventories;
 - j. Negative effect on employment; and
 - k. Negative effect on ability to raise capital
 - l. Magnitude of dumping margins

9.2 The Applicant has also claimed that there is threat of material injury to the domestic industry.

10. Exporters/ Producers of CR Coils / Sheets

The Applicant has identified 28 exporters/producers involved in dumping of the investigated product from the Exporting Countries. The Applicant has stated that there may be other exporters /producers of the investigated product in the Exporting Countries, which are not known to it. Therefore, the Applicant has requested for imposition of antidumping duty on all imports of the investigated product originating in and/or exported from the Exporting Countries.

11. Initiation of Investigation

11.1 The Commission, in accordance with Section 23 of the Ordinance (now the Act) examined the accuracy and adequacy of the evidence provided in application, and established that there was sufficient evidence of alleged dumping of CR Coils/Sheets into Pakistan from the Exporting Countries and consequent material injury to the domestic industry. Accordingly, the Commission issued a notice of initiation in accordance with Section 27 of the Ordinance (now the Act), which was published in the Official Gazette¹

¹ The official Gazette of Pakistan (Extraordinary) dated July 16, 2015.

of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on July 16, 2015. Investigation concerning alleged dumped imports of CR Coils/Sheets into Pakistan originating in and/or exported from the Exporting Countries was thus initiated on July 16, 2015.

11.2 In pursuance of Section 27 of the Ordinance (now the Act), the Commission notified Embassies of the Exporting Countries in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on July 16, 2015 with a request to forward it to all exporters/producers involved in production, sales and export of CR Coils/ Sheets from the Exporting Countries. Copy of the notice of initiation was sent on July 16, 2015 to known exporters/producers of CR Coils/ Sheets from the Exporting Countries whose addresses were available with the Commission and also sent to known Pakistani importers and the Applicant on July 16, 2015.

11.3 In accordance with Section 28 of the Ordinance (now the Act), on July 23, 2015 the Commission sent copy of full text of the written application (non-confidential version) and Exporter's Questionnaire to the exporters/producers of the Exporting Countries. On July 23, 2015, copy of the full text of the written application along with Exporter's Questionnaire was also sent to Embassies of the Exporting Countries in Pakistan with a request to forward it to all exporters/producers involved in production and/or sale/export of CR Coils/ Sheets from the Exporting Countries. The Importer's Questionnaire was also sent to the importers of CR Coils/Sheets on July 27, 2015.

12. Investigated Product, Domestic Like Product and Like Product

12.1 Section 2 of the Act defines investigated product, domestic like product and like product as follows:

i. Investigated Product:

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

ii. Domestic Like Product:

"means a like product that is produced by the domestic industry".

iii. Like Product:

"a product which is alike in all respects to an investigated product or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product".

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

² The daily "Dunya" and the daily "Dawn" of July 16, 2015 issue.

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12.3 Investigated Product:

12.3.1 The investigated product is Cold Rolled Coils/Sheets of :primary and secondary quality with a thickness of 0.15-2.50 mm and width of above 600 mm falling under Pakistan Customs Tariff (“PCT³”) No. 7209.1690, 7209.1790, 7209.1890, 7209.1610, 7209.1710, 7209.1810, 7209.2690, 7209.2790, 7209.2890, 7209.2610, 7209.2710 and 7209.2810 (the “investigated product”) originating in and/or exported from the Exporting Countries to Pakistan.

12.3.2 Investigated product is used for auto skin parts, auto sub-assembly/inner body parts, fabrication goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc.

12.3.3 Tariff structure during the last three years applicable on import of CR Coils/ Sheets is given in the following table:

Table - II
Tariff Structure

Year	Customs Duty		Customs Duty in Chinese FTA	Regulatory Duty	Sales Tax
	Prime Quality	Secondary Quality			
2012-13	10%	20%	5%	--	16%
2013-14	10%	20%	5%	--	17%
2014-15	10%	20%	5%	5%	17%

Source: FBR

12.4 Domestic Like Product

12.4.1 Under the Section 2(f) of the Act, “Domestic Like Product” means a like product that is produced by the domestic industry.

12.4.2 As per information provided in the application and obtained from the Applicant subsequently, the product under consideration is CR Coils/Sheets of: primary and secondary quality with a thickness of 0.15-2.50mm and width of above 600mm falling under PCT Nos. 7209.1690, 7209.1790, 7209.1890, 7209.1610, 7209.1710, 7209.1810, 7209.2690, 7209.2790, 7209.2890, 7209.2610, 7209.2710 and 7209.2810 (the “Domestic Like product”).

12.4.3 Domestic like product is used for auto skin parts, auto sub-assembly/inner body parts, fabrication goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc.

³ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

12.5 **Like Product:**

The Applicant has submitted that the investigated product and the domestic like product are same due to following reasons:

- The basic raw materials used in their production are identical;
- Their production processes are comparable;
- Their Physical properties, nature and quality are similar;
- Their tariff classification is the same. Domestically produced CR Coils/ Sheets and imported CR Coils/ Sheets are classified under the same PCT / HS Heading No. 7209.1690, 7209.1790, 7209.1890, 7209.1610, 7209.1710, 7209.1810, 7209.2690, 7209.2790, 7209.2890, 7209.2610, 7209.2710 and 7209.2810;
- They are capable of serving the same or similar end-uses and their practical utility is identical;
- CR Coils/ Sheets produced by the domestic industry and imported from the Exporting Countries is comparable in terms of physical and chemical characteristics, product specifications, chemical formulation, end uses and tariff classification of the goods etc. Investigated product and domestic like product are technically and commercially identical.

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

13 **Period of Investigation**

13.1 In terms of Section 36 of the Act, Period of Investigation ("POI") is:

i. *"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."*

ii. *"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 the available information regarding domestic industry and an investigated product".

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

For determination of dumping: From April 01, 2014 to March 31, 2015
For determination of injury: From April 01, 2012 to March 31, 2015

14. Information/Data Gathering

14.1 The Commission sent Exporter's Questionnaire to the exporters/producers from the Exporting Countries whose addresses were available with the Commission on July 23, 2015 in order to collect the requisite data and information.

14.2 The exporters/ producers from the Exporting countries were asked to respond within 37 days of dispatch of the Exporter's Questionnaire. On July 23, 2015 the Questionnaire was also sent to the Embassies of the Exporting Countries in Islamabad with a request to forward it to the all exporters/producers of the investigated product in the Exporting Countries.

14.3 The Commission also sent Questionnaire on July 29, 2015 to domestic producers of CR Coils / Sheets, other than the Applicant, requesting them to provide information within 37 days of the issuance of the questionnaire. None of the other domestic producers have provided the data/information on the prescribed questionnaire to the Commission.

14.4 The Commission has access to 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 purpose of this preliminary determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicant and the exporters.

14.5 On July 27, 2015 questionnaires were sent to Pakistani importers of the investigated product known to the Commission and these importers were asked to respond to the Commission within 37 days of the dispatch of the questionnaires. None of the Pakistani importer responded to the Commission and did not provide requisite information.

14.6 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Some of the interested parties have made comments /submitted information which has also been considered while making this preliminary determination.

14.7 Thus the Commission has sought from all available sources, relevant data and information deemed necessary for the purposes of this preliminary 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.

15. Questionnaire(s) Response by the Exporters/ Producers from the Exporting Countries

15.1 The Commission sent Exporter's Questionnaire to the exporters/producers from the Exporting Countries whose addresses were available with the Commission on July 23, 2015 in order to collect the requisite data and information. The exporters/ producers from the Exporting countries were asked to respond within 37 days of dispatch of the Exporter's Questionnaire.

15.2 Following thirteen exporters/producers responded to the Commission's request to supply the requisite information on the prescribed Exporter's Questionnaire and requested for extension in time period (beyond 37 days) for submission of information:

China

- i. Shougang Group
 - a) Beijing Shougang Cold Rolling Company Limited
 - b) Shougang Jingtang United Iron & Steel Company Limited
 - c) Shougang Casey Steel Co. Ltd.
 - d) Shougang Holding Trade
 - e) Oriental United Resource (Hong Kong) Co. Ltd.
- ii. Handon Iron & Steel Group Han – Bao Co., Ltd.
- iii. Maanshan Iron & Steel Co. Ltd.
- iv. Qian'an Siwenkede Steel Strip Science and Technology Co. Ltd.

Ukraine

- i. Metinvest Group
 - a. Ilyich Iron and Steel Works Mariupol
 - b. Zaporizhstal Integrated Iron and Steel Works
 - c. Metinvest – Ukraine
 - d. Metinvest-SMC
 - e. Metinvest International SA

15.3 After taking into account the due cause shown by these exporters/producers in their requests, the Commission acceded to the requests and granted extension in time period for submission of information on Exporter's Questionnaire till September 15, 2015. Filled-in Exporter's Questionnaires from these exporters/producers were received at the Commission on September 11, 2015, September 14, 2015 and September 16, 2015. Upon examination of the information received from these exporters/ producers, certain deficiencies were found in the information supplied. These deficiencies were communicated to the exporters / producers and were requested to supply the deficient information. Further details are given at paragraph 15.5.4, 15.6.3, 15.7.3, 15.8.3, and 15.9.4 infra.

15.4 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 the Exporting Countries through a letter dated August 08, 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.

15.5 Questionnaire Response by Shougang Group, China

15.5.1 The Commission sent Exporter's Questionnaire to China Shougang International Trade on July 23, 2015. In response, Shougang Group in its email dated August 28, 2015 requested for extension of time period for submission of response to questionnaire. The Commission granted extension for 13 days vide its letter dated September 02, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on September 14, 2015.

15.5.2 The Exporter's Questionnaire was submitted by five related companies within Shougang Group, who were involved into the production, sale and export of the investigated product to Pakistan during the POI. Following are five related companies / exporters from Shougang Group, China:

- i. Beijing Shougang Cold Rolling Company Limited
- ii. Shougang Jingtang United Iron & Steel Company Limited
- iii. Shougang Casey Steel Co., Limited
- iv. Shougang Holding Trade (Hong Kong) Limited
- v. Oriental United Resources (Hong Kong) Co., Limited

15.5.3 According to the information provided in response to the questionnaire. The companies mentioned at Sr. No. (i) to Sr. No. (iii) are producers or exporting producers of CR Coils/ Sheets, while the companies mentioned at Sr. No. (iv) and Sr. No. (v) are trading companies involved in exports of CR Coils/ Sheets in Pakistan during the POI.

15.5.4 The information submitted by the Shougang Group was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated October 22, 2015.

15.5.5 Shougang Group was asked to provide the deficient information/data no later than 10 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Shougang Group responded to the NTC's deficiencies letter vide its letter dated November 02, 2015.

15.6 Questionnaire Response by Handan Iron & Steel Group Han – Bao Co., Limited, China

15.6.1 Handan Iron & Steel Group Han – Bao Co. Limited ("Handan") through its letter dated July 31, 2015 requested the Commission to register the company as an interested party. The company further requested for extension in time period for submission of Exporter Questionnaire. The Commission granted the extension for 13 days vide its letter dated September 02, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on September 16, 2015.

15.6.2 According to the information provided in response to the questionnaire, Handan has been engaged in the manufacturing of CR Coils/ Sheets whereas, its related

trading company i.e. Handan Iron & Steel Group Import and Export Co., Limited exported CR Coils/Sheets to Pakistan as well as to other countries during the POI.

15.6.3 The information submitted by Handan 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 October 22, 2015.

15.6.4 Handan was asked to provide the deficient information/data no later than 10 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Handan responded to the deficiencies letter vide its letter dated November 05, 2015.

15.7 **Questionnaire Response by Maanshan Iron & Steel Company Ltd., China**

15.7.1 The Commission sent Exporter's Questionnaire to Maanshan Iron & Steel Company Limited ("Maanshan") on July 23, 2015. In response, Maanshan in its letter dated September 11, 2015 requested for extension of time period for submission of response to questionnaire. The Commission granted extension for 18 days vide its letter dated October 01, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on September 14, 2015.

15.7.2 According to the information provided in response to the questionnaire, Maanshan has been engaged in the manufacturing, sale and export of CR Coils/ Sheets to Pakistan as well as to other countries and in its domestic market during the POI.

15.7.3 The information submitted by Maanshan 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 October 23, 2015.

15.7.4 Maanshan was asked to provide the deficient information/data no later than 10 days of issuance of this letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Maanshan responded to the deficiencies letter vide its letter dated November 02, 2015.

15.8 **Questionnaire Response by Qian'an Siwenkede Steel Strip Science and Technology, China**

15.8.1 The Commission sent Exporter's Questionnaire to Qian'an Siwenkede Steel Strip Science and Technology, China ("Qian'an") on July 23, 2015. Its response was received in the Commission on September 14, 2015.

15.8.2 According to the information provided in response to the questionnaire, Qian'an has been engaged in the manufacturing, sale and export of CR Coils/ Sheets to Pakistan as well as to other countries and in its domestic market during the POI.

15.8.3 The information submitted by Qian'an in response to the questionnaire was analyzed at the Commission and vital deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated October 22, 2015.

15.8.4 Qian'an was asked to provide the deficient information/data no later than 10 days of issuance of this letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Qian'an did not respond to the deficiencies. The Commission, after expiry of the time period given for submission of deficient data/information of Qian'an through a letter dated November 09, 2015 that in case no information is provided in response to the deficiency letter, 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.

15.9 **Questionnaire Response by Metinvest Group, Ukraine**

15.9.1 The Commission sent Exporter's Questionnaire to Ilyich Iron and Steel Works Mariupol, Ukraine and Zaporizhstal Integrated Iron and Steel Works, Ukraine on July 23, 2015. In response, Metinvest Group, Ukraine requested through its letter dated July 22, 2015 to register the group as an interested party. Metinvest Group in its letter dated August 06, 2015 requested for extension of time period for submission of response to questionnaire. The Commission granted extension for two weeks vide its letter dated August 21, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on September 02, 2015.

15.9.2 The exporter's questionnaire is replied by five related companies within Metinvest Group, who were involved into the production, sale and export of CR Coils/Sheets to Pakistan during the POI. Among them, two companies are producers and three are trading companies. Following are the five related companies of Metinvest Group, Ukraine:

- i. Ilyich Iron and Steel Works Mariupol,
- ii. Zaporizhstal Integrated Iron and Steel Works
- iii. Metinvest-Ukraine
- iv. Metinvest-SMC
- v. Metinvest International SA

15.9.3 According to the information provided in response to the questionnaire. The companies mentioned at Sr. No. (i) and Sr. No. (ii) are producers of CR Coils/ Sheets, while the companied mentioned at Sr. No. (iii) to Sr. No. v are trading companies involved in domestic sales and exports of CR Coils/ Sheets in Pakistan during the POI.

15.9.4 The information submitted by the five companies mentioned at paragraph above were analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated October 22, 2015.

15.9.5 Metinvest Group was asked to provide the deficient information/data no later than 10 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Metinvest Group responded to the deficiencies letter vide its letter dated November 02, 2015.

16. Verification of the Information

16.1 In terms of Sections 32(4) and 35 of the Act 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 for this purpose verify the information supplied by the interested parties. Accordingly the Commission has satisfied itself as to the accuracy and adequacy of information supplied by the interested parties to the extent possible for the purposes of this preliminary determination.

16.2 In order to verify information/data provided by the Applicant and to obtain further information (if any), officers of the Commission conducted on-the-spot investigation at the office and plant of the Applicant from August 27 to 28, 2015.

16.3 On-the-spot investigations at the premises of exporters/producers from China and Ukraine, who provided information/data in response to the questionnaire would be conducted after this preliminary determination

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 between 1100 hours to 1300 hours throughout the investigation (except public holidays). This file contains non-confidential versions of the application, responses to the questionnaires, submissions, notices, correspondence, and other documents for disclosure to the interested parties.

18. Confidentiality

18.1 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.

18.2 The Applicant 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 Applicant 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 Applicant 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.

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, have been placed in non-confidential file (public file).

19. Written Submissions by the Interested Parties

19.1 All interested parties were invited to make their views/comments known to the Commission and to submit information and documents (if any) not later than 45 days from the date of publication of notice of initiation. The Commission received written submissions/comments from the following:

- i. Government of Ukraine;
- ii. Metinvest Group, Ukraine;
- iii. China Iron and Steel Association, China;
- iv. Siddiqsons Tinplate Limited, Karachi;
- v. Pakistan National Steel Association;
- vi. Pakistan Iron and Steel Merchants Association; and
- vii. Karachi Iron and Steel Merchants Association.

19.2 Views/comments and the information submitted by the above-mentioned interested parties have been considered in making this preliminary determination and Commission's views are given in annotated form at Annex-I.

B. DETERMINATION OF DUMPING

20. 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”.

21. Normal Value

21.1 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”.

21.2 Further, 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.”.

21.3 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.”

22. Export Price

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

23. Dumping Determination

23.1 As stated earlier (paragraph 10 supra) the Applicant identified 28 exporters/producers from the Exporting Countries involved in alleged dumping of the investigated product. The Commission sent questionnaires to 28 exporters/producers whose complete addresses were available with the Commission (paragraph 14 supra). A copy of the questionnaire was also provided to the embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/producers of the investigated product based in the Exporting Countries to submit information to the Commission.

23.2 The Commission received response of the questionnaire from following 13 exporters/producers (paragraph 15.2 supra).

China

- i. Shougang Group
 - a) Beijing Shougang Cold Rolling Company Limited
 - b) Shougang Jingtang United Iron & Steel Company Limited
 - c) Shougang Casey Steel Co. Ltd.
 - d) Shougang Holding Trade
 - e) Oriental United Resource (Hong Kong) Co. Ltd.
- ii. Handon Iron & Steel Group Han – Bao Co., Ltd.
- iii. Maanshan Iron & Steel Co. Ltd.
- iv. Qian’an Siwenkede Steel Strip Science and Technology Co. Ltd.

Ukraine

- i. Metinvest Group
 - a. Ilyich Iron and Steel Works Mariupol
 - b. Zaporizhstal Integrated Iron and Steel Works
 - c. Metinvest – Ukraine
 - d. Metinvest-SMC
 - e. Metinvest International SA

23.3 Information supplied by the above-mentioned exporters/producers in response to the questionnaires was deficient, however, above-mentioned exporters/producers provided deficient information/documents except Qian’an Siwenkede Steel Strip Science and Technology Co., Ltd., China. The Commission, after expiry of the time period given for submission of deficiency response informed Qian’an through a letter dated November 09, 2015 that in case no information is provided in response to the deficiency letter, 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.

23.4 In this investigation the Commission has determined individual dumping margins for the following seven producers who provided necessary information. Dumping margins for these producers have been determined on the basis of information provided by them:

- i. Shougang Casey Steel Company Limited, China
- ii. Shougang Jingtang United Iron & Steel Company Limited, China
- iii. Beijing Shougang Cold Rolling Company Limited, China
- iv. Handon Iron & Steel Group Han – Bao Co., Limited, China
- v. Maanshan Iron & Steel Company Limited, China
- vi. Zaporizhstal Integrated Iron and Steel Works, Ukraine
- vii. Ilyich Iron and Steel Works Mariupol, Ukraine

23.5 Normal value, export price and individual dumping margins for the above-mentioned exporters/producers have been determined in accordance with Part III, IV and V of the Act on the basis of the information provided by them. However, residual dumping margins/duty rates for non-cooperating exporters/producers have been determined as the highest dumping margin of the exporter/producer of the respective country.

24. **Determination of Export Price for Shougang Casey Steel Company Limited (“Shougang Casey”)**

24.1 Export price for Shougang Casey has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.

24.2 According to the information, Shougang Casey exported ***MT CR Coils/Sheets to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI. Shougang Casey exported SPCC-1B-A grade, SPCC-1B-B grade, SPCC-1B-C grade, SPCC-C grade, SPCC-SD-B grade and SPCC-SD-C grade types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during POI, were directly to Pakistani customers and through an un-related trading company i.e. Wah Luen Enterprise International Limited, Hong Kong.

24.3 To arrive at the ex-factory level, Shougang Casey has reported adjustments on account of commission, inland freight, ocean freight, handling cost and bank charges. 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 the sales transactions.

25. **Determination of Normal Value for Shougang Casey**

25.1 Normal value for Shougang Casey has been determined on the basis of the information provided by it on its domestic sales made during the POI.

25.2 According to the information, Shougang Casey sold different types of CR Coils/Sheets in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Shougang Casey sold *** MT in the domestic market during POI. 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. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

25.3 Analysis of the information provided by Shougang Casey revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 82 percent to 100 percent of sales of a particular type of CR Coils/Sheets.

25.4 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. Therefore, normal value for those types of CR Coils/Sheets whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus administrative, selling and general costs and for profit in accordance with Section 6 of the Act.

25.5 To arrive at the ex-factory level, Shougang Casey has reported 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.

26. **Determination of Export Price for Shougang Jingtang United Iron & Steel Company Limited (“Shougang Jingtang”)**

26.1 Export price for Shougang Jingtang has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.

26.2 According to the information, Shougang Jingtang exported *** MT CR Coils/Sheets to all export markets including Pakistan. However, it exported *** MT of the investigated product to Pakistan during the POI. Shougang Jingtang exported C11SPCC (CRC, Full Hard), C21SPCC (CRC, Annealed) and C24SPCC (CRC, Batch Annealed) types of the investigated product to Pakistan during the POI. All export sales to Pakistan, during the POI, were through a related trading company i.e. Shougang Holding Trade (Hong Kong) Limited, Hong Kong.

26.3 To arrive at the ex-factory level, Shougang Jingtang has reported adjustments on account of commission, inland freight, handling cost and bank charges. 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 the sales transactions.

27. Determination of Normal Value for Shougang Jingtang

27.1 Normal value for Shougang Jingtang has been determined on the basis of the information provided by it on its domestic sales made during the POI.

27.2 According to the information, Shougang Jingtang sold different types of CR Coils/Sheets in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Shougang Jingtang sold **** MT in the domestic market during POI. 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 by it to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

27.3 Some sales of comparable types of CR Coils/Sheets by Shougang Jingtang in its domestic market, during the POI, were to related parties which were at arm's length. Analysis of the information provided by Shougang Jingtang revealed that all sales of the comparable types were in ordinary course of trade in terms of Section 7(2) of the Act.

27.4 Shougang Jingtang did not claim any adjustment to arrive at ex-factory level as the payment terms of all domestic sales were "advance payment" and delivery terms were "ex-works".

28. Determination of Export Price for Beijing Shougang Cold Rolling Company Limited ("Shougang Cold Rolling")

28.1 Export price for Shougang Cold Rolling has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.

28.2 According to the information, Shougang Cold Rolling exported *** MT CR Coils/Sheets to all export markets including Pakistan during the POI. It exported *** MT of the investigated product to Pakistan during POI. Shougang Cold Rolling exported CRC, Full Hard (42000417, 42000418, 42000419, 42000420, 42000421, 42000422, 42000423, 42000424, 42000425, 42000426, 42000427), CRC, Annealed (43000100, 43000101, 43000102, 43000104, 43000105, 43000106, 43000107, 43000108, 43000109, 43000110, 43000113, 43000115, 43000119, 43001144), and CRC, Batch Annealed (60000007, 60000009, 60000010, 60000011, 60000013, 60000015, 60000019) types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during the POI, were directly to Pakistani customers and through related trading companies i.e. Oriental United Resources (Hong Kong) Company Limited and Shougang Holding Trade (Hong Kong) Limited.

28.3 To arrive at the ex-factory level, Shougang Cold Rolling has reported adjustments on account of commission, inland freight, ocean freight, handling cost and bank charges. 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 the sales transactions.

29. **Determination of Normal Value for Shougang Cold Rolling**

29.1 Normal value for Shougang Cold Rolling has been determined on the basis of the information provided by it on its domestic sales made during the POI.

29.2 According to the information, Shougang Cold Rolling sold different types of CR Coils/Sheets in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Shougang Cold Rolling sold *** MT in the domestic market during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these are more than 5 percent of the export sales of the investigated product exported by it to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

29.3 Analysis of the information provided by Shougang Cold Rolling revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 29 percent to 100 percent of sales of a particular type of CR Coils/Sheets.

29.4 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. Therefore, normal value for those types whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus administrative, selling and general costs and for profit of the exporter/producer in accordance with Section 6 of the Act.

29.5 Shougang Cold Rolling did not claim any adjustment to arrive at ex-factory level as the payment terms of all domestic sales were "advance payment" and delivery terms were "ex-works".

30. **Determination of Export Price for Handan Iron & Steel Group Han-Bao Company Limited ("Handan")**

30.1 Export price for Handan has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.

30.2 According to the information, Handan exported *** MT CR Coils/Sheets to all export markets including Pakistan during the POI. It exported *** MT of the investigated product to Pakistan during the POI. Handan exported SPCC and SAE1008 types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during the POI, were through related trading company i.e. Handan Iron and Steel Group Import and Export Company Limited.

30.3 To arrive at the ex-factory level, Handan has reported adjustments on account of inland freight and handling cost. 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 the sales transactions.

31. Determination of Normal Value for Handan

31.1 Normal value for Handan has been determined on the basis of the information provided by it on its domestic sales made during the POI.

31.2 According to the information, Handan sold different types of CR Coils/Sheets in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Handan sold *** MT in the domestic market during the POI. 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 by it to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

31.3 Some sales of comparable types of CR Coils/Sheets by Handan in its domestic market, during the POI, were to related parties which were not at arm's length. Analysis of the information provided by Handan revealed that all sales of the comparable types were in ordinary course of trade in terms of Section 7(2) of the Act.

31.4 To arrive at the ex-factory level, Handan has reported 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 adjustments from the gross value of sales transactions.

32. Determination of Export Price for Maanshan Iron & Steel Company Limited ("Maanshan")

32.1 Export price for Maanshan has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.

32.2 According to the information, Maanshan exported *** MT CR Coils/Sheets to all export markets including Pakistan during the POI. It exported *** MT of the investigated product to Pakistan during the POI. Maanshan exported SPCC, SPCE, SPCD and SPCC-SD types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during the POI, were through un-related trading companies.

32.3 To arrive at the ex-factory level, Maanshan has reported adjustments on account of inland freight, handling cost and bank charges. 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 the sales transactions.

33. Determination of Normal Value for Maanshan

33.1 Normal value for Maanshan has been determined on the basis of the information provided by it on its domestic sales made during the POI.

33.2 According to the information, Maanshan sold different types of CR Coils/Sheets in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Maanshan sold *** MT in the domestic market during the POI. 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 by it to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

33.3 Analysis of the information provided by Maanshan revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 97 percent to 100 percent of sales of a particular type of CR Coils/Sheets.

33.4 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. Therefore, normal value for those types whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus administrative, selling and general costs and for profit in accordance with Section 6 of the Act.

33.5 To arrive at the ex-factory level, Maanshan has reported 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 adjustments from the gross value of sales transactions.

34. Determination of Export Price for Zaporizhstal Integrated Iron-and-Steel Works, Ukraine ("Zaporizhstal")

34.1 Export price for Zaporizhstal has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.

34.2 According to the information, Zaporizhstal exported *** MT CR Coils/Sheets to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI. Zaporizhstal exported R08KP068, R08KP070, R08KP078, R08KP080, and R08KP118 types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during the POI, were through related trading company i.e. Metinvest International SA, Switzerland.

34.3 To arrive at the ex-factory level, Zaporizhstal has reported adjustments on account of credit cost, inland freight, and handling cost. 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 the sales transactions.

35. Determination of Normal Value for Zaporizhstal

35.1 Normal value for Zaporizhstal has been determined on the basis of the information provided by it on its domestic sales made during the POI.

35.2 According to the information, Zaporizhstal sold different types of CR Coils/Sheets in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Zaporizhstal sold *** MT in the domestic market during the POI. 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 its export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

35.3 All sales of comparable types of Zaporizhstal in its domestic market, during the POI, were to unrelated parties. Analysis of the information provided by Zaporizhstal revealed that all sales of the comparable types were in ordinary course of trade in terms of Section 7(2) of the Act.

35.4 To arrive at the ex-factory level, Zaporizhstal has reported adjustment on account of commission, inland freight and handling cost. The Commission has accepted this adjustment and the normal value at ex-factory level is worked out by deducting values reported for this adjustments from the gross value of sales transactions.

36. Determination of Export Price for Ilyich Iron and Steel Works of Mariupol, Ukraine ("Ilyich")

36.1 Export price for Ilyich has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.

36.2 According to the information, Ilyich exported *** MT CR Coils/Sheets to all export markets including Pakistan during the POI. It exported *** MT of the investigated product to Pakistan during POI. Ilyich exported R08KP050, R08KP060, R08KP065, R08KP068, R08KP070, R08KP078, R08KP080, R08KP088, R08KP090, R08KP100, R08KP110, R08KP118, R08KP120, R08KP135, R08KP150, R08KP160 types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during the POI, were through related trading company i.e. Metinvest International SA, Switzerland.

36.3 To arrive at the ex-factory level, Ilyich has reported adjustments on account of credit cost and inland 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 the sales transactions.

37. Determination of Normal Value for Ilyich

37.1 Normal value for Ilyich has been determined on the basis of the information provided by it on its domestic sales made during the POI.

37.2 According to the information, Ilyich sold different types of CR Coils/Sheets in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Ilyich sold *** MT in the domestic market during the POI. 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 its investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types CR Coils/Sheets which were comparable to the types of the investigated product.

37.3 All sales of comparable types of Ilyich in its domestic market, during the POI, were to unrelated parties.

37.4 Analysis of the information provided by Ilyich revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 58 percent to 100 percent of sales of a particular type of CR Coils/Sheets.

37.5 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. Therefore, normal value for those types whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus administrative, selling and general costs and for profit in accordance with Section 6 of the Act.

37.6 To arrive at the ex-factory level, Ilyich has reported adjustment on account of commission, inland freight and handling cost. The Commission has accepted this adjustment and the normal value at ex-factory level is worked out by deducting values reported for this adjustments from the gross value of sales transactions.

38. Dumping Margin

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

38.2 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.

38.3 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 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.

38.4 The Commission has investigated all exporters/producers from the Exporting Countries who cooperated and responded to the Commission's questionnaire. Individual dumping margins for the producers have been determined and the antidumping duty rate for those producers is determined on the basis of individual dumping margins calculated for each producer.

38.5 Dumping margin and provisional antidumping duty rate for all other exporters from China and Ukraine, who did not cooperate, has been determined, as the highest dumping margin of the exporter/producer of the respective country.

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

**Table-III
Dumping Margins**

Country/Exporter/Foreign Producer	Dumping Margin as	
	% of Export Price	% of C&F Price
China		
Shougang Casey Steel Company Limited	23.67	21.31
Shougang Jingtang United Iron & Steel Co. Ltd.	16.66	15.93
Beijing Shougang Cold Rolling Company Limited	13.05	12.02
Handan Iron & Steel Group Han-Bao Co. Limited	8.78	8.31
Maanshan Iron & Steel Company Limited	18.28	17.69
All others	23.67	21.31
Ukraine		
Zaporizhstal Integrated Iron-and-Steel Works	19.87	18.92
Ilyich Iron and Steel Works of Mariupol	20.25	19.97
All others	20.25	19.97

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

39.1 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 38.6 supra, are above the *de minimis* level.

39.2 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 a 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 per cent of the imports of like product. The information/data on alleged dumped imports of the investigated product and other imports of CR Coils/Sheets has been obtained from PRAL. Volume of alleged dumped imports of the investigated product and the CR Coils/Sheets imported from other sources during the POI (April 01, 2014 to March 31, 2015) is given in the table below:

**Table-IV
Volume of Imports of CR Coils/Sheets during the POI**

Country Name	Share as Percentage of total imports
China	51.44
Ukraine	5.21
Other sources	43.35
Total	100.00

Source: PRAL

39.3 On the basis of above information, the Commission has preliminary determined that the volume of dumped imports of the investigated product from the Exporting Countries during the POI was well above the negligible threshold set-out in Section 41(3) of the Act.

C. INJURY TO DOMESTIC INDUSTRY

40. Determination of Injury

40.1 Section 15 of the Act 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...”*

40.2 Section 15 of the Act 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”.

40.3 The Commission has taken into account all factors in order to determine whether domestic industry 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 Act.

41. **Cumulation of Dumped Imports**

41.1 Section 16 of the Act states that:

“where imports of a like product from more than one country are the subject of simultaneous investigation under this Ordinance, the Commission may cumulatively assess the effects of such imports on the domestic industry only if it determines that

“(a) dumping margin in relation to an investigated product from each country is more than the negligible amount as specified....., and volume of dumped imports from each investigated country is not less than the negligible quantity as specified.....; and

“(b) a cumulative assessment of the effects of the imports is appropriate in the light of
(i) the conditions of competition between the imports; and
(ii) the conditions of competition between the imports and a domestic like product”.

41.2 Volume of dumped imports during the POI from the Exporting Countries was above the negligible quantity (paragraph 39.2 supra). Furthermore, dumping margins for each country was also more than the *de-minimis* level (paragraph 40 supra).

41.3 Weighted average export price charged by the exporters from the Exporting Countries during the POI for dumping is given below which shows that there was a price competition between imports of the investigated product:

Table – V
Weighted Average C&F Export Price
US\$/MT

Exporting Country	Weighted Average C&F Export Price
China	***
Ukraine	***

Source: PRAL

Note: In order to maintain confidentiality figures of weighted average C&F export price have been omitted.

41.4 There is a competition between investigated product and the domestic like product in terms of price, market share, and sales etc. Conditions of competition between imports of the investigated product and the domestic like product are discussed in detail in paragraphs

below.

41.5 For the reasons given above, the Commission has cumulatively assessed the effects of dumped imports from the Exporting Countries on the domestic industry in following paragraphs:-

42. Domestic Industry

42.1 As stated in paragraph 7.2 supra, for the purposes of this preliminary determination, the Commission has determined that domestic industry manufacturing domestic like product consists of 4 operational units. The 4 operational units are as follows;

- i. Aisha Steel Mills Limited
- ii. International Steel Industries (Pvt) Limited
- iii. Pakistan Steel Mills Limited
- iv. AHN Steel Pvt. Limited

42.2 One of these four units (mentioned at S. No. i, above) Aisha Steel is the “Applicant”. Other three units have shown their support but not furnished the data to the Commission. Details of production of the domestic industry during the POI are as follows:

**Table VI
Unit-wise Production**

Sr. No.	Name	Share in Total Domestic Production (%)	Supporting/ Opposing/ Indifferent
1.	Aisha Steel Mills Limited	55.28	Applicant
2.	International Steels Limited	36.25	Supporting
3.	Pakistan Steel Mills Limited	2.43	Supporting
4.	AHN Steel Pvt. Limited	6.04	Supporting
	Total	100.00	

Source: Applicant

42.3 According to the above information, the Applicant produced 55 percent of total domestic production of the domestic like product during the POI for dumping. The Commission’s investigation also revealed that neither the Applicant was itself importer of the investigated product, nor was related to the Chinese and Ukrainian exporters, involved in dumping of the investigated product into Pakistan.

42.4 On the basis of the above information and analysis, for the purposes of this investigation, the Applicant is considered as the “domestic industry” in terms of Section 2(d) of the Act as it represents the major proportion of the total production of the domestic like product.

42.5 The other three units in the domestic industry representing about 45 percent of the total production of the domestic like product were asked to provide information on injury factors for the POI, but none of them provided the requisite information on prescribed questionnaire.

42.6 Analysis of injury factors carried out in this preliminary determination in the following paragraphs is, therefore, based on the information submitted by Applicant.

43. Volume of Dumped Imports

Facts

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

43.2 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, either in absolute terms or relative to the production of the domestic like product in Pakistan. The following table shows imports of the investigated product during the POI:

**Table-VII
Volume of Dumped Imports**

Year	Dumped Imports of Investigated Product	Percentage Increase/ Decrease
2012-13	100	--
2013-14	83	(17)
2014-15	160	92

Source: PRAL

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the dumped import of investigated product of the year 2012-13.

Analysis

43.3 The above table shows that the volume of dumped imports decreased from *** MT in 2012-13 to *** MT in 2013-14 which significantly increased to *** MT in 2014-15 which is showing 92 percent increase in 2014-15 as compared to 2013-14. Thus there has been a significant increase in volume of dumped imports in absolute terms in 2014-15.

Conclusion

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

imports.

44. Price Effects

44.1 Effect of dumped imports on sales price of domestic like product in the domestic market 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), or 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). Effects of dumped imports on price of the domestic like product are analyzed in following paragraphs:

44.2 Price Undercutting

Facts

44.2.1 Weighted average ex-factory price of the domestic like product has been calculated from the information submitted by the Applicant on quantity and value of sales during the POI. Landed cost of the investigated product has been calculated from the information obtained from 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-VIII
Price Undercutting**

Year	Price of domestic like product	Landed cost of dumped imports	Price undercutting
2012-13	100	102	--
2013-14	104	103	0.24
2014-15	98	96	2.33

Source: Applicant & PRAL

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the Price of domestic like product of the year 2012-13

Analysis

44.2.2 The information provided in the above table shows that the weighted average landed cost of the investigated product remained lower than the weighted average ex-factory price of the domestic like product during 2013-14 and 2014-15. The landed cost of the investigated product undercut the price of the domestic like product by 2.3% in the POI for dumping. Due to this lower landed cost, the imports from dumped sources increased during the POI for dumping.

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Conclusion

44.2.3 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.

44.3 Price Depression

Facts

44.3.1 Applicant's sales prices of the domestic like product during the POI are given in table below:

**Table – IX
Price Depression**

Year	Price of domestic like product	Price Depression
2012-13	100	-
2013-14	104	-
2014-15	98	5.06

Source: Applicant

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the price of domestic like product of the year 2012-13.

Analysis

44.3.2 The table above shows that the prices of domestic like product increased from Rs.***/MT in 2012-13 to Rs.***/MT in 2013-14. However, the domestic industry had to reduce the prices of the domestic like product by 5.06 percent during the POI for dumping i.e. 2014-15. The domestic industry reduced prices during 2014-15 as compared to 2013-14.

Conclusion

44.3.3 On the basis of the above, the Commission has concluded that the prices of the domestic like product decreased during the POI for dumping. The domestic industry suffered material injury on account of price depression due to dumped imports.

44.4 Price Suppression

Facts

44.4.1 Weighted average cost to make and sell and ex-factory prices of the domestic like

product for the POI, calculated on the basis of information provided by the Applicant, are given in the following table:

Table - X
Cost to Make and Sell and Ex-factory Price of the Domestic Like Product

	Average cost of production of domestic like product	Average ex-factory price of domestic like product	Price Suppression	
			Increase/(decrease) in cost of production	Increase/(decrease) in price
2012-13	100	76	--	--
2013-14	92	79	(8)	3
2014-15	81	75	(11)	(4)

Source: Applicant

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the average cost of production of domestic like product of the year 2012-13.

Analysis

44.4.2 Above table shows that average cost to make and sell of the domestic like product decreased by 8 percent in 2013-14 as compared to year 2012-13 which further decreased by 12 percent in 2014-15 as compared to 2013-14. The sale price of domestic industry increased by 4 percent in 2013-14 over the preceding year i.e. 2012-13 and then decreased by 5 percent in 2014-15 over 2013-14. The domestic industry did not suffer price suppression during the POI.

Conclusion

44.4.3 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 price suppression during the POI.

45. Effects on Market Share

Facts

45.1 Total domestic demand of CR Coils/ Sheets in Pakistan is met through local production and imports. Size of the domestic market is established by adding sales of domestic like product and imports of the investigated product from dumped sources and imports of CR Coils/ Sheets from other sources. Following table shows the market share from each source during the POI:

**Table – XI
Market Share**

(%)

Year	Sales by the Domestic Industry*	Imports		Total domestic market
		Dumped Sources	Other than Dumped Sources	
2012-13	32	18	50	100
2013-14	58	15	27	100
2014-15	51	28	21	100

*Sale by the Domestic industry includes the sales of Applicant and other domestic producers

Source: PRAL & Applicant

Year: April 1 to March 31

Analysis

45.2 The above table shows that the domestic market of CR Coils/Sheets increased over the years. The domestic industry's market share increased from 32 percent in 2012-13 to 58 percent in 2013-14 and then decreased to 51 percent in 2014-15. Market share of the dumped imports increased from 18 percent in 2012-13 to 28 percent in 2014-15. However, imports from other sources decreased from 50 percent in 2012-13 to 21 percent in 2014-15. However, had there been no dumping from the Exporting Countries, the market share of the domestic industry would have been higher.

Conclusion

45.3 On the basis of above information and analysis, the Commission has concluded that the domestic industry suffered material injury on account of loss of market share due to imports of the investigated product during the POI.

46. Effects on Production and Capacity Utilization

Facts

46.1 The installed capacity, quantity produced and the capacity utilization of the Applicant during the POI were as follows:

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**Table-XII
Capacity Utilization**

Year	Capacity Utilization
2012-13	36.06%
2013-14	53.60%
2014-15	57.65%

Source: Applicant
Year: April 1 to March 31

Analysis

46.2 It may be noted from the above table that the quantity produced and capacity utilization of the Applicant increased during the POI. Capacity utilization increased from 36 percent in 2012-13 to 58 percent in 2014-15. The reason for increase in production of domestic like product and capacity utilization was that the confidence of user industry on the quality of CR Coils/Sheets produced by the Applicant in Pakistan. However, had there been no dumping from the Exporting Countries, the production and the capacity utilization of the domestic industry would have been higher.

Conclusion

46.3 Based on above facts and analysis, it is concluded that the domestic industry suffered material injury on account of decline in production and capacity utilization during the POI.

47. Effects on Sales

Facts

47.1 The total sales of Applicant during the POI are given below:

**Table- XIII
Sales by the Domestic Industry**

Year	Sales
2012-13	100
2013-14	338
2014-15	373

Source: the Applicant
Year: April 1 to March 31
Note: To maintain confidentiality, actual figures have been indexed with respect to the sales of the year 2012-13.

Analysis

47.2 The above table shows that the domestic industry's sales of domestic like product increased from *** MT in 2012-13 to *** MT in 2013-14. The reason for increase in sales of the domestic like product was that the Applicant has been substituting the imports. The sales of the domestic industry further increased to *** MT in 2014-15. However, had there been no dumping from the Exporting Countries, the sales of the domestic like product would have been higher.

Conclusion

47.3 On the basis of above information and analysis, the Commission has concluded that sales of the domestic like product increased during the POI and hence the domestic industry suffered material injury on account of sales.

48. Effects on Inventories

Facts

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

**Table-XIV
Inventories**

Year	Opening inventory	Production	Sales	Closing inventory
2012-13	0	100	85	15
2013-14	15	297	289	23
2014-15	23	320	318	25

Source: the Applicant

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the production of the year 2012-13.

Analysis

48.2 The above table shows that the closing inventory of the domestic like product has increased from *** MT in 2013-14 to *** MT in 2014-15 which is POI for dumping.

Conclusion

48.3 On the basis of the analysis above, the Commission has concluded that the domestic industry suffered material injury on account of changes in inventories level during the POI.

49. Effects on Profit/Loss

Facts

49.1 The table below shows the profit and loss figures of the Applicant for the POI:

**Table -XV
Profit/(Loss) of the Applicant**

Year	Net Profit/(Loss)
2012-13	(100)
2013-14	(189)
2014-15	(103)

Source: Applicant

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the Profit/ Loss of the year 2012-13.

Analysis

49.2 The above table shows that the Applicant incurred losses during the whole POI. The net loss of the domestic industry increased by 89 percent in 2013-14 as compared to the year 2012-13. The net loss then decreased by 45 percent in 2014-15. Due to massive influx of dumped imports from the Exporting Countries, which had taken over the market share of the domestic industry. The domestic industry, as a result, incurred huge losses.

Conclusion

49.3 On the basis of the above facts, the Commission has concluded that the domestic industry suffered material injury on account of profitability due to dumped imports.

50. Effects on Return on Investment

Facts

50.1 The following is the information regarding the return on investment of the Applicant:

Table XVI
Return on Investment

Year	Return on Investment
2012-13	-2.24%
2013-14	-2.56%
2014-15	-1.71%

Source: the Applicant
Year: April 1 to Mar 31

Analysis

50.2 The above table shows that the Applicant's return on investment was negative throughout the POI from -2.24 percent in 2012-13 to -2.56 percent in 2013-14 and -1.71 percent in 2014-15.

Conclusion

50.3 Based on above facts and analysis, it is concluded that the domestic industry suffered material injury on account of return on investment during the POI.

51. Effects on Cash Flow

Facts

51.1 The following is the information regarding the cash flow positions of the Applicant during POI:

Table -XVII
Cash generated from operations

Year	Cash flow from operations
2012-13	(100)
2013-14	6
2014-15	(134)

Source: Applicant

Year: April 1 to Mach 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the cash flow of the year 2012-13.

Analysis

51.2 The above table shows that the domestic industry's net cash flow from its operations were negative (cash outflow) Rs. *** million in 2012-13 which improved to Rs. *** million in 2013-14. However, in 2014-15 cash flow turned again to negative (cash outflow) of Rs *** million.

Conclusion

51.3 It is concluded from the above analysis that the domestic industry suffered material injury on account of cash flows during the POI.

52. Effects on Employment, Productivity and Salaries & Wages

Facts

52.1 The data relating to the employment, salaries & Wages and productivity of the Applicant during the POI is given in the following table:

**Table – XVIII
Employment, Wages and Productivity**

Year	Number of Employees	Salaries & Wages	Domestic Production	Productivity per worker	Salaries & Wages (Rs./ MT)
2012-13	100	100	100	100	100
2013-14	257	124	297	116	42
2014-15	265	131	319	120	41

Source: Applicant

Year: April 1 to Mar 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the figure of the year 2012-13.

Analysis

52.2 The above table shows that the employment in the domestic industry increases during the POI because the Applicant started its commercial production in October 2012. Salaries and wages per MT decreased from Rs. *** per MT in 2012-13 to Rs. *** per MT in the year 2014-15. Productivity per worker of the domestic industry increased over the three years.

Conclusion

52.3 Based on above facts and analysis, it is concluded that the domestic industry did not suffer material injury on account of salaries and wages and productivity per worker during POI.

53. Effects on Growth

Facts/Analysis

53.1 Total installed capacity of the domestic industry during the POI was *** MT, whereas the total domestic demand for CR Coils/Sheets was around 450,000 MT. Hence there is excess capacity of around *** MT domestic like product in Pakistan, therefore, there is no need to for investment. The domestic industry has the capacity to cater the growing demand.

Conclusion

53.2 From the information and evidence submitted by the Applicant, it is concluded that the domestic industry did not suffer material injury on account of growth during the POI.

54. Ability to Raise Capital

Facts/Analysis

54.1 The Applicant is facing continuous negative return on investment, as there is a decrease in investment during the dumping POI impairing the domestic industry's ability to raise capital through stock market, as the domestic industry was unable provide dividends to its shareholders.

Conclusion

54.2 From the information and analysis above, it is concluded that the domestic industry suffered material injury on account of ability to raise capital during the POI.

55. Magnitude of Dumping Margins

Facts/Analysis

55.1 Dumping margin calculated ranges from 8.78 percent to 23.67 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 the Exporting Countries.

Conclusion

55.2 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.

56. Summing up of Material Injury

56.1 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 effects on cash flows;

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- g) Decline in market share;
- h) Negative effect on inventories;
- i) Decline in Return on Investment;
- j) Negative effect on growth;
- k) Negative effect on ability to raise capital and
- l) Magnitude of the margin of dumping.

56.2 Since the Applicant in its application also mentioned of threat of material injury from dumped imports of the investigated product from the Exporting Countries, 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.

57. Other Factors

57.1 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.

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

Table-XIX
Volume and Prices of CR Coils/Sheets imports from other than Dumped Source

Year	Volume of imports from other than dumped source (MT)	Weighted Average landed cost of CR Coils/Sheets from other than dumped source	Weighted Average price of domestic like product
2012-13	100	100	100
2013-14	52	106	104
2014-15	44	110	98

Source: Applicant

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the figure of the year 2012-13.

57.3 The above table shows that the volume of imports from sources other than dumped source has decreased from *** MT in 2012-13 to *** MT in 2014-15 whereas, the weighted average landed cost of CR Coils/Sheets 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 CR Coils/Sheets from sources other than dumped source during the POI.

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

Table-XX
Total Domestic Market of CR Coils/Sheets

Year	Sales by the Domestic Industry*	Imports		Total domestic market
		Dumped Sources	Other than Dumped Sources	
2012-13	32	18	50	100
2013-14	56	15	26	96
2014-15	53	29	22	103

*Sale by the Domestic industry includes the sales of Applicant and other domestic producers

Source: PRAL & Applicant

Year: April 1 to March 31

Note: To maintain confidentiality, actual figures have been indexed with respect to the total domestic market the year 2012-13.

57.5 The above table shows that there is no contraction in demand of CR Coils/Sheets during the POI rather the total demand of CR Coils/Sheets increased from *** MT in 2012-13 to *** MT in 2014-15. Based on the above facts, the Commission has concluded that there is no contraction in demand of CR Coils/Sheets and there are no changes in the pattern of consumption of CR Coils/Sheets in Pakistan, hence, the domestic industry did not suffer material injury due to contraction in demand and changes in the pattern of consumption of CR Coils/Sheets during the POI.

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

- i. The domestic industry did not export, therefore, there is no effect on export performance and productivity of the domestic industry;
- ii. There was no change in trade restrictive practices and competition between foreign producers other than producers from the Exporting Countries and domestic producers; and
- ii. There was no considerable change in technology;

D. CAUSATION

58. Effect of Dumped Imports

58.1 From the foregoing analysis it appears that the volume of the dumped imports significantly increased during 2014-15 which caused significant price undercutting, price depression, price suppression, decline in market share, profits, and return on investment. This also resulted in negative effect on cash flows, inventories, growth and ability to raise capital.

58.2 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 terms;
- 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 market share, profits, and return on investment and was unable to raise capital due to dumped imports;
- iv. Domestic industry faced negative effect on cash flows, inventories and growth;
- v. the 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

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

- i. the application was filed by the domestic industry as the Applicant represent 55 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 the Exporting Countries 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 the Exporting Countries are above the negligible and *de minimis* levels respectively;

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- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 8.78 percent to 23.67 percent for exporters/foreign producers from the Exporting Countries;
- vi. the domestic industry suffered material injury on account of volume of dumped imports, price undercutting, price depression, price suppression, decline in market share, decline in profits, negative effect on cash flow, negative effect on return on investment and negative effect on growth and 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 PROVISIONAL ANTIDUMPING DUTY

60. In view of the analysis and conclusions with regard to dumping, material injury, and causation, imposition of provisional antidumping duty 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.

61. Individual dumping margins have been determined for the exporters/producers of the investigated product who supplied information for this investigation and the provisional rate of antidumping duty for these exporters/producers is determined.

62. 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 the Exporting Countries. The calculation of injury margin for April 2014 to March 2015 is given below:

Table-XXI
Calculation of Injury Margin

	(Rs./MT)
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	79.87
Landed cost of investigated product	89.79
Injury Margin (Non-injurious price-landed cost)/C & F Price *100	19.04 %

Note: To maintain confidentiality, actual figures have been indexed with respect to the Cost to make & Sell of Domestic industry.

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63. It may be observed from the above that injury margin works out 19.04 percent which is lower than the dumping margins determined for some exporters/producers from the Exporting Countries paragraph 39 infra. Therefore, in terms of Section 43 (1) of the Act, lesser duty would be adequate to remove injury to the domestic industry.

64. In terms of Section 43 of the Act, following provisional antidumping duty rates are hereby imposed on the dumped imports of the investigated product importable from the Exporting Countries for a period of four months effective from January 13, 2016. The provisional antidumping duties rates are determined on C&F value in *ad val.* terms. CR Coils/Sheets is classified under PCT heading Nos. 7209.1690, 7209.1790, 7209.1890, 7209.1610, 7209.1710, 7209.1810, 7209.2690, 7209.2790, 7209.2890, 7209.2610, 7209.2710 and 7209.2810.

**Table-XXII
Provisional Anti-dumping Duties**

Country/Exporter/Foreign Producer	Provisional Antidumping Duty Rate (%)
China	
Shougang Casey Steel Company Limited	19.04
Shougang Jingtang United Iron & Steel Co. Ltd.	15.93
Beijing Shougang Cold Rolling Company Limited	12.02
Handan Iron & Steel Group Han-Bao Co. Limited	8.31
Maanshan Iron & Steel Company Limited	17.69
All others	19.04
Ukraine	
Zaporizhstal Integrated Iron-and-Steel Works	18.92
Ilyich Iron and Steel Works of Mariupol	19.04
All others	19.04

65. CR Coils/Sheets imported from sources, other than the Exporting Countries shall not be subject to these provisional antidumping duties.

66. In accordance with Section 51 of the Act, the provisional antidumping duty 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 duty.

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

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68. The provisional 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.

(Shah Jahan Shah)
Member
January 12, 2016

(Niamatullah Khan)
Member
January 12, 2016

(M Abbas Raza)
Chairman
January 12, 2016

Annexure-I

Comments of Interested Parties	NTC View
<p style="text-align: center;"><u>Government of Ukraine</u></p> <p>“Confidentially of the information provided in the Application: Article 6.5, 6.5.1 and 6.5.2 need to be followed while submitting non-confidential information in the antidumping application. Non-confidential version must contain sufficiently detailed information necessary to calculate the normal value, export price and dumping margin, and necessary for a reasonable understanding of the information submitted in confidence. The Applicant did not provide sufficient ground for confidential treatment of the provided information in violation of Article 6.5 of the Antidumping Agreement. However, such information is essential for this investigation, namely: production and consumption in Pakistan, imports volume and share of imports in consumption.”</p> <p>“Concerning Domestic industry: According to the application, the applicants’ share in the domestic sales is 55.28% although information about Applicant’s share in the domestic production was not provided. Furthermore, according to the Annual Report of Aisha Steel Mills Limited, the share of the Applicant was less than 50% of total production in 2012-2014. Thereby, the application has been submitted in violation of provisions of Article 5.4 and Article 4.1 of the Antidumping Agreement.”</p> <p>“Concerning export price and normal value: The Ukrainian side would like to note that the normal value can be constructed if:</p> <ol style="list-style-type: none"> i. There are no sales of the like product in the ordinary course of trade in the domestic market of the exporting country: ii. The particular market situation or the low volume of sales in the domestic market of exporting country do not permit a proper comparison. 	<p>The Applicant has submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in the confidence.</p> <p>The Applicant fulfills the requirement of standing as per Section 24 of the Act and on this basis the Commission has determined that the application is made by or on behalf of the domestic industry. Further, Period of Investigation for this investigation is from 01-04-2014 to 31-03-2015. Therefore, standing of the applicant is determined based on production of the Applicant, during this period. Reference paragraphs 8 and 13 of the report of preliminary determination.</p> <p>In order to determine export price and normal value for Ukrainian exporters/producers in this preliminary determination, the Commission has used the information provided by Ukrainian exporters/producers. Reference paragraph 23 of the report of preliminary determination.</p>

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The Application does not contain any information that could support the existence of at least one of the above mentioned conditions. Thus, the Applicant while determining the normal value, violated the provisions of paragraph 2 of article 2 of the Antidumping Agreement. The Applicant presented export prices as indexed information and did not present any data and evidence that could confirm the correctness of export price calculation. Besides, the Applicant also failed to provide the source of such data. Consequently, the application does not contain evidence of dumping of cold rolled coils and sheets products imported by Pakistan from the countries concerned, particularly originating from Ukraine, within the meaning of paragraph 2 of Article 5 of the Antidumping Agreement.”

“Concerning Volume of imports of Cold Rolled Coils and Sheets imported to Pakistan: Ukraine started to export to Pakistan only in 2014 and its share in total import of product concerned on the Pakistani market was far smaller and even negligible.”

“The application does not contain evidence of injury to the domestic industry caused by the Ukrainian product. So consider the impact of Ukrainian import of CRC/S to Pakistan separately from Chinese imports under Article 3.3 of the Antidumping Agreement.”

“Concerning injury to domestic industry: The Ukrainian side considers that the application does not contain sufficient evidence of the negative impact of the allegedly dumped imports on the domestic industry and the presence of injury.”

“Concerning causal relationship between the dumped imports and the injury to the domestic industry: There is a strong competition on the domestic market between the domestic producers. Competition between the domestic producers had significant impact on the Applicant and could be the reason why the Applicant didn't increase its sales even

Volume of the dumped imports from Ukraine during the dumping POI is above the negligible volume. Reference paragraph 39.2 of the report of preliminary determination.

The injury to the domestic industry is analyzed on cumulation basis as per Section 16 of the Act. Reference paragraph 41 of the report of preliminary determination.

Please refer to “Part C-Injury to the domestic industry” of this preliminary determination report.

Please refer to “Part D – Causal Link” of this preliminary determination report.

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more. Consequently, such a competition should be considered as other factors within the meaning of Article 3.5 of the Antidumping Agreement.”

China Iron & Steel Association (CISA)

“The investigated product: CISA and its member corporations concerned hold that the scope of investigated product is too wide. If the IA insisted on embracing all products of such a wide range in a same investigation, CISA and its member corporations concerned submit that the IA shall examine which grades/types of Cold Rolle Coils products are not produced in Pakistan, or do not compete with Pakistani domestic like products.”

“Pakistani Domestic Industry: CISA and its member corporations notice that, the applicant did not provide a clear and adequate description on Pakistani domestic industry which shall be the primary factor to be considered while the IA reviews and accepts an anti-dumping application.”

“CISA and its member corporations request the IA to examine on whether the applicant has fulfilled the basic requirements of filing a petition and whether the information and data the applicant provided is representative and accurate.”

“Increase of import quantity of the investigated product: The increase of imported investigated product is closely related to the increase of demands of Pakistani domestic market. In the petition, the applicant compared the import volume in 2013 and 2014, which is only second part of the whole injury POI, and concluded a much sharper increase trend than the actual trend during the whole injury POI. CISA and its member corporations hold that with the comparison method the applicant applied, only a “temporary” period was selected to analyze the increase trend, which is inconsistent with

Please refer to paragraph 12.3 of the report of preliminary determination which provides the details of investigated product.

The Applicant fulfills the requirement of standing as provided in Section 24 of the Act and on this basis the Commission has determined that the application is made by or on behalf of the domestic industry.

“The examination of the application showed that it met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of CR Coils/Sheets into Pakistan from the China and Ukraine and material injury to the domestic industry caused therefrom. Reference paragraph 11 of the report preliminary determination.

The Commission concluded that volume of dumped imports has increased by 92 percent in 2014-15 as compared to the previous year. Please refer to paragraph 43 and 45 of this preliminary determination report.

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<p>the legal requirements for the injury of domestic industry analysis.”</p> <p>“Price undercutting, price depression and price suppression caused by the import price of investigated product: The applicant, when comparing the prices, took all types of cold rolled steel products as one single product without considering their differences, on grades/types or other characteristics, and failed to subdivide products into smaller groups to achieve the fair comparison. Since the prices of cold rolled steel products varies greatly in their materials, processing size (thickness), surface and purpose (e.g. for construction, for electronic appliance, for vehicles etc.), such undistinguished price comparison led to the unsustainable of result.”</p> <p>“Effect of the import of investigated product on Pakistani Domestic Industry: We found that Pakistani domestic industry actually performed well in some of the indicators, e.g. production, sales, production utility, employment and cash flow. We believe that the indicators such as Market Share, Production Utility, Inventory and sale/production rate, Loss rate and Employment shall be reconsidered.”</p> <p>“Causation: Many indicators of Pakistani industry show a good performance, such as production, sale, production utility rate, employment, etc. For these indicators, there was no injury demonstrated and therefore no causation existed.”</p> <p>“Other Factors: China-Pakistan FTA: In 2006, China and Pakistan signed Free Trade Agreement, in which a custom duty concession of 5% was made. It can be seen from the annual report of applicant that the applicant actually attributed the disadvantage of Pakistani CTC industry to the 5% favorable custom rate imposed by the China-Pakistan FTA.</p> <p>CRC Smuggle from Iran: According to the applicant’s 2012 annual report, “ever since</p>	<p>Please refer to paragraph 44 of the report of preliminary determination which provides the detailed analysis of price undercutting, price depression and price suppression to the domestic industry.</p> <p>Please refer to “Part C - Injury to the Domestic Industry” of the report of preliminary determination.</p> <p>Please refer to “Part D – Causal Link” of the report of preliminary determination.</p> <p>During the investigation, it was found that there are no others factors that have caused or causing injury to the domestic industry (reference paragraph 57 of the report of preliminary determination).</p>
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economic and banking sanctions have been imposed on Iran, there has been a substantial increase in smuggled CRC from Iran to Pakistan, which might also be a cause of injury of Pakistani CRC industry and constitute a factor other than subject imports which must be considered by IA.

Discount on Secondary Goods: Pakistan imported secondary quality CRC steel at a price 11-36% lower than the global price, which could possible cause injury to its domestic CRC steel industry.

Electricity: The increase of electricity tariff could be another factor other than subject imports to cause injury to the industry, by increasing its cost of manufacturing.

Financing Cost: ASML acknowledged in its annual report that the high financing cost might also cause the injury of industry, which shall be considered by the IA.”

Pakistan National Steel Association,
Pakistan Iron and Steel Merchants
Association and Karachi Iron and steel
Merchants Association

“The Legal and Constitutional Position of the Anti-Dumping Duties Ordinance of 2015: **The subject investigation has been initiated by the Commission vide notice dated 16 July 2015 in accordance with Section 23 of the Repealed Ordinance, which stands terminated in the first instance as, *inter alia*, the Initiation has taken place under a repealed Ordinance which was not expressly saved by Section 80 of the Act.**”

“Unwarranted Confidentiality: **The non-confidential version of the Application does not permit a reasonable understanding of the substance of the information and, therefore, the Importers are handicapped in**

The Antidumping Duties Ordinance, 2015 was laid before the Senate and National Assembly concurrently in order to convert the Ordinance into permanent legislation by way of an Act of Parliament. As the Ordinance, 2015 is confirmed and continued without any break as an Act of 2015, hence, the proceedings initiated and actions taken under the Ordinance 2015 are confirmed and continued.

The Applicant has submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in the confidence.

commenting on substantial parts of the information provided by the Applicant.”

“Imports under the Identified PCT Heads: In the Non-Confidential Application (section 3), the description, sizes and scope of CRC provided do not co-relate with the product under investigation and the Commission has incorrectly accepted the blemished and distorted information that the Applicant has provided. It is pertinent to note that in order for the 12 PCT heads that have been claimed by the Applicant to be included in the product scope, the domestic like product that is being manufactured/processed by the Applicant must interchangeably have the ability to replace the Investigated product. The Applicant without any basis in law or fact have claimed that they are in the production of all 12 PCT heads of CRC, whereas, they have the capacity to produce a few. The statements provided in Section 3 of the Non-Confidential Application are empirically unsubstantiated and therefore must be rejected by the Commission.”

“Accuracy and Adequacy of the Information: On the basis of the identified discrepancies in the information provided by the Applicant along with the ignorance of interested parties rights deprived due to the claimed confidentiality and the initiation of investigation, it appears that the Commission did not examine the accuracy and adequacy of the information provided in the Application.”

“Inadequate Evidence of Dumping: The Applicant has not furnished any

Please refer to paragraph 12 of the report of preliminary determination which provides the details of investigated product, domestic product and like product.

The Commission examined the accuracy and adequacy of the evidence and information provided in the application in pursuant to Section 23 of the Ordinance (now an Act).

The Applicant has submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act. The Commission accepted the evidence of normal value and export price provided by the Applicant and verified from PRAL for the purposes of initiation of the investigation. However, individual dumping margins have been calculated for the exporters/producers who submitted necessary information to the Commission (reference “Part B- Determination of Dumping” of the report of preliminary determination).

reasons as to why the methods provided Section 5 of the Act were not employed to establish Normal value and deliberately marked the calculations of normal value as confidential, therefore any interested party has to extinguish their rights as to respond to the accuracy of the same. In Table 1 of the Non-Confidential Application, the applicant has claimed confidentiality on the calculations of Export price in accordance with Section 31 (5) of the Act. It is pertinent to note that no reasons have been provided by the Applicant as to why confidentiality has been claimed in the first place. It is common knowledge, that information that is available in the public domain, cannot be claimed confidential, as it by nature not confidential. The export price is calculated via information that is available on PRAL, which is already in the public domain. It is therefore to be noted that since the calculations of the dumping margin have been kept confidential, there is no positive evidence to substantiate that any significant or substantial margin of dumping has taken place.”

“Evidence of Injury: The Applicant has not suffered material injury on account of alleged dumping of the Investigated Product. The annual financial reports and the Directors reports from 2012-2015 reflect the robust performance of the domestic industry in which it has gained significant market position and has prospered on account of Sales, Profit and Capacity utilization.”

“Other factors: Other factors outlined in this submission are the major cause of injury suffered by the Applicant. While a combination of these factors caused any injury suffered by the Applicant, an unequivocal causal link between such claimed injury and imports from the Exporting Countries is unsubstantiated. We request that the

Please refer to “Part C - Injury to the Domestic Industry” of the report of preliminary determination.

During the investigation, it was found that there are no others factors that have caused or causing injury to the domestic industry (reference paragraph 57 of the report of preliminary determination).

Please refer to paragraph 12 of the report of preliminary determination which provides the details of investigated product, domestic product and like product.

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Commission give particular attention to the fact that the Applicant has seen increased capacity utilization *throughout* the POI for its CRC/S lines, has increased its Revenue, Profits and Sales before and after tax, hired specialist staff, has renegotiated deals worth billions of dollars.”

M/s Siddiqsons Tin Plate Limited

“Our major raw material is Tin-Mill Black plate as well as CRC both of thickness less than 0.5mm which are importable under the same PCTs 7209.1810 and 7209.1890. Siddiqsons has been trying to get its raw material that is Cold Rolled Coils for our Tinning Line from the local manufacturers since the last two years, but has hardly got a few tonnage for trial production, which also could not be tinned, because the local industry is still not capable to produce the raw material for the required specification for the Tinning Industry. Therefore, it is requested that CRC of thickness less than 0.5mm importable under PCT head of 7209.1810 and 7209. 1890 may kindly be excluded from the scope of investigated product which is importable under a number of other PCT heads as well, as enumerated in the Notice of initiation.”

METINVEST Group

“Imports Of CRC/S from Ukraine cannot cause any injury : Metinvest submits that imports from Ukraine should not be cumulated with those from China. China constitutes a global threat with its massive production volumes and excess capacity whereas Ukraine is struggling hard to keep its weak steel industry operational under the difficulties arising from the military intervention in the Eastern part of the country. Ukraine’s steel industry has been considerably weakened in the recent past because of the armed conflict in the Eastern part of the country and the crises arising therefrom such as energy and raw material shortages as well as transportation difficulties. Contrary to China, Ukraine cannot support its steel industry as the armed conflict adversely

Section 16 of the Act states that “*where imports of a like product from more than one country are the subject of simultaneous investigation under this Ordinance, the Commission may cumulatively assess the effects of such imports on the domestic industry*”. Please refer to paragraph 41 of the report of preliminary determination on cumulation of dumped imports.

The Applicant alleged that the exporters/producers of China and Ukraine are involved in dumping of CR Coils/Sheets which has caused and causing injury to the domestic industry. Therefore, the investigation includes the alleged dumped imports of CR Coils/Sheets from China and Ukraine only.

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<p>affected the country’s entire economy. Ukrainian steel industry, deprived from a possible government support, could not have caused any injury to the Pakistani domestic industry and it does not have a potential to do so in the future.”</p> <p>“The initiation of investigation only against China and Ukraine violates the principle of non-discrimination: Section 51 clause (a) of the Anti-dumping ordinance, 2015, (the “ordinance”) provides that anti-dumping measures shall be levied and collected on a non-discriminatory basis on imports of the product concerned from all sources found to be dumped and causing injury. Metinvest respectfully submits that the present anti-dumping investigation is vitiated by its discriminatory character against Ukraine insofar as it did not target Germany, the Netherlands, Belgium and South Africa and that, consequently, it should be terminated forthwith.”</p> <p>“Imports of CRC/s from Ukraine must not be cumulated with imports from China: The cumulative assessment of the effects of the imports in inappropriate in light of the conditions of competition. Metinvest therefore submits that imports of CRC/S from Ukraine should not be cumulated with those from China since one of the cumulative conditions set forth by Section 16 of the Ordinance has not been met.”</p> <p>“The Pakistani domestic industry did not suffer material injury: The domestic industry, despite being recently established, is not suffering any injury which stems from the allegedly dumped imports from Ukraine. ...The Pakistani domestic industry is performing quite well. Despite being recently established, it reached significant volumes of production and acquired a remarkable market share. Even if the NTC were to decide that the domestic industry suffered material injury in certain aspects, quod non, it should be borne in mind that such injury cannot be attributed to the negligible volumes of CRC/S imported from Ukraine.”</p>	<p>Please refer to paragraph 41 of the report of preliminary determination on cumulation of dumped imports.</p> <p>Please refer to “Part C - Injury to the Domestic Industry” of the report of preliminary determination.</p> <p>During the investigation, it was found that there are no others factors that have caused or causing injury to the domestic industry (reference paragraph 57 of the report of preliminary determination).</p>
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“Other factors which contributed to the alleged injury caused by Chinese CRC/s

The examination of the Pakistani domestic market reveals further reasons which, in addition to the large volumes of imports from China, aggravated the alleged injury.

Misuse of duty concessions by industrial users: Until the adoption of the Pakistani Federal Budget 2014-2015 (the “Federal Budget”), import duty concession were granted to industrial users of cold-rolled coil steel such as pipe mills, perforates steel users and home appliances users. However, these concessions were misused as a mean to import CRC/S at a lower customs duty rate and sell it on the domestic market, which caused injury to the recently established domestic industry to material injury.

Mis-declaration of CRC/S as alloy steel and/or silicon steel: Mis-declaration of CRC/S as alloy steel and/or silicon steel, which were subject to 0-5% custom duty until the adoption of the Federal Budget, increased the untracked imports of CRC/S and caused material injury to the domestic industry.

Increase in domestic industry’s cost of production: It is the evident that the increasing costs of the Pakistani domestic industry due to the pricing of electricity and import duty increases on hot-rolled coils squeezed the margin of profit of the domestic industry. This fact caused the domestic industry to lose competitiveness against aggressive Chinese products and resulted in material injury, which should not be attributed to the imports of CRC/S from Ukraine.

Erroneous management decisions taken by the domestic industry: The injury is a result of the erroneous management decisions taken by the domestic industry and therefore cannot be attributed to the imports of CRC/S from Ukraine.”