



**Government of Pakistan
National Tariff Commission**

Report

On

**Preliminary Determination and Levy of Provisional
Antidumping Duty on Imports of Polyester Staple Fiber
Originating In And/Or Exported From The People's Republic
of China**

A.D.C No.27/2012/NTC/PSF

December 18, 2012

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

2. The Commission is conducting this investigation under the Ordinance and the Rules on imports of Polyester Staple Fibre, not exceeding 2 denier, (hereinafter referred to as “PSF”) originating in and/or exported from the People’s Republic of China (hereinafter referred to as “China”). The Commission has made preliminary determination in this investigation under Section 37 of the Ordinance. This report on preliminary determination has been issued in accordance with Article 12.2 of the Agreement on Antidumping.

3. In terms of Section 37 of the Ordinance, 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.

A. PROCEDURE

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

5. Receipt of Application

5. The Commission received a written application under Section 20 of the Ordinance from M/s Ibrahim Fibres Limited, Ibrahim Centre 1-A, Ahmed Block, New Garden Town, Lahore and M/s ICI Pakistan Limited, ICI House, 63 Mozang Road, Lahore (hereinafter referred to as the “Applicants”) on May 15, 2012. The Applicants have alleged that Polyester Staple Fibre, not exceeding 2 denier, originating in and/or exported from the People’s Republic of China is being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing PSF.

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

7. Evaluation and Examination of the Application

The Commission examined the application filed by the Applicants. The Commission’s analysis showed that the application met requirements of Section 20 of the Ordinance as it contained sufficient evidence of dumping of PSF into Pakistan from China and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of

the Rules, which relate to the submission of information prescribed therein were also found to have been met.

8. The Domestic Industry

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

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

8.2 As per information obtained by the Commission from the Applicants and other sources, the domestic industry manufacturing PSF comprises of the following four operational units with an installed production capacity of 383,000 MT per annum (on three shift basis) during the period from April 01, 2011 to March 31, 2012:

Table-I
Installed Capacity of the Domestic Industry

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

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

8.3 Dewan Salman Fibre Limited has ceased its operation after 2008. Therefore, it has not been considered as part of domestic industry.

8.4 The Commission’s investigation also revealed that neither the Applicants were themselves importer of the investigated product nor were related to the exporters involved in alleged dumping of the investigated product into Pakistan during the Period of Investigation as setout in para 14 infra.

9. Standing of the Application

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

“.... an application shall be considered to have been made by or on behalf of the domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing either support for or opposition to the application.”

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

“..... no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty five percent of the total production of the

domestic like product produced by the domestic industry."

9.2 The Applicants are two out of four domestic producers of PSF in Pakistan and collectively constitute 88% of the total installed capacity of the domestic PSF manufacturing industry.

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

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

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

Source: Applicants

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

10. Applicant' Views

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

- i. PSF imported from China into Pakistan and PSF produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from China are exporting PSF to Pakistan at dumped prices; and
- iii. Exports of PSF by the Chinese exporters/producers to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing PSF mainly through:
 - a. Volume of alleged dumped imports;
 - b. Price undercutting;
 - c. Price suppression;
 - d. Decline in capacity utilization;
 - e. Decline in sales;
 - f. Decline in profit margin;

- g. Decline in market share;
- h. Negative effect on return on investment
- i. Negative effect on cash flows; and
- j. Negative effect on inventories.

11. Exporters/Foreign Producers of PSF

The Applicants in their application identified 92 exporters/producers of PSF from China involved in alleged dumping of PSF from China. The Applicants have stated that there may be other producers and exporters but they do not have the names and addresses of those foreign producers/exporters. Therefore, the Applicants have requested for imposition of antidumping duty on all imports of PSF originating in and/or exported from China instead of the identified foreign producers/exporters.

12. Initiation of Investigation

12.1 The Commission upon examining the accuracy and adequacy of the evidence provided in the application determined that there was sufficient evidence of alleged dumping of PSF by Chinese exporters/producers into Pakistan and consequent material injury to the domestic industry to justify initiation of an investigation. Consequently, the Commission issued a Notice of Initiation in terms of Section 27 of the Ordinance, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on June 26, 2012. Investigation concerning alleged dumped imports of PSF into Pakistan {classified under PCT³ No. 5503.2010 contained in the First Schedule of Customs Act, 1969 (IV of 1969)} originating in and/or exported from China was thus initiated on June 26, 2012.

12.2 The Commission notified the Embassy of China in Pakistan of initiation of investigation (by sending a copy of the notice of initiation) on June 26, 2012 with a request to forward it to all exporters/producers involved in production, sales and export of PSF from China. Copies of the notice of initiation were sent to six major Chinese exporters/producers of PSF whose complete addresses were available with the Commission on July 6, 2012. Copies of the notice of initiation were also sent to known Pakistani importers, and the Applicants on June 26, 2012 in accordance with the requirements of Section 27 of the Ordinance.

12.3 In accordance with Section 28 of the Ordinance, on July 06, 2012, the Commission sent copies of full text of the written application (non-confidential version) to six major Chinese exporters/producers of the investigated product, whose complete addresses were available with the Commission and to the Embassy of China in Pakistan with a request to forward it to all exporters/producers involved in export of PSF from China.

13. Investigated Product, Like Product and Domestic Like Product

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

¹ The official Gazette of Pakistan (Extraordinary) dated June 26,2012

² The ‘Daily Ausaf and the ‘Dawn’ of June 26, 2012 issue.

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

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:

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

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”.

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

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

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

13.2.3 **Like Product:** The like product is PSF not exceeding 2 denier produced and sold by the exporters/foreign producers of China in their domestic markets, and PSF not exceeding 2 denier imported into Pakistan from countries other than China. The like product is classified under PCT/H.S No. 5503.2010. Major uses of the like product are identical to those of the investigated product and domestic like product.

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

- i. basic raw materials used in the production of the investigated product, the domestic like product, and the like product are the same namely Purified Terephthalic Acid (“PTA”) and Mono-Ethylene Glycol (“MEG”). However, some Chinese producers are also producing PSF from recycled/waste PET material;
- ii. all the three products (the investigated product, the domestic like product and the like product) are produced with a similar manufacturing process;
- iii. all the three products are classified under the same PCT/HS No. 5503.2010.
- iv. all the three products have similar appearance;

- v. all the three products are substitutable in use. They are mainly used in woven and knit applications to produce textile and apparel products; and

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

14. Period of Investigation

14.1 In terms of Section 36 of the Ordinance, period of investigation (hereinafter referred to as "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".

14.2 POI selected for dumping and injury are, therefore, as follows:

For determination of dumping	From April 01, 2011 to March 31, 2012
For determination of Injury	From April 01, 2009 to March 31, 2012

15. Information/Data Gathering

15.1 The Commission sent Exporter's Questionnaires on July 06, 2012 to the following eight producers/exporters of PSF from China for submission of data and information, who were asked to respond within 37 days of the dispatch of the Questionnaires:

- i. Jiangyin Huahong Chemical Fibre Co., Huahong Industrial Zone, Zhouzhuang Town, Jiangyin City, Jiangsu Province, 214423, China.
- ii. Zhangjiagang Chengxin Chemical Fibre Co. Ltd., Houcheng Industrial Zone, Jingang Town, Zhianjiagang City, Jiangsu, China.
- iii. Jiangyin Hailun Chemical Fiber Co Limited, Zhouzhuang Town, Jiangyin, China.
- iv. Shanghai Hengyi Polyester, No. 333 Mu Hua Bei Road, Shanghai, Shanghai, China.
- v. Jiangsu Huaxicun Co. Limited, Special Chemical Fibre Plant, Huaxi Industrial Distrial, Jiangyin, Jiangsu, China.
- vi. Unisky Shanghai (HK) Limited, Unit 3A, 5/F, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong.

- vii. Jiangsu Xinsu Chemical Fibre Co. Ltd., Huangdai Town, Suzhou City, Jiangsu, China.
- viii. Yizheng Winning Chemical Fiber Co. Ltd., No. 6 Dalian Road, Yizheng Chemical Industry Park, Jiangsu Province, 211400, China.

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

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

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

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

- i) Jiangyin Huahong Chemical Fibre Co. Ltd., Huahong Industrial Zone, Zhouzhang Town, Jiangyin City, Jiangsu Province, China;
- ii) Zhangjiang Chengxin Chemical Fibre Co. Ltd., Huahong Industrial Zone, Zhouzhang Town, Jiangyin City, Jiangsu Province, China;
- iii) Jiangyin Hailun Chemical Fibre Co. Ltd., Zhouzhang Town, Jiangyin City, Jiangsu Province, China;
- iv) Shanghai Hengyi Polyester Fibre Co. Ltd., No.333 Mu Hua Bei Road, Shanghai, China;
- v) Jiangsu Huaxicun Co. Ltd., Huaxi Industrial District, Jiangyin, Jiangsu, China;
- vi) Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd., Room No. C101, Building 12, No. 105 A, Shanghai Road, Taicang City, Jiangsu, China.
- vii) Jiangyin Huafang Technological Synthetic Fibre Co. Ltd., No. 11, Xinhang Road, Changzhou Town, Jiangyin, Jiangsu, China.
- viii) Nanyang Textile Co. Ltd., Mazhen Xuxiake Town, Jiangyin City, Jiangsu, China.
- ix) Zhangjiagang Zhengfang Textile Co. Ltd., Dongshan Village, Jingang Town, Co., Ltd., Zhangjiagang City, China.
- x) Yizheng Winning Chemical Fibre Co. Ltd., No. 6, Dalian Road, Yizheng Chemical Industrial Park, Jiangsu Province, China.

15.5 After taking into account the due causes 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 August 26, 2012. Filled-in Exporter's Questionnaires from these exporters were received at the Commission on August 2, 2012, August 16, 2012 and August 27, 2012. Upon examination of the information received from these exporters/foreign producers, certain deficiencies were found in the information supplied. These deficiencies were communicated to the exporters/ foreign producers and were requested to supply the deficient information. Further details are given at paragraph 20 infra.

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

15.8 Similarly, in order to gather information from importers, the Commission sent Importer's Questionnaire to 34 Pakistani importers of the investigated product known to the Commission on July 05, 2012, July 06, 2012 and July 13, 2012. These importers were asked to respond within 37 days of dispatch of the questionnaire.

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

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

16. Questionnaire(s) Response by Chinese Producers/Exporters

16.1 Questionnaire Response by Jiangsu Xinsu Chemical Fiber Co. Ltd., China

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

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

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

16.2 Questionnaire Response by Unisky Shanghi (HK) Limited, Hong Kong, China

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

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

- i) Jiangsu Xinsu Chemical Fiber Co. Ltd., Huangdai Town, Suzhou City, Jiangsu, China;
- ii) Jiangyin Hailun Chemical Fibre Co. Ltd., Zhouzhang Town, Jiangyin City, Jiangsu Province, China; and
- iii) Shanghai Hengyi Polyester Fibre Co. Ltd., No. 333 Mu Hua Bei Road, Shanghai, China.

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

16.3 **Questionnaire Response by Jiangsu Huaxicun Co. Ltd., China**

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

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

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

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

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

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

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

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

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

Commission's letter dated September 06, 2012.

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

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

16.5 Questionnaire Response by Jiangyin Huahong Chemical Fibre Co. Ltd., China

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

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

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

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

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

16.6 Jiangyin Hailun Chemical Fiber Co Limited, China

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

16.6.2 According to the information provided in response to the questionnaire, Hailun is a Sino-Foreign joint venture private limited company incorporated under the

Chinese company laws. It has been engaged in the manufacture, sale and export of PSF to Pakistan as well as to other countries and in its domestic market during the POI.

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

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

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

16.7 **Shanghai Hengyi Polyester Fiber Co. Ltd., Shanghai, China**

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

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

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

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

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

16.8 **Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd., Jiangsu, China**

16.8.1 The Commission sent the Exporter's Questionnaire to the Embassy of China on July 06, 2012, requesting it to forward it to all the Chinese producers/exporters of PSF to Pakistan. Accordingly, Suzhou Guoxin Group Tai Cang Sun-Rising Imp & Exp Co. Ltd.

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

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

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

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

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

16.9 Jiangyin Huafang Technological Synthetic Fibre Co. Ltd., Jiangsu, China

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

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

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

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

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

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

16.10 **Nanyang Textile Co. Ltd., Mazhen Xuxiake Town, Jiangyin City, Jiangsu, China**

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

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

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

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

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

16.11 **Zhangjiagang Zhengfang Textile Co. Ltd., Zhangjiagang City, China**

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

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

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

16.12 **Suzhou Rizhongtian Chemical Fibre Co. Ltd., Suzhou, China**

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

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

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

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

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

17. Verification of the Information

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

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

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

18. Public File

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file at its offices. This file remained 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, response to the Questionnaires, submissions, notices, on-the-spot investigation reports, preliminary determination, record of hearing, comments of interested parties, statement of essential facts, correspondence, and other documents for disclosure to the interested parties.

19. Confidentiality

In terms of Section 31 of the Ordinance, any information, which is marked confidential by the interested parties in their submissions and considered confidential by the Commission, shall, during and after the investigation, be kept confidential. Furthermore, any information, which is by nature confidential in terms of Section 31 of the Ordinance, shall also be kept confidential. However, in accordance with Section 31(5) of the Ordinance, interested parties submitting confidential information are required to submit non-confidential summary(ies) of the confidential information, which shall permit a reasonable understanding of the substance of information submitted in confidence. Non-confidential summaries submitted by different interested parties have been placed in the public file and were/are available to all interested parties (paragraph 17 supra).

B. DETERMINATION OF DUMPING

20. Dumping

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

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

21. Normal Value

21.1 In terms of Section 5 of the Ordinance “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 Ordinance 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 Ordinance as follows:

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

“(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 Ordinance 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 15 supra) the Applicant identified ninety-two exporters/foreign producers from China involved in alleged dumping of the investigated product. The Commission sent Questionnaires directly to six major exporters/foreign

producers whose complete addresses were available with the Commission (paragraph 15.1 supra) to gather information necessary for this investigation. Questionnaires were also provided to the Embassies of China in Islamabad with a request to forward it to all exporters/foreign producers of the investigated product based in China to submit information to the Commission.

23.2 Eleven exporters/foreign producers provided information in response to the Questionnaires, (paragraph 15.3 supra). Individual dumping margins in this investigation are determined for the above-mentioned eleven-exporters/foreign producers on the basis of the information provided by them. However, residual dumping margins/duty rates have been determined for all other exporters/foreign producers from China who did not cooperate with the Commission in this investigation.

24. Determination of Normal Value

24.1 The Commission received information on domestic sales and cost of production etc. of the like product from the eleven-exporters/foreign producers in response to the Questionnaire. Normal value for these eleven exporters/producers in this preliminary determination has been determined on the basis of that information. Normal value for all other Chinese exporters/producers has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Ordinance (paragraphs 26.5 and 26.6 infra).

24.2 Determination of Normal Value for Jiangsu Xinsu, China

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

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

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

24.2.4 To ascertain whether these sales are in sufficient quantities, in order to determine normal value in terms of Section 6(2) of the Ordinance, the Commission has ascertained that these sales were more than 5 percent of its the export sales of the investigated product exported to Pakistan during the POI. It sold like product to related and un-related customers in its domestic market. Investigation of the Commission showed that prices

charged from related customers were in the same range of prices, which were charged from un-related customers. Therefore, the Commission has considered all sales of the like product (related and un-related) in determination of normal value for Jiangsu Xinsu.

24.2.5 To arrive at the ex-factory price, Jiangsu Xinsu claimed adjustments on account of VAT, handling cost, bank charges, packing cost.

24.3 Determination of Normal Value for Unisky Shangai (HK), Ltd. China

24.3.1 Normal value for Unisky Shangai (HK) Ltd. (Unisky) has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during the POI.

24.3.2 Unisky is a trading company registered in Hong Kong engaged only in exporting Investigated Product and does not supply locally i.e. it does not have any local/domestic sales. Unisky Shanghai (HK) Limited is not a producer of the IP, instead is a trader, dealing in exports only. Therefore, there are no sales in the domestic market.

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

- 1) Jiangsu Xinsu Chemical Fibre Co., Ltd;
- 2) Jiangyin Hailun Chemical Fiber Co., Ltd; and
- 3) Shanghai Hengyi Polyester Fibre Co., Ltd.

24.3.4 Unisky takes prices from above three manufacturers of PSF, adds reasonable profit in sale price and quotes it to its importers in Pakistan. Unisky Shanghai (HK) Limited directly exports to its end user i.e importer in Pakistan. All investigated product exported to Pakistan from Unisky Shanghai (HK) Limited is from China. The shipment is CNF Karachi.

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

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

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

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

24.4 Determination of Normal Value for Jiangyin Hailun Chemical Fibre Co. Ltd. (“Hailun”)

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

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

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

24.4.5 Hailun exported 1.2 and 1.4 denier types of the investigated product to Pakistan during the POI. Normal value for these types of PSF has been determined on the basis of the domestic sales made during the POI. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in domestic market of the exporting country. In determination of normal value for the above-mentioned types, the Commission has disregarded domestic sales, which were not in the ordinary course of trade in terms of Section 7 of the Ordinance (as more than twenty percent sales were below costs).

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

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

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

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

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

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

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

24.6 Determination of Normal Value for Shanghai Hengi Polyester Fibre Co. Ltd. (“Hengi”)

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

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

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

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

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

24.7 Determination of Normal Value for Jiangyin Huafang Technological Synthetic Fibre Co. Ltd. (“Huafang”)

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

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

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

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

24.8 Determination of Normal Value for Jiangyin Huahong Chemical Fibre Co. Ltd. (“Huahong”)

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

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

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

24.8.4 Huahong exported different types of the investigated product to Pakistan during the POI. Normal value for these has been determined on the basis of the domestic sales. Section 7 of the Ordinance requires the Commission to determine whether sales were made in the ordinary course of trade in domestic market of the exporting country. In determination of normal value for the above-mentioned types, the Commission has disregarded domestic sales, which were not in the ordinary course of trade in terms of

Section 7 of the Ordinance (as more than twenty percent sales were below costs). For those types of PSF, which were not sold in the domestic market of China, their normal value has been determined on the basis of Huahong's cost of production plus administrative and selling costs plus profits.

24.8.5 To arrive at the ex-factory price of domestic sales, Huahong has reported adjustments on account of VAT refund and inland freight. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions.

24.9 Determination of Normal Value for Nanyang Textile Co. Ltd. ("Nanyang")

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

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

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

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

24.10 Determination of Normal Value for Suzhou Guoxin Group Tai Cang Sun-Rising Import & Export Co. Ltd. ("Guoxin")

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

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

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

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

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

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

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

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

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

24.12 Determination of Normal Value for Non-Cooperating Exporters

24.12.1 Normal value for exporters/foreign producers who did not cooperate with the Commission in providing information is determined on the basis of best information available in accordance with Section 32 of the Ordinance.

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

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

25. Determination of Export Price

25.1 The Commission received information on export sales of the investigated product from eleven Chinese exporters/producers of PSF, in response to the Questionnaires sent to various exporters/producers of the China. Export price of investigated product for these eleven-exporters/producers in this preliminary determination has been determined on the basis of the information provided by them. Export price for other exporters/producers of

the China who did not cooperate with the Commission is determined on the basis of the information obtained from PRAL.

25.2 Determination of Export Price for Jiangsu Xinsu, China

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

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

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

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

29.3 Determination of Export Price for Unisky Shangai (HK), Ltd., China

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

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

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

29.4 Determination of Export Price for for Zhangjiagang Chengxin Chemical Fibre Co. Ltd. ("Chengxin")

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

29.4.2 According to the information provided by Chengxin, export sales to Pakistan, during the POI, were to un-related parties on C & F basis.

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

29.5 Determination of Export Price for Jiangyin Hailun Chemical Fibre Co. Ltd. (“Hailun”)

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

29.5.2 According to the information, Hailun exported PSF of 1.2 denier and 1.4 denier to Pakistan during the POI. Its all export sales to Pakistan, during the POI, were to un-related parties.

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

29.6 Determination of Export Price for Jiangsu Huaxicun Co. Ltd. (“Huaxicun”)

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

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

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

29.7 Determination of Export Price for Shanghai Hengi Polyester Fibre Co. Ltd. (“Hengi”)

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

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

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

29.8 Determination of Export Price for Jiangyin Huafang Technological Synthetic Fibre Co. Ltd. (“Huafang”)

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

29.8.2 According to the information, Huafang exported different types of Pakistan to Pakistan during the POI.

29.8.3 As per the information provided by Huafang all export sales to Pakistan, during the POI, were to un-related parties.

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

29.9 Determination of Export Price for Jiangyin Huahong Chemical Fibre Co. Ltd. (“Huahong”)

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

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

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

29.10 Determination of Export Price for Nanyang Textile Co. Ltd. (“Nanyang”)

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

29.10.2 According to the information, Nanyang exported only one type of PSF to Pakistan during the POI. As per the information provided by Nanyang all export sales to Pakistan, during the POI, were to un-related parties.

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

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

29.11 Determination of Export Price for Suzhou Guoxin Group Tai Cang Sun-Rising Import & Export Co. Ltd. (“Guoxin”)

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

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

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

29.12 Determination of Export Price for Suzhou Rizhongtian Chemical Fibre Co. Ltd. (“Rizhongtian”)

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

29.12.2 As per the information provided by Rizhongtian, all export sales to Pakistan, during the POI, were to un-related parties.

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

29.13 Determination of Export Price for Other Exporters/Foreign Producers

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

29.4.2 Values in PRAL’s information are reported at C&F level. The C&F export price has been adjusted to the ex-factory level.

30. Dumping Margin

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

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

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

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

Table-III
Dumping Margin

S No.	Exporter Name	Dumping margin as % of	
		Export price	C&F price
1.	Jiangsu Xinsu Chemical Fiber Co. Limited	-12.39	-14.14
2.	Unisky Shanghai (HK) Limited	3.04	2.95
3.	Jiangsu Huaxicun Co. Ltd.	0.10	0.10
4.	Zhangjigang Chengxin Chemical Fibre Co. Ltd.	4.73	4.49
5.	Jiangyin Huahong Chemical Fibre Co. Ltd.	5.42	5.14
6.	Shanghai Hengi Polyester Fibre Co. Ltd.	1.42	1.40
7.	Jiangyin Hailun Chemical Fibre Co. Ltd.	-13.49	-15.59
8.	Jiangyin Huafang Technological Synthetic Fibre Co. Ltd.	-7.79	-8.45
9.	Nanyang Textile Co. Ltd.	2.14	2.09
10.	Suzhan Guoxin Group Tai Sun Rising Import & Export Co. Ltd.	-16.20	-19.33
11.	Suzhou Rizhongtian Chemical Fibre Co. Ltd.	7.95	7.37
12.	All Others from China	9.70	8.82

31. Negligible Volume of Dumped Imports

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

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

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

Table-IV
Volume of Imports During POI

Imports from:	% of total imports
China	70.48%
China non-dumped	15.15%
Other Sources	14.37%
Total	100%

Source: PRAL and Cooperating Exporters

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

C. INJURY TO DOMESTIC INDUSTRY

32. Determination of Injury

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

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

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

32.2 Section 15 of the Ordinance further provides that:

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

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

33. Domestic Industry

33.1 For the purposes of this investigation, the Commission has determined domestic industry manufacturing domestic like product that consists of the following four units with an installed production capacity of 383,000 MT per annum:

Table-V
Installed Capacity of the Domestic Industry

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

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

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

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

Table-VI
Production of Domestic Like Product During POI

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

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

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

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

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

33.6 Analysis of injury factors carried out in this preliminary determination in the following paragraphs is, therefore, based on the information submitted by Applicants. Any inference derived in this regard from the data of the Applicants would apply to the entire domestic industry.

34. Volume of Dumped Imports

Facts

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

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

Table- VII

Year*	Imports from China		Imports from other Countries	Total Imports
	Dumped imports	Non-dumped imports		
2009-10	68.46		31.54	100.00
2010-11	95.81	23.95	19.28	139.04
2011-12	72.36	15.56	14.76	102.68

Source: PRAL * From 1st April to 31st March

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

34.3 The above Table shows that dumped imports of PSF from China increased in the year 2010-11 over imports of the year 2009-10 and decreased in the year 2011-12 over imports of the year 2010-11. Imports of PSF from other sources decreased in 2011-12. However, share of dumped imports in total imports increased to 70% in 2011-12.

34.4 The data in following Table shows has been analysed to ascertain whether dumped imports of PSF from China increased relative to domestic production of domestic like product during the POI:

Table – VIII
Domestic Production and Dumped Imports

Year*	Domestic production	Alleged dumped Imports from China
2009-10	100.00	100.00
2010-11	113.20	139.96
2011-12	103.08	105.71

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

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

34.5 The above table shows that the volume of dumped imports relative to domestic production increased during 2010-11 and then decreased in 2011-12. The above analysis reveals that volume of dumped imports increased relative to domestic production in 2010-11.

34.6. It is pertinent to mention earlier that the Commission initiated anti-dumping investigation against dumping of PSF from China on July 29, 2008. The Commission imposed final anti-dumping duty on June 5, 2009, on completion of the investigation. Decisions of the Commission to initiate investigation and its preliminary and final determinations were challenged in the Lahore High Court, (LHC) Lahore. In its order dated May 11, 2010, the LHC, Lahore set a side the Commission's notifications and has directed the Commission to proceed afresh. Therefore, in pursuance of the Order of the LHC, the Commission initiated afresh proceedings against dumped imports of PSF into Pakistan originating in and/or exported from China on Sep. 27, 2010. The Commission's proceedings were again suspended due to stay granted by Islamabad High Court, Islamabad. However, the antidumping investigation was terminated on May 4, 2012 under Section 40 of the Ordinance, because the Applicants withdrew their original application filed with the Commission on June 26, 2008.

34.7 Furthermore, the imports of PSF from China during 2011-12 indicate the effect of antidumping duties imposed during 2009 and chilling effect of proceeding afresh by initiating antidumping investigation in Sep. 2010. The importers of PSF from China kept imports on hold, keeping in view the chances of re-imposition of antidumping duties by the Commission. Therefore, due to these reasons the imports of PSF from China decreased during 2011-12. It can be assumed that had there been no likelihood of re-imposition of anti-dumping duties, the volume of dumped imports from China would have been much higher.

Conclusion

34.8 On the basis of the above information and analysis, the Commission has concluded that the volume of dumped imports of the investigated product increased in absolute terms as well as relative to the production of the domestic like product in 2010-11.

35. Price Effects

35.1 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), and price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product). Price effects have been determined on Applicant's information as information on prices of the other producers is not available with the Commission.

35.2 Price undercutting

Facts

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

Table-IX
Calculation of Price Undercutting

Year*	Applicant's price	Landed cost of alleged dumped	Price undercutting	
			Absolute	Percentage
2009-10	100	89	11	10.52
2010-11	132	117	14	10.60
2011-12	146	132	14	9.58

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

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

Analysis

35.2.2 The above table shows that the landed cost of the investigated product and prices of the domestic like product registered an increase during the last three years. Above table shows that landed cost of PSF was lower than the prices of domestic like product during the POI. Resultantly, alleged dumped imports undercut prices of domestic like product during the POI.

Conclusion

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

35.3 Price Depression

Facts

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

Table-X
Ex-factory Price of domestic like product

Year*	Ex-factory prices of Applicants
2009-10	100.00
2010-11	131.81
2011-12	146.31

* Year is from 1st April to 31st March

Note: Actual figure has been indexed with reference to the figures of the year 2009-10 by taking them equal to 100.

Analysis

35.3.2 Analysis of the above facts shows that domestic industry has increased weighted average ex-factory price of domestic like product during the POI.

Conclusion

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

35.4 Price Suppression

Facts

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

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

Year*	Average Cost to make & sell	Average Domestic Price	Price suppression	
			Increase in average cost	Increase in average domestic price
2009-10	100	101		----
2010-11	122	134	22	32
2011-12	142	148	20	15

* Year: April 01 to March 31

Source: the Applicants

Note: Actual figure has been indexed with reference to the figure of cost to make & sell the year 2009-10 by taking them equal to 100.

Analysis

35.4.2 The above table shows that the weighted average cost of sales of the domestic like product increased during the years 2010-11 and 2011-12. Weighted average ex-factory price of the domestic like product increased in the years 2010-11 and 2011-12. Thus, the domestic industry recovered increased cost of production in the year 2010-11 by way of an increase in selling price. However, in the year 2011-12, domestic industry could not

recover increased cost of sales through increased price because increase in price was lower than the increase in cost of sales. The domestic industry experienced significant price suppression in the year 2011-12 as, it was not able to recover increased cost by way of an increase in its selling price due to lower landed cost of the investigated product.

Conclusion

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

36. Effects on Market Share

Facts

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

Table -XII
Market Share

Year*	Sales by domestic industry	Imports from		Total domestic market
		Alleged dumped source	Other sources	
2009-10	77.05	15.71	7.24	100.00
2010-11	85.66	21.99	9.92	117.57
2011-12	77.48	16.61	6.96	101.05

* Year is from 1st April to 31st March

Note: Actual figure has been indexed with reference to the figure of the total domestic market of the year 2009-10 by taking them equal to 100.

Analysis

36.2 The above table shows that the domestic market of PSF increased by 18 percent in 2010-11 and decreased by 14 percent in the years 2011-12. Market share of domestic industry, which was 77 percent in the year 2009-10, decreased to 73 percent in the year 2010-11 and increased to 77 percent in 2011-12. Market share of the alleged dumped imports, which was 16 percent in the year 2009-10 increased to 19 percent in the year 2010-11 and decreased to 16 percent in 2011-12. Market share of imports from other sources, which was 7 percent in the year 2009-10 increased to 8 percent and decreased to 7 percent in the 2011-12.

36.3 The above information and analysis shows that market share of domestic industry, could not grow in 2010-11 when overall domestic market grew by 18%. The dominant share in 2010-11 was taken by alleged dumped imports. However, from the base year i.e.

2009-10 there is 4 percent decline in sales of domestic industry while alleged dumped imports grew by 3 percent in the same year. The domestic industry suffered material injury on account of market share.

Conclusion

36.4 On the basis of above information and analysis, the Commission has concluded that the domestic industry suffered injury on account of decline in market share due to dumped imports of the investigated product during 2010-11.

37. Effects on Sales

Facts

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

Table -XIII
Sales of the Domestic Like Product

Year*	Sales
2009-10	100
2010-11	111
2011-12	101

Year is from 1st April to 31st March

Note: Actual figure has been indexed with reference to the figure of the year 2009-10 by taking them equal to 100.

Analysis

37.2 The above table shows that the sales of domestic industry increased by 11.18 percent in the year 2010-11 and decreased by 9.55 percent during 2011-12. Significant increase in sales in the year 2010-11 was due to increased demand for PSF. The domestic industry sold its increased production by keeping prices lower than landed cost of the investigated product.

Conclusion

37.3 On the basis of above information and analysis, the Commission has concluded that sales of the domestic like product increased during 2010-11, however, sales decreased in 2011-12. The domestic industry suffered material injury on account of decline in sales during 2011-12.

38. Effects on Production and Capacity Utilization

Facts

38.1 The installed production capacity of the entire domestic industry of PSF is 383,000MT per annum on three-shift basis. Quantity produced and the capacity utilized by the domestic industry during POI were as follows:

Table-XIV
Production and Capacity Utilization

Year *	Capacity Utilization
2009-10	100
2010-11	113
2011-12	102

Year is from 1st April to 31st March

Note: Actual figure has been indexed with reference to the figure of the year 2009-10 by taking them equal to 100.

Analysis

38.2 The above table shows that domestic industry's production of domestic like product increased through out POI.

Conclusion

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

39. Effects on Inventories

Facts

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

Table-XV
Inventories of Domestic Like Product

Year*	Opening Inventory	Closing Inventory
2009-10	100	95
2010-11	95	104
2011-12	104	113

* Year is from 1st April to 31st March

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

Analysis

39.2 The data given in the above table shows that the closing inventory level of the Applicants increased in 2011-12.

Conclusion

39.3 On the basis of the above facts and analysis, the Commission has concluded that the domestic industry suffered material injury on account of increase in inventories of the domestic like product during POI.

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

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

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

Year *	Gross Profit/(Loss)
2009-10	100.00
2010-11	584.16
2011-12	361.56

Year is from 1st April to 31st March

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

Analysis

40.2 The above table shows that the Applicants earned gross profits during the POI. The gross profit increased by 584% in 2010-11, however, it decreased by 38% in 2011-12. This happened due to price suppression, as the Applicants were not able to recover increased cost of production through an increase in selling price.

Conclusion:

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

41. Effects on Cash Flow**Facts**

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

**Table -XVII
Cash Flow Position**

Year*	Net cash inflow/ (outflow)
2009-10	100.00
2010-11	6262.99
2011-12	(7493.13)

Year is from 1st April to 31st March

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

Analysis

41.2 The above table shows that the net cash inflow of the Applicants, which increased during 2010-11, became negative in 2011-12.

Conclusion

41.3 On the basis of the above, the Commission has concluded that the domestic industry has suffered material injury on account of negative effects on cash flows.

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

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

Table -XVIII
Employment, Productivity and Salaries & Wages

Year *	Number of Employees	Total salaries and wages	Productivity per worker
2009-10	100.00	100	100.00
2010-11	103.01	230	112.22
2011-12	106.69	286	97.22

Year is from 1st April to 31st March

Note: Actual figure has been indexed with reference to the figures of the year 2009-10 by taking them equal to 100.

Analysis

42.2 The above table shows that the employment in the domestic industry increased in the year 2009-10. Productivity per worker increased in 2010-11 and decreased in 2011-12.

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

Conclusion

42.4 Based on the above information and analysis, the Commission has concluded that the domestic industry suffered injury on account of wages and salaries, and productivity.

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

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

Table -XIX
Investment and Return on Investment

Year*	Total Investment	Return on Investment
2009-10	100.00	100.00
2010-11	105.76	423.96
2011-12	119.73	244.09

Year is from 1st April to 31st March

Note: Actual figure has been indexed with reference to the figures of the year 2009-10 by taking them equal to 100.

Analysis

43.2 The above table shows that the investment in the domestic industry increased and returns on investment decreased through out the POI.

Conclusion

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

44. Effects on Growth and Investment

Facts/analysis

44.1 During POI, Ibrahim Fiber Limited has made new investment to install a new plant. Resultantly, total installed production capacities of the domestic industry for production of the domestic like product would increase once IFL's plant comes into production.

Conclusion

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

45. Ability to Raise Capital

Facts/analysis

45.1 The Applicants are of the view that the ability to raise capital is contingent on the ability of the Applicants to show domestic sales growth. Stagnant sales growth, lower operating rates and reduction in profits during POI for Injury did not augur well for any potential equity investor needed for undertaking any future expansions. Investors will only be willing to inject more equity if the industry shows strong domestic market growth. However, due to increase in dumping of imports and resultant reduction in sales and market share the industry's ability to raise capital is materially weakened.

46. Summing up of Material Injury

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

- i) Volume of dumped imports;
- ii) price undercutting;
- iii) price suppression;

- iv) decline in profits;
- v) decline in return on investment,
- vi) negative effects on inventories;
- vii) negative effect on cash flow;
- viii) negative effect on capacity utilization; and
- ix) negative effect on productivity.
- x) Negative effect on ability to raise capital

46.2 In the wake of dumped imports of the investigated product, the Applicants were not able to increase its prices of the domestic like product to a level where it could accommodate the rising cost of production during 2011-12, therefore, the Applicant's profitability suffered.

46.3 The IFL made investment and installed a new plant for production of domestic like product during the POI.

46.4 Productivity of the domestic industry declined due to decrease in production of the domestic like product during 2011-12. It is, therefore, concluded that the domestic industry suffered material injury due to dumped imports of the investigated product.

47. **Other Factors**

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

47.2 The Commission's investigation showed that the domestic industry also suffered some injury due to imports of the like product from sources other than the China during POI. However, injury caused by these imports cannot be considered significant as its volume was much less than the volume of dumped imports. Following table shows the volume of dumped imports from China and other imports during the POI (from 1st April 2011 to 31st March 2012):

Table -XX
Volume and C&F Prices of Imported PSF

Imports	% share in total imports
Dumped Imports from China	68.04%
Other sources	31.96%
Total	100%

Source: PRAL

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

- i. There was no change in competition between exporters/foreign producers of the China, exporters/foreign producers from other sources and domestic producers; and

- ii. There was no considerable change in technology to produce PSF.

D. CAUSATION

48. Effect of Dumped Imports

On the basis of the analysis and conclusions, the Commission has concluded that there was a causal link between dumped imports of the investigated product and material injury suffered by the domestic industry. The investigation revealed that the following happened simultaneously during POI:

- i. Domestic industry experienced price undercutting, price depression and price suppression due to dumped imports of the investigated product;
- ii. Domestic industry incurred decline in profits on production of the domestic like product due to dumped imports of the investigated product during POI for dumping;
- iii. It is pertinent to mention that the Commission initiated anti-dumping investigation against dumping of PSF from China on July 29, 2008. The Commission imposed final anti-dumping duty on June 5, 2009, on completion of the investigation. Decisions of the Commission to initiate investigation and its preliminary and final determinations were challenged in the Lahore High Court, (LHC) Lahore. In its order dated May 11, 2010, the LHC, Lahore set a side the Commission's notifications and has directed the Commission to proceed afresh. Therefore, in pursuance of the Order of the LHC, the Commission initiated afresh proceedings against dumped imports of PSF into Pakistan originating in and/or exported from China on Sep. 27, 2010. The Commission's proceedings were again suspended due to stay granted by Islamabad High Court, Islamabad. However, the antidumping investigation was terminated on May 4, 2012 under Section 40 of the Ordinance, because the Applicants withdrew their original application filed with the Commission on June 26, 2008;
- iv. Furthermore, the imports of PSF from China during 2011-12 indicate the effect of antidumping duties imposed during 2009 and chilling effect of proceeding afresh by initiating antidumping investigation in Sep. 2010. The importers of PSF from China kept imports on hold, keeping in view the chances of re-imposition of antidumping duties by the Commission. Therefore, due to these reasons the imports of PSF from China decreased during 2011-12. It can be assumed that had there been no likelihood of re-imposition of anti-dumping duties, the volume of dumped imports from China would have been much higher;
- v. High utilization of capacities by the Applicants is also due to closure of the biggest producer of the domestic industry that is Dewan Salman Fibre Limited (DSFL) with capacity of 240,900MT/annum. Had DSFL been in operation, the production and capacity utilization of the Applicants would have been much lower.

E. CONCLUSIONS

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

- i. the application was filed on behalf of domestic industry as the Applicant represent major proportion 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/foreign producers from the China at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the some of exporters/producers of the investigated product from the China 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 zero percent to 8 percent for exporters/foreign producers from the China;
- vi. the domestic industry suffered material injury during POI on account of price undercutting, price suppression, decline in profits, decline in capacity utilization, decline in productivity, negative effect on cash flow and negative effect on return on investment and ability to raise capital in terms of Section 15 and 17 of the Ordinance; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.

50. In reaching this preliminary affirmative determination, the Commission is satisfied that the investigated product has been imported at dumped prices from the China. This has caused material injury to domestic industry during the POI.

IMPOSITION OF PROVISIONAL ANTIDUMPING DUTY

51. In view of the analysis and conclusions with regard to dumping, material injury, and causation, imposition of provisional antidumping duty on the investigated product is needed to offset injury to the domestic industry by dumped imports.

52. Individual dumping margins have been determined for the eleven exporters/foreign from the China who supplied the information necessary for this investigation and the provisional rate for anti-dumping duty for these exporters is determined on the basis of individual dumping margins.

53. A residual dumping margin and antidumping duty rate for all other exporters from China, who did not cooperate, is determined on the basis of best available information in terms of Section 32 of the Ordinance.

54. In terms of Section 43 of the Ordinance, provisional antidumping duties given in the following table are hereby imposed on the dumped imports of the investigated product classified under PCT heading No. 5503.2010 importable from China (except for the exporters/foreign producers mentioned at paragraph 54 supra) for a period of four months effective from December 21, 2012. The provisional anti-dumping duty rates are determined on C&F value in *ad val.* terms. The provisional anti-dumping duties at C&F value are equivalent to the preliminary dumping margins determined at ex-factory price level.

Table-XXVII
Provisional Anti-dumping Duty Rates

S No.	Exporter Name	Provisional Antidumping Duty Rate (%)
i.	Unisky Shanghai (HK) Limited	2.95
ii.	Zhangjiagang Chengxin Chemical Fibre Co. Ltd.	4.49
iii.	Jiangyin Huahong Chemical Fibre Co. Ltd.	5.14
iv.	Nanyang Textile Co. Ltd.	2.09
v.	Suzhan Rizhongtian Chemical Fibre Co. Ltd.	7.37
vi.	Others from China	8.82

55. Provisional anti-dumping duty has not been imposed on following exporters/foreign producers of the investigated product from China as these exporters/foreign producers were found either not to be dumping or the dumping margin was found to be *de minimis* (less than 2%) in terms of Section 41 of the Ordinance during the POI:

- i. Jiangsu Xinsu Chemical Fiber Co. Limited
- ii. Jiangsu Huaxicun Co. Ltd.
- iii. Shanghai Hengi Polyester Fibre Co. Ltd.
- iv. Jiangyin Hailun Chemical Fibre Co. Ltd.
- v. Jiangyin Huafang Technological Synthetic Fibre Co. Ltd.
- vi. Suzhan Guoxin Group Tai Sun Rising Import & Export Co. Ltd.

56. In accordance with Section 51 of the Ordinance, 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.

57. Provisional anti-dumping duties levied would be in addition to other taxes and duties leviable on import of the investigated product under any other law.

58. 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

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deposited in Commission's Non-lapsable PLD account No. 187 with Federal Treasury
Office, Islamabad.

(Zamir Ahmed)
Member
December 18, 2012

(Niamatullah Khan)
Member
December 18, 2012

(Prince Abbas Khan)
Chairman
December 18, 2012