



**Government of Pakistan  
National Tariff Commission**

**REPORT**

**ON**

**Preliminary Determination and Levy of Provisional Anti-dumping Duty on  
Imports of Hydrogen Peroxide Originating in and/or Exported from  
People's Republic of Bangladesh**

Report of Preliminary Determination and Imposition of Provisional Measures against Dumped Imports of Hydrogen Peroxide  
Originating in and/or Exported from People's Republic of Bangladesh

The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (the "Act") and the Anti-Dumping Duties Rules, 2001 (the "Rules") relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan ("Pakistan"), material injury to the domestic industry caused by such imports, and imposition of anti-dumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof and to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Agreement on Anti-dumping") has conducted an investigation and made a preliminary determination under the above mentioned Act and Rules.

2. In terms of Section 37 of the Act, the Commission is required to "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 with the Commission at that time." The preliminary determination in this investigation has been made on the basis of information available with the Commission. Report on preliminary determination is prepared in accordance with Rule 10 of the Rules.

**A. PROCEDURE**

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

**4. Receipt of Application**

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

**5. Evaluation and Examination of the Application**

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

**6. Earlier Investigation and Antidumping Duties already In-force**

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

September 27, 2010 to September 26, 2015.

6.2 The Commission has initiated a review pursuant to Section 58 of the Ordinance on September 02, 2015 to determine whether the expiry of the anti-dumping duties imposed on HP from above-mentioned countries (paragraph 6.1 supra) would likely to lead to continuation or recurrence of dumping and injury. The anti-dumping duty imposed on dumped imports of HP will remain in-force pending the outcome of the review.

## **7. Domestic Industry**

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

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

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

## **8. Standing of the Application**

8.1 In order to determine whether the application was made by or on behalf of domestic industry and to assess the standing of the domestic industry on the basis of the degree of support for or opposition to the application expressed by the domestic producers of the like product, relevant provisions of Section 24 of the Act have been considered. In terms of Section 24(1) of the Act, an application shall be considered to have been made by or on behalf of the domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing opinion either support for or opposition to the application.

8.2 Furthermore, Section 24(2) of the Act provides that no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty five percent of the total production of domestic like product produced by the domestic industry.

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

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

## **9. Initiation of Investigation**

9.1 The Commission upon examining the accuracy and adequacy of the evidence provided in the application established that there is sufficient evidence of alleged dumping of HP from Bangladesh and consequent injury to the domestic industry, to justify initiation of an investigation in accordance with Section 23 of the Act. Consequently, the Commission decided to initiate an investigation on April 24, 2015. In terms of Section 27 of the Act, the Commission issued a notice of initiation, which was published in the Official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one in English language and one in Urdu language) on April 28, 2015. Investigation concerning imports of HP into Pakistan (classified under PCT<sup>3</sup> No. 2847.0000) contained in the First Schedule of Customs Act, 1969 (IV of 1969) originating in and/or exported from Bangladesh was thus initiated on April 28, 2015.

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

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

## **10. Exporters/Foreign Producers Involved in Dumping of the HP**

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

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

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<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated April 28, 2015.

<sup>2</sup> The daily "Dawn" and the "Dunya" of April 28, 2015 issue.

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

## **11. Applicants' Views**

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

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

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

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

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

**i. Investigated Product:**

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

**ii. Domestic Like Product:**

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

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

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i. **Investigated Product:**

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

ii. **Domestic Like Product**

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

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

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

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

**13. Period of Investigation**

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

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

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*“b) for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months”.*

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

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

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

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

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

14.3 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/ Foreign Producers from Bangladesh**

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

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

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

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

Annex II of the Agreement on Anti-dumping.

#### **15.4 Questionnaire Response from Tasnim Chemical Complex Limited**

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

15.4.2 The information submitted by Tasnim in response to the questionnaire was analyzed at the Commission and deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated July 10, 2015 and August 18, 2015. Tasnim responded to the deficiency letters vide its letters dated July 22, 2015 and August 30, 2015. However, the information supplied by Tasnim was still deficient i.e. domestic sales and cost to make and sell and the same was not provided.

15.4.3 As some vital information pertain to domestic sales and cost to make and sell was not provided by Tasnim, therefore, normal value and dumping margin for Tasnim is determined on the basis of best information available with the Commission in accordance with the provisions of the Act.

#### **15.5 Questionnaire Response by the Samuda Chemical Complex Limited**

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

15.5.2 The information submitted by Samuda in response to the questionnaire was analyzed at the Commission and deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated July 10, 2015 and August 24, 2015. Samuda responded to the deficiency letters vide its letters dated July 30, 2015 and September 01, 2015. However, some of the information supplied by Samuda relating to cost to make and sell was contradictory and not reliable. Samuda was informed about the use of best information available in terms of Section 32 of the Act.

15.5.3 As some vital information pertain to cost to make and sell was not reliable, therefore, normal value and dumping margin for Samuda is determined on the basis of best information available with the Commission in accordance with the provisions of the Act.

**16. Verification of the Information**

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

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

**17. Public File**

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

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

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

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).

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**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. All Pakistan Textile Processing Mill Association
- ii. Pakistan Chemicals & Dyes Merchants Association
- iii. Jamil Associates
- iv. Kay Chemicals (Private) Limited

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 Bangladesh”.*

21.2 However, Section 6 of the Act states:

*“(1) when there are no sales of like product in the ordinary course of trade in domestic market of an Bangladesh, 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 Bangladesh, 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 Bangladesh plus a reasonable amount for administrative, selling and general costs and for profits.*

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*“(2) Sales of a like product destined for consumption in domestic market of an Bangladesh 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 Bangladesh 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 follows:

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

## 23. **Dumping Determination**

23.1 As stated earlier the Applicants identified three exporters/foreign producers from the Bangladesh involved in alleged dumping of the investigated product. The Commission sent questionnaires to those exporters/foreign producers whose complete addresses were available with the Commission. A copy of the questionnaire was also provided to the Embassy of the

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Bangladesh in Islamabad with a request to forward it to all exporters/foreign producers of the investigated product to submit information to the Commission.

23.2 In response to the questionnaire the following exporters/foreign producers of HP provided partial information:

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

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

## **24. Determination of Export Price**

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

### **24.1 Determination of Export Price for Tasnim Chemical Complex Limited**

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

24.8.2 Tasnim exported \*\*\*<sup>1</sup> MT of HP having gross value of US\$ \*\*\* (Taka \*\*\*) to its customers in Pakistan during the POI. All export sales transactions are based on L/C at sight. The weighted average CFR price for HP 50 percent was US\$ \*\*\*/MT during the POI. To arrive at ex-factory export price adjustments on account of inland freight, ocean freight and bank charges have been made. Following table shows the amount of adjustments claimed:

<b>Adjustments</b>	<b>Value US\$/MT</b>
Inland freight	***
Ocean freight	***
Bank charges	***
Duty drawback	***

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

1 In order to keep confidentiality the actual figures have been omitted.

## **24.2 Determination of Export Price for Samuda Chemical Complex Limited**

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

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

<b>Adjustments</b>	<b>Value US\$/MT</b>
Inland freight	***
Ocean freight	***
Handling cost	***
Duty drawback	***

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

## **25. Determination of Normal Value**

25.1 The Commission received partial and unreliable information (as no documentary evidence was provided to substantiate it) on domestic sales and cost of production etc. of the like product from M/s Tasnim Chemical Complex Limited and M/s Samuda Chemical Complex Limited in response to the questionnaire. Therefore, normal value for above-mentioned exporters/foreign producers have been determined, on the basis of best information available to the Commission, in terms of Section 32 of the Act, and Article 6.8 and Annex II of the Agreement on Anti-dumping.

### **25.2 Determination of Normal Value for Tasnim Chemical Complex Limited**

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

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

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25.2.3 On September 14, 2015, the Commission informed Tasnim that the Commission is constrained to use Best Information Available under Section 32 of the Act for determination of normal value for Tasnim in the preliminary determination.

25.2.4 In order to determine the normal value for Tasnim, the Commission has taken constructed normal value as provided for in Section 6 of the Act i.e. the cost of production in the Bangladesh plus a reasonable amount for administrative, selling and general costs and for profits.

25.2.5 The Commission used best information available in terms of Section 32 and Annex II of the Act. The best information available with the Commission was the constructed normal value as provided by the domestic industry in the application. The constructed normal value is the cost of production in Bangladesh plus a reasonable amount for administrative, selling and general costs works out to US\$ \*\*\*/MT by adding reasonable profit it becomes US\$ \*\*\*/MT

### **25.3 Determination of Normal Value for Samuda Chemical Complex Limited**

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

25.3.2 Samuda failed to provide reconciled information concerning its domestic sales and cost to make and sell of the investigated product during the POI and thus its information is considered not to be reliable. Cost to make and sell provided at Appendix-II of the exporter's questionnaire does not match with the information provided at Section F (cost to make and sell). Samuda also failed to provide audited accounts of 2014. The Commission communicated these deficiencies vide its letter dated July 10, 2015 and August 24, 2015. Tasnim responded to the deficiency letters vide its letters dated July 30, 2015 and September 01, 2015. However, the clarifications by Samuda regarding reconciliation of the cost to make and sell were not satisfactory and as per standard accounting principles.

25.3.3 On September 14, 2015, the Commission informed Samuda that the Commission is constrained to use Best Information Available under Section 32 of the Act, for determination of normal value for Samuda in the preliminary determination. On September 22, 2015, Samuda again submitted the same information, which was not reliable. Therefore, the Commission used constructed cost to make and sell provided in the application as best information available.

25.3.4 In order to determine the normal value for Samuda during the POI, the Commission has constructed normal value as provided for in Section 6 of the Act i.e. the cost of production in Bangladesh plus a reasonable amount for administrative, selling and general costs and for profits.

25.3.5 The Commission used best information available in terms of Section 32 and Schedule to the Act. The best information available with the Commission was the constructed normal value as provided by the domestic industry in the application. The cost of production in Bangladesh plus a reasonable amount for administrative, selling and general costs works out to US\$ \*\*\*/MT by adding reasonable profit it becomes US\$ \*\*\*/MT.

**26. Dumping Margin**

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

26.2 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.

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

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

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

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

**Table-I**  
**Dumping Margins**

<b>Exporter/Foreign Producer</b>	<b>Dumping Margin as %age of Export Price</b>	<b>Dumping Margin as %age of C&amp;F Price</b>
Tasnim Chemical Complex Limited	25.63	23.86
Samuda Chemical Complex Limited	22.80	21.08
All others	25.63	23.86

**27. De minimis Dumping Margins and Negligible Volume of Dumped Imports**

27.1 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 25.6 supra, are above the *de minimis* level.

27.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of like product. The data obtained from PRAL of volume of dumped imports of HP from all sources during the POI (January 01, 2014 to December 31, 2014) is given in the table below.

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**Table-II**  
**Volume of Imports of HP during POI**

Country	Percentage
Bangladesh	28.17
Other sources	71.83
<b>Total</b>	<b>100.00</b>

Source: PRAL

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

### **C. INJURY TO DOMESTIC INDUSTRY**

#### **28. Determination of Injury**

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

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

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

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

#### **29. Domestic Industry**

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

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

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

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

### **30. Volume of Dumped Imports**

#### **Facts**

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

30.2 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 – III**  
**Volume of Dumped Imports**  
(MT)

<b>Period*</b>	<b>Dumped Imports of IP</b>
2012	100
2013	55
2014	70

Source: PRAL

\* Calendar Year

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

#### **Analysis**

30.3 The above table shows that the volume of dumped imports decreased from \*\*\* MT in 2012 to \*\*\* MT in 2013, whereas, it increased to \*\*\* MT in 2014. Volume of dumped imports increased during 2014 by 28.97% as compared to the previous year (2013) reflecting significant increase in volume of dumped imports in absolute terms.

#### **Conclusion**

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

### **31. Price Effects**

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

#### **31.2 Price Undercutting**

##### **Facts**

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

**Table – IV**  
**Price Undercutting**

(Rs. /MT)

<b>Period*</b>	<b>Average ex-factory price of domestic like product</b>	<b>Average landed cost of investigated product</b>	<b>Price under-cutting %age</b>
2012	100	91	8.68
2013	115	99	13.83
2014	111	100	9.54

Source: PRAL, Applicants

\* Calendar Year

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

##### **Analysis**

31.2.2 It appears from the above table that the weighted average landed cost of the investigated product was lower than the weighted average ex-factory price of the domestic like product during the POI. The price undercutting was in the range of Rs. \*\*\*/MT to Rs. \*\*\*/MT during the POI.

##### **Conclusion**

31.2.3 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.

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### **31.3 Price Depression**

#### **Facts**

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

**Table – V**  
**Price Depression**

(Rs./MT)

<b>Period*</b>	<b>Weighted Average ex-factory price of domestic like product</b>	<b>Price depression %age</b>
2012	100	--
2013	115	--
2014	111	3.74

Source: Applicants

\* Calendar Year

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

#### **Analysis**

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

#### **Conclusion**

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

### **31.4 Price Suppression**

#### **Facts**

31.4.1 The following table shows the weighted average cost of production (“COP”) and the weighted average ex-factory sales price of the domestic like product during the POI:

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**Table – VI**  
**Price Suppression**

(Rs./MT)

Period*	Weighted Average cost to make & sell of domestic like product	Weighted Average ex-factory price of domestic like product	Price Suppression	
			Increase/ (decrease) in COP	Increase/ (decrease) in price
2012	100.00	86.11		
2013	95.62	98.96	(4.38)	12.85
2014	96.25	95.26	0.63	(3.70)

Source: Applicants

\* Calendar Year

Note: To maintain confidentiality, actual figures have been indexed with respect to the cost to make & sell of year 2012.

**Analysis**

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

**Conclusion**

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

**32. Effects on Sales**

**Facts**

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

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**Table – VII**  
**Effect on Domestic Sales**

(MT)

<b>Period*</b>	<b>Domestic Sales</b>
2012	100
2013	104
2014	115

Source: Applicants

\* Calendar Year

Note: To maintain confidentiality, actual figures have been indexed with respect to the ex-factory domestic sales of year 2012.

**Analysis**

32.2 The above table shows that the domestic industry’s sales of domestic like product increased from \*\*\* MT in 2012 to \*\*\* MT in 2013, which further increased to \*\*\* MT in 2014. Had there been no dumping, the sales of the domestic industry would have been even higher.

**Conclusion**

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

**33. Effects on Profits**

**Facts**

33.1 The table below shows the profit and loss figures of the Applicants for the POI:

**Table – VIII**  
**Profit/ (Loss)**

(Rs. in 000)

<b>Period</b>	<b>Net Profit/(Loss)</b>
2012	(100)
2013	25
2014	(8)

Source: Applicants

\* Calendar Year

Note: To maintain confidentiality, actual figures have been indexed with respect to Net Profit/(Loss) of year 2012.

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**Analysis**

33.2 The Applicant beard net loss on domestic sales of Rs.\*\*\* million in 2012 which turned into profits of Rs.\*\*\* million in 2013. The profit of the Applicants again converts into loss of Rs.\*\*\* million in 2014.

**Conclusion:**

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

**34. Effects on Production and Utilization of Capacity**

**Facts**

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

**Table – IX**  
**Production and Capacity Utilization**  
(MT)

<b>Period*</b>	<b>Capacity Utilization</b>
2012	82
2013	87
2014	95

Source: Applicants

\* Calendar Year

**Analysis**

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

**Conclusion**

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

**35. Effects on Market Share**

**Facts**

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

**Table – X**  
**Market Share**

(%)

Period*	Sales by domestic producers %	Imports from		Total Domestic Market
		Dumped Source (Bangladesh)	Other Sources	
2012	81.48	5.29	13.23	100
2013	79.38	2.69	17.93	100
2014	87.61	3.49	8.90	100

Source: PRAL, Applicants

\* Calendar Year

**Analysis**

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

**Conclusion**

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

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**36. Effects on Return on Investment**

**Facts**

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

**Table – XI**  
**Return on Investment**

(%)

<b>Period*</b>	<b>Return on Investment</b>
2012	1.45
2013	9.01
2014	4.03

Source: Applicants

\* Calendar Year

**Analysis**

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

**Conclusion**

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

**37. Effects on Cash Flow**

**Facts**

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

**Table – XII**  
**Cash Flow**

(Rs. in 000)

<b>Period*</b>	<b>Cash Inflow/ (Outflow)</b>
2012	100
2013	697
2014	350

Source: Applicants

\* Calendar Year

Note: To maintain confidentiality, actual figures have been indexed with respect to Cash inflow/(Outflow) of year 2012.

**Analysis**

37.2 The above table shows that cash generated by the domestic industry was Rs.\*\*\* million in 2012, the cash flow position of the Applicants further improved to Rs.\*\*\* million in 2013 and then declined to Rs. \*\*\* million during 2014.

**Conclusion**

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

**38. Effects on Inventories**

**Facts**

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

**Table – XIII**  
**Effect on Inventories**

(MT)

Period*	Opening Inventory	Production	Sales			Closing Inventory
			Domestic Sales	Export Sales	Total Sales	
2012	5	100	86	19	104	1
2013	1	107	89	17	106	2
2014	2	116	98	18	117	1

Source: Applicants \* Calendar Year

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

**Analysis**

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

**Conclusion**

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

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**39. Effects on Employment, Productivity and Wages**

**Facts**

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

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

<b>Period*</b>	<b>No. of Employees</b>	<b>Salaries &amp; Wages</b>	<b>Production MT</b>	<b>Productivity MT</b>	<b>Salaries and Wages Rs./ MT</b>
2012	100	100	100	100	100
2013	102	113	107	105	106
2014	113	133	116	103	115

Source: Applicants \* Calendar Year

Note: To maintain confidentiality, actual figures have been indexed with respect to no of employees, salaries & wages, production, **productivity** and salaries and wages Rs./MT of year 2012.

**Analysis**

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

**Conclusion**

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

**40. Effect on Growth**

40.1 At present total installed production capacities of the domestic industry are \*\*\* MT which is more than the domestic demand i.e. around \*\*\* MT, however, the increase in the domestic demand for HP is 7 percent from 2012 to 2014. If the growth in domestic demand remains 7 percent in coming years, then the domestic industry needs to increase the production capacity in the coming years.

**Conclusion**

40.2 Based on above facts and analysis the Commission has concluded that the domestic industry did not suffer material injury on account of growth and investment.

**41. Effect on Ability to Raise Capital**

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

**42. Summing up of Material Injury**

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

- a) Increased volume of dumped imports;
- b) Price undercutting;
- c) Price depression;
- d) Price suppression;
- e) Decline in profits;
- f) Negative effect on cash flows;
- g) Decline in productivity;
- h) Decline in return on investment; and
- i) Negative effect on ability to raise capital.

**43. Other Factors**

43.1 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.

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

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

Period*	Volume of imports from other than dumped source (MT)	(Rs./MT)	
		Weighted Average landed cost of HP from other than dumped source	Weighted Average price of domestic like product
2012	100	896	665
2013	145	794	760
2014	72	781	731

Source: PRAL, Applicants

\* Calendar Year

Note: To maintain confidentiality, actual figures have been indexed with respect to volume of imports from other than dumped sources of the year 2012.

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

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

**Table-XVI**  
**Total Domestic Market of HP**

Period*	Sales by domestic industry	Imports from		Total Domestic Market
		Dumped Source	Other Sources	
2012	81	5	13	100
2013	85	3	19	107
2014	94	4	9	107

Source: PRAL, Applicants

\* Calendar Year

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

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

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suffer material injury due to contraction in demand and changes in the pattern of consumption of HP during the POI.

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

**Table-XVII**  
**Exports Sales of the Domestic Industry**

<b>Period</b>	<b>Exports Sales (MT)</b>
2012	100
2013	90
2014	98

Source: Applicants

\* Calendar Year

Note: To maintain confidentiality, actual figures have been indexed with respect to Export Sales of year 2012.

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

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

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

#### **D. CAUSATION**

#### **44. Effect of Dumped Imports**

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

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

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to production and consumption of the domestic like product;
- ii. Domestic industry experienced price undercutting, price depression and price suppression due to dumped imports of the investigated product;
- iii. Domestic industry experienced decline in profits, productivity and was unable to raise capital due to dumped imports;
- iv. Domestic industry faced negative effect on return on investment and cash flows;
- v. 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**

45. 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 Applicants represent 100 percent of the production of domestic like product;
- ii. the investigated product and the domestic like product are alike products;
- iii. during the POI, the investigated product was exported to Pakistan by the exporters/foreign producers from the Bangladesh at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/foreign producers of the investigated product from the Bangladesh are above the negligible and *de minimis* levels respectively;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 22.80 percent to 25.63 percent for exporters/foreign producers from the Bangladesh;
- vi. the domestic industry suffered material injury on account of volume of dumped imports, price undercutting, price depression, price suppression, decline in profits, decline in productivity, negative effect on cash flow, negative effect on return on investment and negative effect on ability to raise capital in terms of Section 15 and 17 of the Act; and

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- 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**

46. 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.

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

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

**Table-XVIII**  
**Calculation of Injury Margin**

	(Rs./MT)
Cost to make & Sell of Domestic industry	100
Estimated Profits (5% of cost to make & sell)	5
<b>Estimated non-injurious price</b>	105
C & F price of investigated product	81
Landed cost of investigated product	90
<b>Injury Margin (Non-injurious price-landed cost)/C &amp; F Price *100</b>	<b>19.32 %</b>

49. It may be observed from the above that injury margin works out 19.32 percent which is lower than the dumping margins ranging between 21.08 percent to 23.86 percent as determined in paragraph 26 supra. Therefore, in terms of Section 43 (1) of the Act, lesser duty would be adequate to remove injury to the domestic industry.

50. In terms of Section 43 of the Act, provisional antidumping duty @ 19.32 percent is hereby imposed on the dumped imports of the investigated product importable from Bangladesh for a period of four months effective from October 16, 2015. The provisional antidumping duty rate is determined on C&F value in *ad val.* terms. Hydrogen Peroxide is classified under PCT heading No. 2847.0000.

51. Save as provided for in the earlier imposition of antidumping duty orders, HP imported from sources, other than Bangladesh shall not be subject to this provisional antidumping duty.

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52. In accordance with Section 51 of the Act, the provisional antidumping duty shall take the form of *ad valorem* 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.
53. Provisional antidumping duty levied would be in addition to other taxes and duties leviable on import of the investigated product under any other law.
54. 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  
October 12, 2015

(Niamatullah Khan)  
Member  
October 12, 2015

(M Abbas Raza)  
Chairman  
October 12, 2015