

(NON-CONFIDENTIAL)



Government of Pakistan  
National Tariff Commission

REPORT

ON

PRELIMINARY DETERMINATION AGAINST ALLEGED DUMPED IMPORTS OF SEAT  
BELT PARTS/COMPONENTS ORIGINATING IN AND/OR EXPORTED FROM THE  
REPUBLIC OF KOREA.

A.D.C No.14/2008/NTC/SBPC  
February 18, 2009

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 antidumping 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 Antidumping") has conducted an investigation and made a preliminary determination under the above mentioned Ordinance and Rules.

2. In terms of section 37 of the Ordinance, the Commission is required to "make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time." The preliminary determination in this investigation has been made on the basis of information available with the Commission. Report of preliminary determination is prepared in accordance with Article 12.2 of Agreement on Anti-dumping.

**A. PROCEDURE**

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

**4. Receipt of Application**

The Commission received a written application from M/s Plastech Autosafe (Pvt.) Limited, Karachi (the "Applicant"), a domestic producer of seat belt parts/components, and seat belts, through its attorney, S.U. Khan Associates, Management Consultants, on June 28, 2008. The Applicant alleged that seat belts parts/components produced in the Republic of Korea (hereinafter referred to as "Korea") are exported to Pakistan at dumped prices, which has caused material injury to the domestic industry producing seat belt parts/components and seat belts. The Embassy of Korea in Islamabad was informed through note verbale dated July 18, 2008, of the receipt of application in accordance with the requirements of Section 21 of the Ordinance.

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

The examination of the application showed that it met the requirements of Section 20 of the Ordinance as it contained sufficient evidence of dumping of seat belt parts/components from Korea and injury to the domestic industry caused therefrom. The requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

**6. Domestic Industry**

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

""domestic industry" means the domestic producers as a whole of the domestic like product or those of them whose collective output of that product constitutes a major proportion of the total domestic production of that product, except that when any such

domestic producers are related to the exporters or importers, or are themselves importers of the allegedly dumped investigated product in such a case “domestic industry” shall mean the rest of the domestic producers.”

6.2 The Applicant is manufacturing seat belt parts/components and seat belts in Pakistan with technical assistance of Autoliv, Australia, which is a wholly owned subsidiary of Autoliv, Sweden. According to the Applicant, there are 34 parts/components of seat belt and the Applicant is manufacturing 24 parts/components locally and importing 10 parts/components, including, Webbing, Webbing Retainer, ELR Retractor and Tongue (grey) etc., from Autoliv, Australia.

6.3 The Applicant in its application claimed that it is the only manufacturer of seat belt parts/components and seat belts in Pakistan. The Applicant identified a company i.e., Techno Pack Telecom (Pvt) Ltd., Karachi (hereinafter referred to as “Techno”) as the importer of seat belt parts/components from Korea at alleged dumped prices. At the time of initiation of investigation, the Commission accepted this claim. Consequently, the Commission accepted that the Applicant is the only manufacturer of seat belt parts/components and seat belts in Pakistan and considered the application to be filed by the domestic industry.

6.4 Upon initiation, the Commission through letter dated August 5, 2008 informed Techno of initiation of this investigation and also asked to provide information on the importer questionnaire. In response thereto, the Commission received a letter on August 16, 2008 from Techno claiming that the company is an ISO 9001 certified manufacturer of automotive seat belts in Pakistan since 2001. Thereafter, the Commission vide its letter dated August 29, 2008 asked Techno (who use seat belt parts/components imported from allegedly dumped source by Alpha International, an importer based in Karachi, Pakistan) to provide requisite information relating to manufacturing of seat belt parts/components on the prescribed other domestic manufacturer’s questionnaire. According to the information provided in response thereto, Techno is a private limited company manufacturing seat belt parts/components and seat belts.

6.5 The analysis of information gathered during investigation shows that besides the Applicant, Techno is another domestic manufacturer of seat belt parts/components and seat belts in Pakistan. The Applicant also alleged that Techno is itself importer of seat belt parts/components and is related to the importer of seat belt parts/components from Korea. The Commission is presently examining this claim and has asked the Applicant and Techno to substantiate their claims with evidence.

**Plastech Autosafe (Pvt.) Limited, (the Applicant)**

6.6 The Applicant submitted that manufacturing of seat belts consists of two assembly processes, i.e. Front Outer Seat Belt assembly and Buckle assembly. Outer Seat Belt is assembled from 21 parts/components, mainly Sash Guide, Tongue, Webbing, Webbing Retainer, ELR Retractor, ELR Bracket, Anchor & Anchor Cover. The Applicant is locally manufacturing the following 15 parts/components of Front Outer Seat Belt:

**List of Front Outer Seat Belt Parts/Components  
Locally Manufactured by the Applicant**

S. No.	Part Description	Source
1.	Sash Guide	Local
2.	ELR Bracket	Local
3.	Rivet Medium	Local
4.	Fiber Washer Large	Local
5. /6.	Tongue Stop Male/ Female	Local
7.	Anchor	Local
8.	Anchor Cover	Local
9.	Bush Anti Rattle	Local
10.	Bush Webbing Guide	Local
11.	Flange Bolt 35 MM	Local
12.	Flange Bolt Small	Local
13.	Screw 6 MM (Small)	Local
14.	Spacer Anchor	Local
15.	Label (Cotton)	Local

6.7 The Applicant is importing the following 6 parts/components of Front Outer Seat Belt from Autoliv, Australia and Germany:

**List of Front Outer Seat Belt Parts/Components  
Imported by the Applicant**

S. No.	Part Description	Source
1.	Tongue (grey)	Imported
2.	Webbing	Imported
3.	Web Retainer	Imported
4.	ELR 90-90 RH Retractor	Imported
5.	Spring Washer	Imported
6.	Thread Beige	Imported

6.8 There are 13 parts/components of stem buckle and main parts/components for manufacturing stem buckle are Stem, Buckle Cover top & bottom, Channel, Ejector spring, Press button. The Applicant is locally manufacturing 9 parts/components, which are as follows:

**List of Stem Buckle Parts/Components  
Locally Manufactured by the Applicant**

S. No.	Part Description	Source
1.	Rivet Small	Local
2.	Stem Plate	Local
3.	Buckle Cover Top	Local
4.	Buckle Cover Lower	Local
5.	Flange Bolt Small	Local
6.	Fiber Washer Large	Local
7.	Cantilever & Ejector Assy.	Local
8.	Press Button	Local
9.	Locking Bar	Local

6.9 The Applicant is importing the following 4 parts/components of stem buckle from Autoliv, Australia:

**List of Stem Buckle Parts/Components  
Imported by the Applicant**

S. No.	Part Description	Source
1.	Ejector Spring	Imported
2.	Channel-STEM or Steel Wire	Imported
3.	Latch K 12	Imported
4.	Spring Washer	Imported

6.10 The process of manufacturing seat belts by the Applicant is annexed.

**Techno Pack Telecom (Pvt) Ltd. (Techno)**

6.11 Techno is engaged in manufacturing of seat belt parts/components and seat belts in Pakistan since 2001. Techno is manufacturing seat belt parts/components and seat belts with the assistance of Korea Delphi Automotive Systems Corp., Korea (hereinafter referred to as "Korea Delphi"). Techno manufactures seat belts from 36 parts/components. Techno sells seat belts to Pak Suzuki Motor Company, Pakistan.

6.12 Techno is locally manufacturing the following 14 parts/components of Front Outer Seat Belts through its vendor:

**List of Front Outer Seat Belt Parts/Components  
Locally Manufactured by Techno**

S. No.	Part Description	Source
1.	Hook	Local
2.	Bolt	Local
3./4.	Blue/ Red Fiber Washer	Local
5./6.	Silver/Black Washer	Local
7.	Button	Local
8.	Anchor	Local
9.	Label	Local
10.	Silver Spacer	Local
11.	Black Spacer	Local
12.	Sliding Bar	Local
13.	Lower Bracket	Local
14.	Upper Bracket	Local

6.13 Techno is using the following 12 parts/components of Front Outer Seat Belt imported from Korea Delphi:

**List of Front Outer Seat Belt Parts/Components  
Imported by Techno**

S. No.	Part Description	Source
1.	Belt (Webbing)	Imported
2.	S/Screw	Imported
3.	Front Face	Imported
4.	Ejector	Imported

5.	R. Mounting	Imported
6.	Cable	Imported
7.	Pin	Imported
8.	Shield	Imported
9.	Spring	Imported
10.	Cover	Imported
11.	Rivet	Imported
12.	Washer	Imported

6.14 Techno is also locally manufacturing the following 6 parts/components of seat belt buckle through its vendor:

**List of Stem Buckle Parts/Components  
Manufactured by Techno**

S. No.	Part Description	Source Name
1.	Buckle Bracket	Local
2.	Large Spring	Local
3.	Small Spring	Local
4.	Cable Rivet	Local
5.	Pin Rivet	Local
6.	Solid Rivet	Local

6.15 Techno is using the following 4 parts/components of seat belt buckle parts/components imported from Korea Delphi:

**List of Buckle Parts/Components  
Imported by Techno**

S. No.	Part Description	Source Name
1.	Cap	Imported
2.	Bush	Imported
3.	Covers	Imported
4.	Bar	Imported

**7. Standing of the Application**

7.1 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 opinion 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 domestic like product produced by the domestic industry.

7.2 In the application, Applicant identified Techno as an importer of seat belts parts/components from allegedly dumped source. Accepting the Applicant’s claim that it is the only domestic producer of seat belt parts/components and seat belts at the time of filing of the application, the Commission believed that the Applicant represents 100 percent production of the domestic industry and initiated the investigation on August 5, 2008.

7.3 During the course of investigation, it was revealed that beside the Applicant, Techno is also a domestic manufacturer of seat belt parts/components and seat belts in Pakistan and the Applicant is one of the two manufacturers of seat belt parts/components and seat belts. During the investigation, the Commission, therefore, gathered information on production of seat belts of both the domestic manufacturers of seat belts and the domestic production of both units during the POI (i.e. July 01, 2007 to June 30, 2008) is given below:

	Installed capacity (Nos)	Production (Nos)	Supporting/opposing the Application
Plastech Autosafe	300,000	(49%)	Applicant
Techno	250,000	(51%)	Opposing
Total	550,000	(100%)	

7.4 The above table shows that production of seat belts by the Applicant and Techno constitutes 49 percent and 51 percent, respectively, of total domestic production during the period of investigation. Techno has opposed this application. The Applicant has alleged that since Techno is an importer of seat belt parts/components from Korea Delphi, therefore, it is the only manufacturer of seat belt parts/components and seat belts in Pakistan. This claim of the Applicant has been refuted by Techno who claims that it is also manufacturing seat belt parts/components and seat belts in Pakistan. As claimed, Techno is buying, seat belt parts/components not locally manufactured by it, from Alpha International (an importer) and Techno further claims that it is not related to the said importer.

7.5 In terms of Section 2(d) of the Ordinance, domestic producers who are related to the exporters or importers or are themselves importers of the allegedly dumped investigated product would not be considered as domestic industry. The issue whether Techno is related to the Korea Delphi or Alpha international an importer of seat belt parts/components at alleged dumped prices, is still to be resolved. Both the Applicant and Techno have been asked to provide necessary documentary evidence to substantiate their claim.

## 8. Exporters/Foreign Producers Involved in Alleged Dumping of Seat Belt Parts/Components

8.1 The Applicant identified one exporter/producer involved in alleged dumping of seat belt parts/components from Korea i.e. Korea Delphi. The Applicant also contended that there might be other producers and exporters of seat belt parts/components in Korea, who are not known to the Applicant. In case anti-dumping duty is imposed only on the producer/exporter identified in the application, there are chances that seat belt parts/components may be exported to Pakistan from Korea by other producers/exporters not subject to anti-dumping duty. Therefore, the Applicant has requested for imposition of anti-dumping duty on all producers/exporters of investigated product originating in and/or exported from Korea.

8.2 Import data of seat belts parts/components obtained from Pakistan Revenue Automation Limited (PRAL) revealed that there is only one exporter from Korea i.e., Korea Delphi exporting seat belts parts/components to Pakistan.

8.3 Upon initiation of the investigation, copy of the notice of initiation was sent to the Korean exporter/producer on August 05, 2008 identified by the Applicant.

## **9. Applicant's Views**

The Applicant, *inter alia*, raised the following issues in its application regarding dumping of seat belt parts/components and material injury to the domestic industry caused therefrom:

- i. Seat belt parts/components imported from Korea into Pakistan and domestic like product manufactured in Pakistan by the domestic industry are like products;
- ii. the exporter from Korea is exporting seat belt parts/components to Pakistan at dumped prices; and
- iii. export of seat belt parts/components by Korea Delphi to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing domestic like product, and seat belts mainly through:
  - a) increased volume of imports;
  - b) price undercutting;
  - c) price depression;
  - d) price suppression;
  - d) decline in market share;
  - e) negative effect on inventories;
  - f) decline in operating profit;
  - g) negative effect on cash flow;
  - h) negative effect on capacity utilization;
  - i) negative effect on productivity; and

## **10. Initiation of Investigation**

10.1 The Commission examined the accuracy and adequacy of the evidence provided in the application at the time of initiation of investigation and established that there was sufficient evidence of alleged dumping and injury to justify initiation of the investigation in terms of Section 23 of the Ordinance. Consequently, the Commission decided to initiate an investigation and issued a notice of initiation in terms of Section 27 of the Ordinance, which was published in the Official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one in English language and one in Urdu Language) on August 05, 2008.

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<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated August 05, 2008.

<sup>2</sup> 'The Nation' and the 'Daily Asas' of August 05, 2008 issue.



Investigation concerning imports of seat belt parts/components into Pakistan (classified under PCT<sup>3</sup> No. 8708.2190) contained in the First Schedule of Customs Act, 1969 (Act No. IV of 1969) originating in and/or exported from Korea was thus initiated on August 05, 2008.

10.2 The Commission notified the Embassy of Korea in Pakistan by sending a copy of the notice of initiation of investigation on August 05, 2008. The Embassy was also requested to forward notice of initiation to all the other exporters/producers of seat belt parts/components based in Korea, as the Commission did not had the addresses of all exporters/producers of seat belts parts/components in Korea. Copy of notice of initiation was also sent to Korea Delphi, to the known Pakistani importer, and to the Applicant on August 05, 2008, in accordance with the requirements of Section 27 of the Ordinance.

10.3 In accordance with Section 28 of the Ordinance, on August 06, 2008, the Commission also sent copies of full text of the written application (non-confidential version) to Korea Delphi and to the Embassy of Korea in Pakistan. The Embassy was also requested to forward non-confidential version of the application to all the other exporters/foreign producers of seat belt parts/components based in Korea.

## **11. Investigated Product, Like Product and Domestic Like Product**

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

### **i. Investigated Product**

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

### **ii. Domestic Like Product**

“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”.

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

### **Investigated Product:**

11.3 Applicant in the application mentioned that the investigated product is seat belt parts/components (all parts/components), originating in and/or exported from Korea into Pakistan. The investigated product is classified under PCT No. 8708.2190 and is used for manufacturing seat belts for cars. The information gathered during the investigation showed that the Applicant is manufacturing seat belts from 34 parts/components. As

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

stated in paras 6.7 & 6.9 supra the Applicant is importing 10 parts/components from Autolive, Australia and Germany, therefore, these parts/components would be excluded from the list of investigated product. Similarly the Applicant is locally manufacturing 24 parts/components of seat belt, which are given in paras 6.6 and 6.8 supra.

11.4 According to the information provided by Techno and verified during on-the-spot-investigation, it is manufacturing seat belts from 36 parts/components and is using 16 parts/components of seat belt imported from Korea Delphi by Alpha International. Out of these 16 parts/components the Applicant is also importing 12 parts/components and is locally manufacturing the following 4 parts/components of seat belt, which are imported by Alpha International. Therefore, the following parts/components of seat belt are considered as investigated product for the purposes of this preliminary determination:

<u>S.No.</u>	<u>Seat Belt Part/Component</u>
1.	Front Face (Sash Guide)
2.	Covers (Buckle Cover Top/Lower)
3.	Pin Retractor (Locking Bar)
4.	Bar (Press Button)

#### **Domestic Like Product**

11.5 The domestic like product is seat belt parts/components produced by the domestic industry in Pakistan. The domestic like product is also classified under PCT No. 8708.2190. The domestic like product is used in manufacturing of seat belts for cars.

11.6 The information provided by the Applicant shows that there are 34 parts/components of seat belt and it is locally manufacturing 24 parts/components. Out of these 24 parts/components only the 4 following parts/components would be considered as domestic like product:

<u>S.No.</u>	<u>Seat Belt Part/Component</u>
1.	Sash Guide (Front Face)
2.	Buckle Cover Top/Lower (Covers)
3.	Locking Bar (Pin Retractor)
4.	Press Button (Bar)

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

- i. the basic raw materials used in production of the investigated product and the domestic like product are same/similar;
- ii. all the four parts/components (the investigated product and the domestic like product) are produced with a similar manufacturing process;
- iii. all the four parts/components are substitutable in use. They are mainly used in manufacturing of seat belts for cars; and

- iv. all the four parts/components are classified under the same PCT/HS No. 8708.2190.

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

## **12. Period of Investigation**

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

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

"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".

12.2 The POI selected for dumping and injury are, therefore, respectively, as follows:

For determination of dumping:	From July 01, 2007 to June 30, 2008
For determination of material injury:	From July 01, 2005 to June 30, 2008

## **13. Information/Data Gathering**

13.1 The Commission sent questionnaire along with full text of the written application (non confidential version) on August 6, 2008 to Korea Delphi and was asked to respond within 37 days of the dispatch of the questionnaires i.e., by September 11, 2008. A questionnaire was also sent to the Embassy of Korea in Islamabad on August 6, 2008 with a request to forward it to all the other exporters/producers of the investigated product in Korea.

13.2 Korea Delphi did not respond to the Commission's questionnaire within the prescribed time period. Korea Delphi, after expiry of time period given to respond, was informed vide letter dated September 15, 2008 that since it has not provided requisite information on the prescribed questionnaire within the stipulated time period of 37 days, the Commission may make preliminary and final determination of dumping on the basis of Best Information Available in terms of Section 32 of the Ordinance and, Article 6.8 and Annexure II to the Agreement on Antidumping.

13.3 As stated in paragraph 6.4 *supra*, the Commission received a letter on August 16, 2008 from Techno (initially identified as importer by the Applicant) claiming that the

company is ISO 9001 certified manufacturer of automotive seat belts in Pakistan since 2001. The Commission vide its letter dated August 29, 2008 asked Techno, who are using investigated product imported from Delphi Korea by Alpha International, to provide requisite information relating to manufacturing of seat belt parts/components on a prescribed questionnaire. They were further informed that all information asked for in the prescribed questionnaire including cost to make and sell of complete seat belt as per Appendix 3 of the questionnaire may be provided at the earliest.

13.4 The Commission maintains a database of import statistics, obtained on quarterly basis, from PRAL, the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this preliminary determination the Commission has also used import data obtained from PRAL in addition to the information provided by the Applicant.

**14. Questionnaire(s) Response by Techno Pack Telecom (Pvt.) Ltd.**

14.1 As stated in paragraph 6.4 supra, the Commission vide its letter dated August 29, 2008 asked Techno to provide requisite information relating to manufacturing of seat belt parts/components by it on the prescribed questionnaire. The Commission through its letter dated September 15, 2008 reminded Techno that information on prescribed questionnaire has not been submitted within the stipulated time period. Questionnaire response from Techno was received in the Commission on October 18, 2008. According to the information provided in response to the questionnaire by Techno, it is a private limited company manufacturing seat belt parts/components and seat belts.

14.2 The information submitted by Techno in response to the questionnaire included list of seat belt parts/components locally manufactured and those purchased from the importer. However, Techno did not provide essential information for the purpose of this investigation to the Commission in the questionnaire, including, Techno's sales volume, total size of domestic market, Techno's share in the domestic market, inventories, production, installed capacity, capacity utilization and cost of production. Accordingly, these data deficiencies were communicated to Techno through an e-mail message dated October 19, 2008.

14.3 Techno was asked to provide the deficient information/data no later than October 27, 2008, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. However, Techno did not provide the deficient information despite repeated verbal requests over telephone and during meetings with the officers of the Commission.

**15. Verification of Information**

15.1 In order to verify the information/data provided by the Applicant and to obtain further information, on-the-spot investigation was conducted at the offices and plant of the domestic producer from August 18 to 20, 2008. On-the-spot investigation was also conducted at the offices and plant of Techno from December 30 to 31, 2008. During on-the-

spot investigation, Techno provided production and sales figures for one financial year i.e. 2007-08.

15.2 According to the information provided by Techno which was verified from the record maintained at its offices and plant during on-the-spot investigation, it is manufacturing seat belts by using 20 locally manufactured and 16 parts/components of seat belt imported from Korea Delphi by Alpha International. Out of these 16 parts/components the Applicant is manufacturing only 4 parts/components, which are considered as investigated product in this preliminary determination.

15.3 The Applicant is locally manufacturing 24 parts/components of seat belt (reference paras 6.6 and 6.8 supra) whereas Techno is manufacturing 20 parts/components locally and importing 16 parts/components of seat belt from Korea Delphi. A detailed comparison of parts/components imported and manufactured locally by Techno and the Applicant is given below:

**Comparison of the Applicant Parts/Components  
with that of Techno**

S. No.	Seat Belt Parts/Components of Techno	Local/Imported through Alpha	S. No.	Seat Belt Parts/Components of the Applicant	Local/Imported
1.	Belt (Webbing)	Imported	1.	Webbing	Imported
2.	S/Screw	Imported			
3.	<b>*Front Face</b>	<b>Imported</b>	2.	<b>Sash Guide</b>	<b>Local</b>
4.	Ejector	Imported	3.	Tongue	Imported
5.	R. Mounting (Retractor)	Imported	4.	ELR 90-90 Retractor	Imported
6.	Cable (Retractor)	Imported			
7.	Shield (Retractor)	Imported			
8.	Spring (Retractor)	Imported			
9.	Cover (Retractor)	Imported			
10.	Rivet (Retractor)	Imported			
11.	Washer (Retractor)	Imported			
12.	<b>*Pin (Retractor)</b>	<b>Imported</b>			
13.	Cap	Imported			
14.	Bush	Imported	6.	Latch K-12	Imported
15.	<b>*Buckle Covers</b>	<b>Imported</b>	7.	<b>Buckle Cover Top</b>	<b>Local</b>
			8.	<b>Buckle Cover Lower</b>	<b>Local</b>
16.	<b>*Bar</b>	<b>Imported</b>	9.	<b>Press Button</b>	<b>Local</b>
			10.	ELR Bracket	Local
	Lower Bracket				
17.	Upper Bracket	Local			
18.	Button	Local	11./12.	Tongue Stop Male/Female	Local
19./20	Blue/Red Fiber Washer	Local	13.	Fiber Washer Large	Local
21.	Silver Washer	Local	14.	Spring Washer	Imported
22.	Black Washer	Local	15.	Spring Washer	Imported
			16.	Anchor Cover	Local

23.	Anchor	Local	17.	Anchor	Local
24.	Label	Local	18.	Label (Cotton)	Local
25.	Silver Spacer	Local	19.	Spacer Anchor	Local
26.	Black Spacer	Local	20.	Bush Anti Rattle	Local
27.	Sliding Bar	Local			
28.	Bolt	Local	21.	Screw 6 MM (Small)	Local
29.	Hook	Local			
30.	Buckle Bracket	Local	22.	Stem Plate	Local
31.	Large Spring	Local	23.	Ejector Spring	Imported
32.	Small Spring	Local	24.	Channel - Stem	Imported
			25.	<b>Cantilever &amp; Ejector Assy.</b>	Local
33.	Cable Rivet	Local	26.	Flange Bolt Small	Local
34.	Pin Rivet	Local	27.	Rivet Small	Local
35.	Solid Rivet	Local	28.	Fiber Washer Large	Local
36.	Thread	Local	29.	Thread Beige	Imported
			30.	Bush Webbing Guide	Local
			31.	Flange Bolt 35 MM	Local
			32.	Web Retainer	Imported
			33.	Rivet Medium	Local
			34.	Flange Bolt Small	Local

\* The items highlighted in the above table are being considered as investigated product for the purpose of this preliminary determination.

**16. Public File**

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

**17. 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.

**18. Views/Comments of the Interested Parties**

Comments received on the application and initiation of the investigation from Techno vide its letter dated September 23, 2008 and January 19, 2009 and germane to this investigation under the Ordinance are reproduced in Column A and the Commission’s views/comments thereon are set out in Column B:

Column A

Column B

**Para 2 of the letter dated 23.09.2008**  
“...NTC has initiated the investigation

The Commission follows a due process provided for under the Ordinance. The

against this false allegation, made under competitor jealousy, without completely examining all relevant legal criterions.”

Commission received an anti-dumping application under Section 20 of the Ordinance and Rule 3 of the Rules, from Plastech Autosafe; the Applicant. The Applicant alleged that Korea Delphi is exporting seat belt parts/components to Pakistan at dumped prices, which is causing material injury to domestic industry producing seat belt parts/components. The Applicant claimed in the application filed with the Commission that it is the only producer of seat belt parts/components and seat belts in Pakistan.

**Para 4 of the letter dated 19.01.2009** “ Techno is the biggest producer of the seat belt parts/components and seat belts in the country. During the year 2007-2008 Techno produced 70% of the total production of seat belt parts/components and/or seat belts. Information has already been supplied to the NTC.”

Production data for the POI of the Applicant shows that it represents 49% and Techno represents 51% of the total production of seat belts in the year 2007-08. Reference paragraphs 7.3 & 7.4 supra.

**Para 6 of the letter dated 19.01.2009** “Techno is opposing the application filed by Plastech Autosafe Ltd. This fact has already been conveyed to NTC vide our letter dated Dec 31<sup>st</sup>, 2008. In view of the above facts, the application filed by Plastech Autosafe Ltd. does not fulfill requirement of Sub-section 1 of Section 24 of the Ordinance and could not be considered as filed by or on behalf of the domestic industry. Thus, initiation of an antidumping investigation on alleged dumping of seat belt parts/components from Korea by the NTC is a violation of Section 24 of the Ordinance.

In the application filed by Plastech Autosafe Ltd. Techno was identified as an importer of the investigated product, therefore, the Commission, *prima facie*, considered the Applicant to be the only producer of seat belt parts/components and seat belts in Pakistan and determined that this application for initiation of antidumping investigation had 100% support of the domestic industry.

However, during investigation, Techno informed the Commission that it is also a domestic manufacturer of seat belt parts/components and seat belts in Pakistan. Techno further claimed it is not importer of seat belt parts/components and is not related to the exporter or importer of seat belt parts/components from Korea. This issue is being examined in the Commission.

**B. DETERMINATION OF DUMPING AND MATERIAL INJURY TO DOMESTIC INDUSTRY**

**19. Dumping**

19.1 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”.

19.2 As stated in paragraph 9 supra, the Applicant alleged that all seat belt parts/components are being dumped into Pakistan by Korea Delphi and identified all parts/components of seat belt as investigated product. However, it transpired during the investigation that investigated product does not consist of all parts/components of seat belt rather it comprises of only four parts/components of seat belt (paragraph 11.4 supra). The Commission is further investigating the scope of investigated product, therefore, it has not made a determination of the investigated product in this preliminary determination.

19.3 Since the investigated product has not yet been determined, the determination of dumping (through a fair comparison of normal value and export price of investigated product during the POI) could not be made at this stage of the investigation.

**20. Injury to Domestic Industry**

20.1 Section 15 of the Ordinance defines injury to the domestic industry as follows:

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

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

20.2 The Applicant alleged that Techno is an importer of the investigated product at alleged dumped prices from Korea Delphi, whereas, Techno vide its letter dated January 19, 2009 stated that it is neither itself importer of investigated product nor is related to the exporter or importer of the investigated product in terms of Section 2(d) of the Ordinance.

20.3 The Commission is still determining this fact and, therefore, “domestic industry” under Section 2 (d) of the Ordinance for the purposes of this investigation is yet to be determined. Standing of the application in terms of sub-sections (1) and (2) of Section 24 of the Ordinance would be determined after determination of “domestic industry”. Therefore, injury to the domestic industry could not be determined at this stage of investigation.

**21. CONCLUSIONS**



The Commission has made this preliminary determination on the basis of information available with the Commission at this point of time. Since certain issues relating to the scope of investigated product, domestic industry (whether the other producer of seat belt parts/components and seat belts i.e. Techno is related to the importer or exporter of the investigated product) are being further probed, the Commission was constrained not to make a determination of dumping of investigated product and injury to the domestic industry producing domestic like product in this preliminary determination.

(Mrs. Batool Qureshi)  
Member  
February 18, 2009

(Muhammad Ikram Arif)  
Chairman  
February 18, 2009